



SHIPPING GROUP

Sustainability report



2023 / 2024



TABLE OF CONTENT

Letter from the board	2
Our vision	3
SDG	4
Double materiality at JR Shipping Group	6
ENVIRONMENT - CHALLENGES AND GOALS	10
Climate change	12
Pollution of environment & ecosystems	16
Innovation	18
SOCIAL - PEOPLE FIRST	23
Own workforce & labour rights	24
Safety, security, and well-being	26
Human Capital	28
Diversity, Equity and Inclusion (DE&I)	30
GOVERNANCE - OPEN IN BUSINESS	35
Business ethics	36
Data ethics	38
Sustainable procurement	40
Stakeholder engagement	42
Appendix 1 - DMA Methodology	44
JR Shipping Group - Future Ready in a Sustainable way	46

Letter from the board

Sharing commitment for sustainability in short sea shipping.

In a world where environment is the talk of the town for years. More and more environmental challenges arise. The global shift in focus towards sustainability has never been more critical. In 2023, the amount of extreme weather events rise rapidly. Climate change is showing its grim face. Tough action to reduce emissions, and reduce our ecological footprint, especially in CO2, is vital.

As management and employees of JR Shipping Group, specialised in short sea shipping and offshore services, we realise that the shipping industry must prepare for cleaner processes, maximum fuel efficiency, and a joint transition to new, renewable energy sources. This is one of the reasons why we are serious about initiatives and concrete measures to make shipping more sustainable.

There is another reason - a pragmatic one that fits our corporate culture. Remaining passive and putting off investments will inevitably lead to a backlog in business. Making our fleet and processes more sustainable is essential to maintaining our competitive position, securing added value for our clients, and maintaining support for maritime transport as a whole. Also, for this existential reason, sustainability goals and projects are widely supported within our shipping group.

In 2023, we collaborated on many initiatives and projects, often with our clients and other stakeholders. Where a boost

is needed to set innovative developments in motion, we do not shy away from that role. We also look with interest at inspiring examples in the various shipping markets. There, we see that mainly larger shipping companies and container line operators make a lot of nautical miles around sustainability plans, but that medium-sized and smaller companies lag somewhat behind.

As JR Shipping Group, we are convinced that making global shipping more sustainable is not only good for the planet we share. In the many steps we are taking and will take, we also ask ourselves another question: what is the benefit, immediate or long-term, for our employees, clients, investors, and other stakeholders? Ultimately, innovations, the transition to renewable energy sources, and the courage to change our routines and patterns will result in greater profitability for the entire maritime industry. And, not insignificantly, public support for the shipping industry will continue or even grow.

New insights, new opportunities. Step by step, we are building a new, future-proof industry that guarantees the continuity of essential transport flows and takes responsibility for people, animals, vulnerable ecosystems, and the quality of our seas and oceans. That's why we say to everyone who is involved in our great business: **Let's commit together** to sustainability in short-sea shipping!


Jan Reijer Arends
Sander Schakelaar

Managing Owners JR Shipping Group

November, 2024

Our vision

‘We focus on improvements for the benefit of our environment and our stakeholders. That is sustainability with heart and mind.’

JR Shipping Group

Great business, great challenges - committing to sustainability in short sea shipping

Global shipping is essential for connecting nations and continents and for a healthy global trade and economy. Short sea shipping, essential for onwards transport from the main ports to smaller, local ports, has a significant share in this. That is why we are proud that JR Shipping Group has dedicated itself to short sea shipping for more than 30 years.

However, the world has changed and continues to change. The biggest challenge is the transition from fossil fuels to sustainable ones. This is also a responsibility for the shipping industry. As a ‘big user’ of fossil fuels, maritime

transport has an impact on global warming that cannot be underestimated. JR Shipping Group takes its duty to change course seriously. Reducing and - ultimately - neutralising emissions is a key issue for us.

Our goals are ambitious and can only be achieved with the best people and partners. Diversity produces the best results. Doing business requires social commitment, transparency, respect, and trust. Because the road to sustainable shipping can only be travelled successfully by joining forces.



SDG

‘We consider the Sustainable Development Goals (SDGs) as essential pillars of our business operations, with the maritime industry holding a unique responsibility in promoting sustainability.’

JR Shipping Group

Sustainable development goals

JR Shipping Group is committed to the Sustainable Development Goals. The Sustainable Development Goals (SDGs) of the United Nations (UN) provide a framework for attaining the objectives and targets set by UN Member States that together signal what needs to be done to protect our planet, fight injustice, and end poverty.

We have aligned our sustainability priorities with the SDGs. Committed as we are to influence every SDG in a positive way, our influence and impact does not reach that far that it directly influences each SDG in an equal way. Therefore goals: 3, 4, 5, 7, 8, 10, 12, 13, 14, 16, and 17 are our main points of interest. At JR Shipping Group, we consider the Sustainable Development Goals (SDGs) as essential pillars of our business operations, with the maritime industry holding a unique responsibility in promoting sustainability.

SDG 3 (Good Health and Well-Being), SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action), and SDG 14 (Life Below Water) are our top priorities. A healthy and safe working environment for our crew is crucial, while we also focus on innovative energy solutions for our vessels and minimizing our impact on the marine ecosystem.

We believe that **SDG 4 (Quality Education)** and **SDG 5 (Gender Equality)** are crucial. Well-trained and diverse teams are essential for our operational efficiency and safety. In an industry that often faces a shortage of skilled personnel, we are committed to training and development, as well as promoting equal opportunities for all.

SDG 8 (Decent Work and Economic Growth) and **SDG 10 (Reduced Inequalities)** influence our approach to labor conditions and local economies. We strive for fair labor practices and create employment opportunities in the communities where we operate, contributing to both economic growth and social equality.

Additionally, **SDG 12 (Responsible Consumption and Production), SDG 16 (Peace, Justice, and Strong Institutions), and SDG 17 (Partnerships for the Goals)** are important for ensuring transparency and collaboration within our industry. Sustainable and responsible entrepreneurship is essential in the maritime industry, and we believe that by working together with partners, governments, and other stakeholders, we can create more effective solutions to the challenges we face.

We are confident that our efforts towards these SDGs will help and benefit us in the long term, to make JR Shipping Group the thriving and sustainable organization we want to be. In any possible way.



At JR Shipping Group, we consider the Sustainable Development Goals as essential pillars of our business operations, with the maritime industry holding a unique responsibility in promoting sustainability. We have aligned our sustainability priorities with the SDGs. Committed as we are to influence every SDG in a positive way, our influence and impact does not reach that far that it directly influences each SDG in an equal way. **The Sustainable Development Goals (SDG's) 3, 4, 5, 7, 8, 10, 12, 13, 14, 16, and 17 are our main points of interest. Of which SDG 3, 7, 13 & 14 have the major attention.**



Double materiality at JR Shipping Group

Materiality assessment and priorities

In 2023, we conducted a single materiality assessment to deepen our understanding of our impact on the external environment and to evaluate ESG risks and opportunities in preparation for the upcoming CSRD regulation in the European Union. In 2024, we updated our ESG strategy and prioritisation, now grounded in the concept of double materiality. The European Sustainability Reporting Standards (ESRS) have introduced more rigorous criteria, providing a standardised approach for conducting and reporting on double materiality. Each topic was assessed for its severity—considering scale, scope, and remediable aspects—as well as its financial implications, including the likelihood of occurrence and potential financial impacts on performance, assets and liabilities, cash flows, access to finance, and cost of capital.

The adoption of double materiality goes beyond mere formality; it represents a deliberate and proactive step forward. Our aim is to align our materiality approach more closely with the upcoming CSRD regulations, leveraging the concrete guidance on double materiality requirements. This step allows us to further examine our impact and the related effects on our business, leading to a reassessment and refinement of our priorities.

As shown in Figure 1*, the results of our assessment closely align with our existing ESG strategy, emphasising key areas such as climate change, pollution, innovation, workforce and labour rights, diversity, equity, and inclusion (DE&I), and business ethics. Our material priorities are

centred on addressing the most critical issues where our activities have the greatest impact on people and the planet, as well as in areas where JR Shipping Group faces financial risks or opportunities.

While these material priorities are not exhaustive, they focus on the most pressing areas. Topics such as waste management (ship recycling), workers in the value chain, and the impact on affected communities were identified as relevant in our assessment but did not meet the thresholds established for materiality. Some topics met the criteria for impact materiality but not for financial materiality. In cases where a topic was deemed material from an impact perspective, it was considered material regardless of its

financial impact. Table 1 illustrates whether a material topic has a positive or negative impact, or both, as well as if it has a financial material impact.

During the double materiality process, we followed the overall outline of the CSRD and ESRS. However, it is important to note that the double materiality assessment is not fully CSRD-compliant, as not all the requirements could be fulfilled. For detailed information on the limitations encountered, please see to the Appendix 1 - DMA Methodology. Despite these limitations, the assessment process was instrumental in guiding us to redefine and streamline our priorities. It ensured that we focused on the most critical issues that our operations have the greatest impact on and those that could significantly affect us. This refined focus is essential for addressing our most influential areas, avoiding the risk of overextension, and enabling us to implement meaningful changes.

The updated list of material topics now forms the foundation of our ESG priorities. Our business strategy and goals align with these priorities, demonstrating our commitment to minimising our environmental footprint on the planet and oceans, prioritising the health and well-being of our employees, and fostering a corporate culture that

* Please see more information on the topics in the relevant chapters.

Figure 1: Materiality for JR Shipping Group





upholds ethical business practices. In this report, we will explain why these specific topics are material and essential to us, outline our targets and ambitions, and outline the new measures we have implemented for each topic. Table 1 is presented to show some context to the materiality analysis. In the table, the different material topic are presented by ESG category, together with a description of the impact and the insights and inputs needed for the analysis

Our materiality assessment is a crucial tool that ensures our efforts are focused on the areas with the most significant impact on JR Shipping Group, our stakeholders, and the entire value chain. The materiality assessment has

resulted in the development of the matrix. The positioning of the topics reflects their significance and relevance to the impacts on JR Shipping Group, our stakeholders, and the entire value chain, as well as the financial effects on all these parties.












To provide a more comprehensive understanding of these areas, we have also detailed each topic in the accompanying table. While the matrix highlights broader material topics such as “Own Workforce,” the table further breaks these material topics down into specific sub-topics, such as working conditions, health & safety, and diversity. This layered approach allows us to address each critical

aspect of our operations with the attention it deserves, ensuring that the report covers all relevant topics in depth.

By presenting the information in this way, we aim to offer both a clear and concise overview while also providing detailed insights into each key area. This dual-layered approach helps us maintain a strategic focus on the most impactful areas while also ensuring that no important issue is overlooked. For more information on the methodology applied, please see the Appendix 1.

In the figure, the results of our Double Materiality analysis can be seen, with the demanded explanation in the table on page 9.

Table 1: Materiality overview

INSIGHTS AND INPUTS			
		• International Standards • Regulatory Requirements	• Expert Dialogues • Employee Engagement
			• Industry Benchmarks and Standards
			• Market Research
ESG CATEGORY	MATERIAL ISSUES	IMPACT DESCRIPTION	
Environment	 Climate Change	€ Climate Change Adaptation	> Increased vulnerability of our operations due to climate-related physical risks, such as extreme weather events, leading to potential disruptions in services, material damage, and impacting workforce safety
		€ Climate Change Mitigation	> Risks related to greenhouse gas emissions across our operations and the carbon footprint associated with our energy consumption.
	 Pollution of environment & ecosystems	€ Pollution to air & water	> The release of pollutants into air and water sources from our vessels and assets
		Water Withdrawals, Consumption, Use, and discharges	> Use and release of water resources, impacting local ecosystems and communities' access to clean water
		Biodiversity loss	> The decline in biodiversity caused by our operations, including habitat disruption and the introduction of invasive species, impacting local wildlife and ecosystems
	 Innovation	€ Carbon reduction strategies	> Adopting carbon reduction strategies, technologies, and practices to lower emissions
Social	 Own workforce & labour rights	€ Working conditions	> Ability to provide good work environments, secure employment, decent work times, wages, work-life balance, and freedom of association to our employees
	 Safety, security, and well-being	Health & safety	> Risks of workplace accidents and other hazards that could compromise the health and safety of our employees
	 Human Capital	€ Training & Development	> Impacting employee skills and capabilities through training and development programs
	 DE&I	€ Violence and Harassment	> The risk of workplace violence and harassment, particularly among vulnerable groups
		Diversity	> Challenges and e workplace
Governance	 Business Ethics	Corporate culture	> Promoting a strong corporate culture and transparency in JR Shipping and in our business relations
		Protection of whistle-blowers	> Impacts related to access to grievance mechanisms and safeguarding individuals who report unethical or illegal activities
		€ Corruption and bribery	> Risks associated with corrupt practices and bribery within our operations
	 Data Ethics	€ Privacy and personal safety of our employees and End-Users	> The privacy and personal data of employees and end-users, particularly in the context of ethical data use.
	 Sustainable procurement	€ Supplier relationships	> Impacts related to being a responsible and ethical business partner towards our value chain
	 Stakeholder Engagement	Political engagement	> The influence of our involvement in political advocacy and policy-making and influencing regulatory landscapes

 Negative impact
  Positive impact
  Negative and positive impact
  Financially material impact



ENVIRONMENT - CHALLENGES AND GOALS

'We strive to create a culture of sustainability within JR Shipping Group. We believe that by taking a comprehensive and proactive approach to sustainability, we can help create a better and more sustainable future.'

Environmental Stewardship at JR Shipping Group

At JR Shipping Group, we recognise that our operations are linked to the health of the planet. As we are part of the international maritime industry, we feel a responsibility to minimise our environmental footprint and contribute to the sustainability of the ecosystems we rely on. The environmental challenges we face—ranging from climate change and pollution to biodiversity loss—are not just external risks; they are integral to how we operate and define success.

Our approach to environmental stewardship is integral to our business strategy. We are focused on implementing measures that reduce our environmental footprint while maintaining operational efficiency. This section of our sustainability report provides an overview of our efforts to address key environmental challenges, including climate change, pollution, and the preservation of marine ecosystems.

As we navigate the complexities of international shipping, our focus remains on creating a balance between economic growth and environmental responsibility. By integrating environmental considerations into our operational practices, we aim to not only respond to the demands of today but also prepare for the challenges and opportunities of the future.

- **Climate change**
- **Pollution of environment & ecosystems**
- **Innovation**







Climate change

Why it is material

Climate change is a critical material issue for JR Shipping Group due to its substantial impact on both the environment and our operations.

From an Inside-Out Perspective:

Our shipping activities significantly contribute to our carbon footprint, making climate change a central concern. Our impact materiality assessment has highlighted the substantial environmental challenges associated with our operations, reinforcing our commitment to addressing these issues. This assessment has underscored the significant role we play in environmental sustainability and has been instrumental in shaping our strategic response.

From an Outside-In Perspective:

Climate change and environmental pollution are key factors that could affect our financial health. Risks such as operational disruptions, increased regulatory costs, and potential penalties are directly linked to environmental challenges. Our financial materiality assessment has revealed how these factors could impact our financial performance, emphasizing the importance of integrating climate change considerations into our risk management and strategic planning.

Ambition

We are committed to responding to the climate crisis by reducing our CO₂ emissions, aiming to align with the goals of the Paris Agreement.

Targets

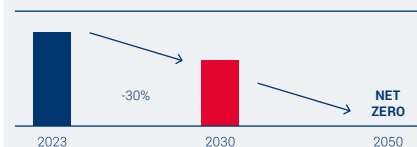
2030:

- 30% reduction in CO₂ emissions by 2030.

2050:

- Net zero across our business and 100% green solutions to customers.

Planned reduction of CO₂ emissions intensity



Making the first miles on an enhancing journey

Since 2022, the theme of ESG—Environment, Social, Governance—has been a central focus at JR Shipping Group. The urgency of addressing climate change has only intensified, with 2023 marking the hottest year on record and a surge in severe weather events. In response, JR Shipping Group has taken proactive steps to identify and manage climate-related risks by assessing our impacts, risks, and opportunities through our materiality process. This includes evaluating both physical risks, such as extreme weather events, and transition risks, like regulatory changes and market shifts. Currently, these assessments are embedded in our ESG strategy, with plans to develop a more robust risk management framework that will ensure climate considerations are deeply integrated into our strategic decision-making. Once this framework is established, we will also conduct scenario analyses to assess the resilience of our business strategy under different climate-related scenarios. Oversight of climate-related issues will be managed by our managing owners, which will regularly review and approve climate strategies and risk management processes. Senior management will be responsible for the implementation of these strategies, ensuring alignment with our overall business objectives. The risk management process and oversight that are applied to climate change are also the same for our other material topics.

Progress in Decarbonisation

Since initiating our ESG journey, we have made significant strides, beginning with mapping the fleet's ecological footprint and identifying quick wins. One key metric we monitor is the Carbon Intensity Indicator (CII), which provides a ranking similar to energy labels for real estate. While our larger vessels have performed well according to CII standards, our smaller Volharding 750 TEU vessels required immediate action to reduce CO₂ emissions and improve their ratings. These efforts have led to concrete progress in our decarbonisation journey.

At JR Shipping Group, we are committed to advancing innovative solutions that align our existing vessels with evolving sustainability standards. A key recent achievement has been the successful installation and operation of all 10 ordered Filtree/EGCS units, alongside the



implementation of an innovative Carbon Capture Concept on all 10 vessels. These Exhaust Gas Cleaning Systems play a crucial role in reducing our carbon footprint by significantly lowering harmful emissions, improving engine efficiency, and supporting the circular 'Carbon Capture' system. First pilots of the carbon capture and storage technique were conducted in 2023, with further developments ongoing in 2024. If successful, this concept could represent a significant step forward in reducing CO2 emissions in the short term, with the support of ports being vital due to the logistical challenges involved. We hope that we can establish a relation with the ports we dock, in which both parties do their maximum to reduce the CO2 lost by inefficiency in docking schedule, fuel facilities and other processes that need to be aligned.

More information on carbon capture can be found in the [innovation](#) section.

Additionally, we have made significant progress in the use of biofuels, with successful bunkering solutions now in place. To maintain compliance with CII limits, we utilised biofuels on select vessels in the last quarter of 2023. As we prepare for the upcoming FuelEUMaritime regulations in January 2025, we are actively exploring compliant biofuels and assessing their overall environmental impact, from production to usage, to decide our biofuel of choice. Unfortunately the availability of the biofuels is on the regarded level, making it hard to obtain and costly to switch to. Because we see the importance of reducing our footprint we sometimes pay the charterer to use biofuel instead of fossil fuel, where normally this is responsibility of the charterer.

Our focus is not just on current vessels; we are also paving the way for the next generation of shipping. The years 2022 and 2023 marked the beginning of this journey. While the ultimate goal of climate-neutral shipping will not be achieved overnight, we are taking pragmatic steps to initiate a shift in thinking and operations within the industry. The transition to climate-neutral shipping will depend largely on the industry's willingness and ability to invest in new vessel designs.

More information on next generation vessel designs can be found in the [innovation](#) section.

These measures have successfully reduced the CO2 emissions of our vessels to acceptable levels while maintaining their competitive position. It is important to note that

smaller vessels, like the Volharding 750 TEUs, inherently produce more emissions due to their operational characteristics. These vessels typically cover shorter distances at higher speeds and often have relatively long port stays. As a result, the formula used tends to disadvantage them, as it doesn't fully account for the fact that CO2 emissions are actually higher while the vessel is in port compared to when it is sailing. These factors unavoidably lead to suboptimal CII performance, yet we continue to work on improvements. By the end of 2023, several of our vessels achieved excellent CII ratings, with many earning A or B scores. However, due to the specific operational demands of the Volharding 750 TEUs, some of our ships received a D rating. We remain committed to enhancing performance across our entire fleet.

Table 2: CII Rating of our Vessels by the end of 2023*

Vessel	Preliminary rating corrected	Vessel	Preliminary rating corrected
Empire	A	Encounter	D
Escape	B	Endurance	D
Essence	B	Energy	D
Emotion	B	Endeavor	D
Espoir	B	Energizer	D
OOCL Rauma	B	Enforcer	D
Esperance	C	Ensemble	D

*On the day of publication, the data of the Energizer is not officially verified, therefore the rating is a preliminary one

‘Climate change is a critical material issue for JR Shipping Group due to its substantial impact on both the environment and our operations.’

JR Shipping Group

Commitment to Offshore Wind Energy and Sustainable Fuel Use

Through our affiliated company, SeaZip Offshore Service, JR Shipping Group is involved in the development of offshore wind projects, which are pivotal in creating a sustainable energy future. Our commitment to addressing climate change is at the core of SeaZip's operations, where we primarily provide specialised services to support offshore wind farm projects—key drivers in the global transition to renewable energy.

Offshore wind energy is essential in the shift from fossil fuels to cleaner, more sustainable energy sources. By transporting people and goods for the installation, maintenance, and operation of offshore wind farms, SeaZip plays a role in expanding this renewable energy infrastructure. This work not only supports the generation of clean electricity but also contributes significantly to reducing global greenhouse gas emissions, a crucial step in combating climate change.

Our specialised vessels ensure the efficient and reliable operation of offshore wind farms by transferring personnel to these sites. This, in turn, supports the continued growth of renewable energy capacity, helping to meet increasing energy demands in a sustainable manner. SeaZip's involvement in these projects reflects our broader commitment to sustainability and aligns with our goals to support the decarbonisation of the industry.

As the world intensifies its efforts to address climate change, SeaZip is proud to be part of the solution, driving the adoption of renewable energy and contributing to a more sustainable future. In line with this commitment, we are continually exploring innovative solutions to reduce our environmental impact and enhance the sustainability of our operations.

A significant advancement in this journey is the introduction of Hydrotreated Vegetable Oil (HVO) biofuel across our SeaZip fleet. While our ships' engines were already equipped to handle HVO biofuel, recent certification allows us to utilise this advanced fuel to power 7 out of 9 of our vessels, with the other two hopefully coming soon.

HVO is a high-quality renewable diesel produced from 100% renewable raw materials, such as waste and residues from vegetable oils and animal fats. Through hydrotreatment, these raw materials are converted into a stable and clean-burning fuel that mirrors fossil diesel.

chemically but offers several key advantages. Most notably, HVO can reduce lifecycle greenhouse gas emissions by up to 90% compared to conventional fossil diesel. This substantial reduction is crucial in helping us meet our carbon reduction targets and aligns perfectly with our commitment to minimising environmental impact.

Moreover, HVO can be used as a direct replacement for fossil diesel without requiring modifications to existing engines or fuel systems. This seamless integration ensures that we can transition to this greener fuel while maintaining the performance and reliability of our vessels. In addition to its significant CO2 reduction capabilities, HVO also produces fewer harmful pollutants, such as nitrogen oxides (NOx) and particulate matter (PM), improving air quality in port areas and other regions where our vessels operate.

The adoption of HVO biofuel marks a significant step in advancing the sustainability profile of our SeaZip fleet and supports our broader strategy to implement innovative solutions that reduce our environmental impact. By incorporating HVO into our fuel mix, SeaZip not only is reducing its carbon footprint but also tries to take a leading by example role in the maritime industry's shift towards more sustainable practices. While we are actively working towards broader adoption of HVO across our fleet, this initiative underscores our commitment to innovation and sustainability, ensuring that our fleet continues to operate in an environmentally responsible manner while meeting the evolving expectations of our stakeholders. As we continue to explore and adopt sustainable technologies, the possibility to use HVO biofuel represents a meaningful step forward in our efforts to contribute to a greener, more sustainable maritime industry. Unfortunately, the potential of this green solution is not yet fully realized due to high costs, limited availability, and insufficient infrastructure. Nevertheless, we are pleased with the initial tests of biofuel use.

Ready for follow-up measures

Building on our initial efforts, JR Shipping Group is actively exploring a range of follow-up measures aimed at further reducing our environmental impact. To ensure we are on track to meet our 2030 and 2050 targets, a third party is conducting a baseline measurement of our scope 1 and 2 emissions and other targets and will annually track and report on our scope 1, scope 2, and later on scope 3 emissions*.

Our follow-up measures, often undertaken in close collaboration with our charterers, reflect our ongoing commitment to operational efficiency and sustainability. Several key projects were launched in 2023, focussing on both immediate and long-term improvements.

We are currently investigating retrofit modifications to optimise the bulbous bow and propeller blades of our Volharding 750 TEU vessels, specifically targeting lower service speeds while also exploring the potential for future combinator mode operations. These investigations are part of our preparation for propulsion plans aimed at enhancing fuel efficiency and reducing both fuel consumption and CO2 emissions. It is important to note that while we are exploring these options, implementation will not occur in the short term. These changes are designed to enhance fuel efficiency, leading to a reduction in both fuel consumption and CO2 emissions.

[More information on retrofit solutions can be found in the innovation section.](#)

These and other adaptations are being carefully planned and calculated, with specific financial resources allocated to support these initiatives. While some measures can quickly become profitable, others, like the retrofit programs, will require larger investments and close cooperation within longer-term charter agreements. These collaborations, though complex and requiring alignment of interests, have the potential to bring significant benefits to all parties involved, contributing to our collective goal of sustainable and efficient operations. Success, however, will depend on rigorous financial planning, shared risk management, and a commitment to long-term value creation.

* Scope 1 emissions refer to direct emissions from sources that are owned or controlled by the company, such as fuel combustion in our ships. Scope 2 emissions encompass indirect emissions from the generation of purchased electricity that we consume. Scope 3 emissions cover all other indirect emissions in our value chain, including emissions from the production of purchased goods and services, waste disposal, and employee commuting.



Pollution of environment & ecosystems

Why it is material

Pollution of the environment and ecosystems is a crucial and material issue for JR Shipping Group due to the significant impact our operations have on these vital natural systems.

From an Inside-Out Perspective

Our activities, including the emission of pollutants into the air, water, and soil, as well as the release of ballast water from our vessels, contribute to the degradation of ecosystems. We recognize the importance of addressing these negative effects, positioning environmental protection and ecosystem preservation as key organizational priorities. The impact assessment has shown that we have an important role in environmental protection and ecosystem preservation and has helped shape our response.

From an Outside-In Perspective

Pollution and ecosystem degradation also pose significant risks to our financial health. Potential consequences, such as regulatory penalties, increased operational costs due to environmental damage, and the broader economic impacts of biodiversity loss, underscore the financial implications of these issues. Our financial materiality assessment has highlighted the potential economic risks associated with pollution and ecosystem damage, reinforcing the need for proactive management and investment in sustainable practices.

Ambition

As stewards of the oceans, we are committed to minimizing our environmental impact while actively working to improve ocean health and protect biodiversity in the regions where we operate.

Targets

2030

- Achieve a 30% reduction air and water pollutants impacts (SOx, NOx and particulate matters) by 2030.
- Ensure 100% compliance with certified and environmentally friendly antifouling coatings across the fleet.
- Implement lifecycle assessments (LCAs) for all biofuels used, focusing on their impact on ocean health and biodiversity.

2050

- Achieve zero emissions of harmful pollutants to air and water.

Ongoing

- Avoid spills from vessels and accidental loss of containers to the sea.
- Avoid invasive species from ballast water.
- Avoid or minimise operations in sensitive or protected areas in oceans.

Navigating Toward a Cleaner Future

The sustainable use of our oceans, seas, and rivers—covering nearly three-quarters of the Earth's surface—has never been more important. This immense ecosystem faces growing threats from pollution, overfishing, and the pressures of intensive shipping activities. While shipping is vital to global trade, it also carries a significant responsibility to prevent further harm to this largely unseen yet essential environment. JR Shipping Group is committed to minimising the environmental impact of our operations in relation to marine pollution and ecosystem protection. Our pollution risk management is integrated into our broader ESG strategy, where we assess risks related to air and water pollution, material use and waste, and wildlife protection through our materiality process. This includes evaluating the potential for spills, the impact of invasive species, and the effectiveness of our pollution control measures. For oversight and management of these risks, we follow the same robust processes outlined in our climate-related risk management strategy.

Innovative Environmental Initiatives

To protect ocean health and reduce pollution, we have implemented several forward-looking initiatives that reflect our commitment to both operational efficiency and environmental responsibility. These efforts include innovative techniques for maintaining hull cleanliness while vessels are in service. Such techniques not only improve vessel performance but also support our broader environmental goals. A clean hull reduces drag, lowering both fuel consumption and CO2, NOx, SOx, and PM emissions. We are committed to using only certified antifouling coatings, carefully selected to balance effectiveness in preventing biofouling with minimal environmental impact. While some innovative antifouling possibilities have been evaluated, not all were viable for container feeders, but we continue to explore solutions that enhance both fuel efficiency and environmental protection.

Additionally, we are treating the underwater sections of our vessels with special paint applications to reduce resistance and improve fuel efficiency. These advanced coatings not only enhance performance but also contribute to emissions reduction and protect marine



environments from pollutants. By minimising the need for frequent cleaning, these coatings also help reduce the risk of invasive species introduction through biofouling.

As we prepare for the upcoming FuelEU Maritime regulations in January 2025, JR Shipping Group is actively exploring compliant biofuels. We are conducting lifecycle assessments to understand their full environmental impact, focussing on ocean health and biodiversity. By considering the entire lifecycle, we aim to select fuels that reduce our carbon footprint and minimise harm to marine ecosystems.

Commitment to Ocean Health and Biodiversity Protection

Beyond our operational practices, JR Shipping Group is committed to supporting initiatives that enhance ocean health and protect marine biodiversity. We understand that our operations can have far-reaching effects on marine life, and we actively seek ways to mitigate these impacts. This includes strict adherence to international regulations on ballast water management, which helps prevent the spread of invasive species that can disrupt local ecosystems. By following best practices in this area, we mitigate the risk of

introducing harmful species into new environments. Additionally, our commitment to reducing emissions from our vessels is central to our strategy, as we strive to meet international standards and support global efforts to combat climate change. This involves minimising both air and water pollution to protect marine ecosystems and contribute to cleaner oceans.

Our waste management practices are designed to minimise the release of harmful substances into the ocean, ensuring that waste is disposed of responsibly and in accordance with strict protocols. This commitment extends to our spill prevention and response measures, where we maintain protocols to prevent spills and ensure rapid response actions are in place should any incidents occur. Additionally, we are in the process of installing water refill stations onboard to encourage the use of sustainable, reusable water bottles instead of single-use plastic bottles. This initiative not only helps reduce plastic waste but also promotes a more sustainable approach to drinking water onboard. By integrating these elements into our operations, JR Shipping Group aims to ensure that our actions contribute to a sustainable and responsible maritime industry.



Innovation

Why it is material

Innovation is a vital and material driver of success for JR Shipping Group, playing a crucial role in our ability to stay competitive and responsive in a dynamic industry.

From an Inside-Out Perspective

At JR Shipping Group, we actively foster a culture of creativity and innovation, investing in the development of new sustainable solutions and promoting collaboration across our operations. Innovation is not just a priority; it is fundamental to our strategy for maintaining competitiveness and operational excellence. The insights gained from our impact materiality assessment confirm the significant role that innovation plays in enhancing our (sustainable) operational efficiency, market positioning, and overall success.

From an Outside-In Perspective

Innovation is also critical to our market relevance, client satisfaction, and financial performance. The successful implementation of innovative and eco-friendly shipping solutions has the potential to increase market share, improve customer experiences, and bolster our industry reputation. These factors collectively enhance our financial stability and long-term sustainability. Our financial materiality assessment highlights the positive financial impact that prioritizing and investing in innovation can have on JR Shipping Group, underscoring its importance as a key strategic focus.

Ambition

Our ambition is to actively collaborate with industry partners to drive innovation that enhances sustainability, safety, and efficiency in maritime operations. We aim to contribute to the development and implementation of innovative solutions and new vessel designs that benefit not only JR Shipping Group but the broader shipping industry. By working together with others, we strive to foster a culture of shared innovation, ensuring that our collective efforts lead to meaningful advancements and long-term value creation.

Targets

- To order and put into operation short sea vessels of the next generation which reduce fuel consumption and emissions with 30-40% compared to existing tonnage.
- Invest a part of our annual budget of each vessel in new innovative and sustainable solutions.
- Engage in industry collaborations to co-develop and implement innovative technologies and practices that improve sustainability and operational efficiency.

Pioneering Innovation for Sustainable Shipping

At JR Shipping Group, our commitment to innovation is integral to our broader sustainability strategy. Alongside our focus on making our existing fleet more sustainable—a fleet that will remain crucial to industry processes for years to come—we are taking decisive steps to ensure that short-sea shipping evolves into a structurally sustainable industry. Innovation, identified as a significant opportunity during our materiality process, drives us to embed forward-thinking approaches within our operations, particularly in our efforts to enhance the environmental performance of our fleet.

ECO Flex Feeders: The Future of Energy-Efficient Shipping

A key component of our innovation strategy is the development of the ECO Flex Feeder series. These vessels are designed to meet the demands of modern shipping, with a focus on reducing fuel consumption and lowering emissions. Optimised for a more realistic lower operational speed pattern, the ECO Flex Feeders are capable of reducing fuel consumption by up to 40% compared to existing tonnage. This reduction is critical not only for cost savings but also for minimising our carbon footprint, directly contributing to a favourable Carbon Intensity Indicator (CII) rating.

The ECO Flex Feeders are ready for 'Green Methanol' operation, positioning us at the forefront of the transition to renewable fuels. These vessels also feature optimised energy efficiency due to their large intake capacity and exceptional container stability, ensuring they can handle a wide variety of cargo sizes, including 45' containers, reefer containers, and high stack loads.

Having a vision is one thing. Realising the ambition is something completely different. Here, rational aspects like project economics and financeability come into play. Since late 2021, we have engaged in discussions with charterers to develop next-generation vessels. Although the charter market experienced volatility and rising shipbuilding prices due to global inflation trends, we remained committed to our goal of sustainable





shipping solutions. As of spring 2024, we see an improving balance between shipbuilding costs and the earning potential of our ECO Flex Feeders. We are actively re-engaging with container line operators and charterers to further refine our new to build ECO Flex Feeder 820 and ECO Flex Feeder 1,000 designs, focusing on their sustainability features and operational efficiency.

On-Board Carbon Capture: Leading the Industry in Emissions Reduction

In our pursuit of innovation, JR Shipping Group has become an early adopter of on-board carbon capture technology—a critical advancement in our mission to reduce CO2 emissions. In collaboration with Dutch supplier Value Maritime, we have invested approximately €17.5 million to install Filtree units on 10 of our existing feeder vessels. These units filter SOx and particulate matter from exhaust gases, and could also capture up to 30% of CO2 emissions on board. The captured CO2 could be then utilised onshore in a fully circular manner, such as in greenhouses for growing flowers and crops or in the production of green methanol. In our vision, the shipping industry needs ‘on-board carbon capture’. Without it, it will not be possible to meet the emission reduction targets. In this way, we do our duty of handing the charterers the possibility to capture the CO2 and we will actively stimulate the usage of these filtrees and all its options.

We began initial testing of these systems in late 2023, with a more extensive test program launched in spring 2024 in partnership with CMA CGM on our Volharding 750 TEU vessel

‘Enforcer.’ While the system is active, several improvements are planned for the second half of 2024, with the expectation that class certification will follow. Thereafter, we expect to run test and practice runs with vessels operated by other container line operators throughout 2025. Looking ahead, we anticipate that both the CII and EU Emissions Trading System (EU-ETS) regulations will recognise on-board carbon capture as a crucial technology for reducing CO2 emissions. to allow for deducting the captured CO2 from the gross tonnes of emitted CO2. Without this provision, implementing on-board carbon capture could result in additional costs for shipowners. We are optimistic that by 2026, these systems will be fully operational and contribute meaningfully to our sustainability goals.

Innovative Partnerships and Technological Advancements

In addition to the ECO Flex Feeders and on-board carbon capture, we are actively collaborating with innovative partners to enhance our fleet’s operational efficiency. One such partnership is with GBMS, a startup specialising in maritime technology, whom we helped develop SensoriumC. This advanced motion program assists captains and their crews throughout the entire shipping process—from loading preparation to monitoring cargo during transit and reporting upon arrival. SensoriumC ensures optimal and safe cargo loading by checking incoming files against the Container-Securing Manual (CSM) and class rules, calculating stack weights, and monitoring loads in real-time during the voyage. This system provides early warnings of potential unsafe conditions, enabling the crew to take evasive actions that ensure both safety and efficiency.

To further optimise our operations, we have asked GBMS to develop additional software to improve ballast conditions per voyage. This enhancement will inform the crew of the most fuel-efficient sailing conditions, helping us to reduce our environmental footprint even further. Currently, the first ships already benefit the positives of the system, while still planning to implement and integrate the system to our whole fleet.

We are also partnering with Techbinder to implement the Smart Vessel Optimizer (SVO) across our SeaZip fleet, a system that captures and utilises thousands of signals and data points generated during vessel operations. This real-time data allows us to monitor fuel consumption, emissions, and other critical parameters, enabling us to optimise sailing patterns for maximum fuel efficiency, improve overall operational efficiency, and align with regulatory requirements. This not only yields significant cost savings for our clients but also enhances the quality of our services. In that way we can, together with

the client, gain awareness in our fuel use and save massively in fuel consumption and emissions.

Internally, the SVO system will greatly benefit our QHSE team by simplifying the process of incident reporting and providing our technical department with real-time technical data. Given the existing knowledge gap among seafarers qualified to sail offshore vessels, these insights will empower our technical department to offer proactive maintenance and better support remotely and quickly to our seafarers, thereby supplementing their knowledge and skills. This enhanced technical support will directly benefit our clients by improving the quality of service and allowing us to offer more competitive pricing. Additionally, we are exploring the integration of camera systems to further enhance real-time insights. Our commitment to staying ahead in technical advancements ensures that we continue to lead in delivering high-quality, efficient services.

Addressing Fuel Efficiency and Operational Costs

Fuel efficiency is a central focus of our innovation strategy, particularly in light of the high fuel costs that can account for 30% to 70% of a merchant ship's total operational expenses. While these costs are typically borne by charterers, they directly influence the vessel's fuel rating under the CII framework. Therefore, improving fuel efficiency is crucial not only for operational savings but also for maintaining a favourable CII rating.

One of the most straightforward methods to reduce fuel consumption is to lower the vessel's speed. However, this approach must be complemented by optimising the vessel's design for off-design conditions. Traditionally, ships have been designed with a specific design point in mind—often a full-load draft at high speed. While this offers excellent performance under those conditions, many vessels now operate outside this design point, leading to suboptimal fuel efficiency. This issue is particularly pronounced on ships with bulbous bows, which are sensitive to off-design conditions.

To address this, we are exploring retrofitting options, such as re-optimising the bulbous bow to better match the vessel's actual operational profile. This includes a range of drafts and speeds and can provide a significant return on investment by improving fuel efficiency and, consequently, the vessel's CII rating. Additionally, we are considering further enhancements to the propeller and adjustments to the engine's RPM, as these modifications can also improve the overall efficiency of the propulsion system.

A Cohesive Strategy for Sustainable Shipping

At JR Shipping Group, our innovation strategy is about more than just technological advancements—it's about integrating these innovations into a cohesive approach that drives sustainability and efficiency across our operations. By developing initiatives like the ECO Flex Feeders and on-board carbon capture and fostering partnerships with companies like GBMS and Techbinder, we are actively addressing fuel efficiency and operational costs. These efforts not only enhance our fleet's performance but also support the industry's transition to greener shipping. As we continue to innovate and collaborate, we setting new standards in short-sea shipping and offshore services. Our commitment to innovation ensures that our fleet remains at the forefront of the transition to greener shipping, contributing to the long-term sustainability of the maritime industry and supporting the global fight against climate change.





SOCIAL - PEOPLE FIRST

'We aim to provide a positive, healthy, safe, and inclusive environment for all our employees, where they feel valued and have opportunities to grow.'

Fostering a Strong and Inclusive Workforce

Our corporate responsibility goes beyond minimising our environmental footprint and contributing to the sustainability of the ecosystems we rely on. At JR Shipping Group, our focus is also on people—they are the heart of everything we do. We believe that a committed and empowered workforce is essential to our success, and we are dedicated to providing a safe and inspiring environment where our people can grow, develop, and thrive as a diverse team. Our social responsibility is guided by our DE&I and Human Rights policies, international standards, and the expectations of our key stakeholders.

This responsibility is more than a duty—it is a core value that shapes our policies, actions, and the way we conduct our business. By prioritising the welfare of our workforce, we are not only strengthening our organisation but also making a positive contribution to society.

From an ESG perspective, JR Shipping Group's material social impacts, both positive and negative, as well as risks and opportunities, are managed through:

- **Own workforce & labour rights**
- **Safety, security, and well-being**
- **Human capital**
- **DE&I**



Own workforce & labour rights

Why it is material

The conditions under which our employees work, their rights, and overall treatment are crucial to the success and sustainability of JR Shipping Group. As a company, we recognize that the strength of our workforce is directly tied to the fairness and equity of the labour practices we uphold.

From an Inside-Out Perspective

By ensuring fair wages, secure employment, and promoting social dialogue, JR Shipping Group positively impacts its workforce. These aspects are not just compliance requirements but fundamental rights that we hold dear, ensuring our employees are treated with respect and dignity. The impact materiality assessment confirms our significant influence on our employees' lives, underscoring the importance of our commitment to fair labour practices.

From an Outside-In Perspective

Our workforce directly influences our operational efficiency and overall financial stability. Fair labour practices contribute to higher employee satisfaction, reduced turnover, and a more engaged workforce, which in turn enhances productivity and strengthens our corporate reputation. The financial materiality assessment highlights the economic benefits of prioritizing these aspects, making them a key strategic focus for JR Shipping Group.

Ambition

We are committed to upholding the highest standards of labour rights and ensuring our employees are treated with fairness and respect. Our ambition is to maintain a workplace where all employees feel secure, valued, and motivated, contributing to JR Shipping Group's long-term success.

Targets

2024 and ongoing

- Strengthen labour rights awareness among employees and management through continuous training and communication.
- Ensure all of our employees, both ashore and offshore, are aware of ESG and its importance and keep them updated on ESG progress.
- Maintain or improve employee satisfaction levels by regularly reviewing and enhancing our labour practices.

Commitment to Labour Rights and Workforce Well-Being at JR Shipping Group

At JR Shipping Group, we believe that a positive working environment begins with respect for the fundamental rights of our employees and colleagues, as outlined in our human rights policy. This policy, aligned with international standards such as the UN Guiding Principles on Business and Human Rights (UNGPs), sets clear expectations regarding our core principles, compliance practices, and employee behaviours. It ensures that labour rights are respected, safeguarding our reputation and minimising the risk of non-compliance-related fines and business losses.

Our commitment to labour rights and employee welfare is integrated into our broader ESG strategy, where we leverage our materiality process to identify both risks and opportunities. While we acknowledge the risks associated with fair wages, secure employment, work-life balance, and labour relations—especially in areas where conditions might not yet be optimal—we also recognise significant opportunities to provide good working conditions. These opportunities include offering fair and competitive compensation packages, implementing flexible work arrangements that support a healthy work-life balance, and more.

Fostering a Positive Work Environment

This process involves a thorough evaluation of factors such as wage disparities, the impact of working hours on employee well-being, and the effectiveness of our labour rights practices. By addressing these risks and capitalising on the opportunities, we aim to create a work environment that not only meets but exceeds industry standards. Oversight and management of these aspects are governed by the same rigorous processes outlined in our climate-related risk management strategy, ensuring a comprehensive approach to safeguarding and enhancing the well-being of our workforce.



At JR Shipping Group, we are committed to the well-being of our employees. When challenging times occur, we go the extra mile to support our people, helping them navigate difficulties and regain their strength, ensuring they can return to work with confidence and resilience. This commitment is not driven by obligation but by our core values, creating a reciprocal relationship where our employees, in turn, go the extra mile for us, working with efficiency and passion.

JR Shipping Group employs 77 individuals across Europe and Asia, representing a diverse workforce. We are dedicated to ensuring fair wages for all employees, with wage structures regularly reviewed to maintain compliance with local regulations and to address any disparities across roles and demographics. Our policies are designed to prevent employee overburdening by adhering strictly to all relevant working-hour regulations.

Labour relations at JR Shipping Group are founded on respect and mutual dialogue. With a substantial portion of our workforce covered by collective bargaining agreements, we ensure that every employee has a voice in the workplace. We also support a healthy work-life balance through flexible working arrangements, including remote work options, parental leave, flextime, and more. In addition, the majority of our employees are provided with company cars, with most of these vehicles being electric. By 2025, we aim to transition our entire fleet to electric cars, enabling our employees to commute sustainably. These policies are designed to meet the diverse needs of our employees, helping them effectively manage their professional and personal responsibilities.

Ensuring Fair Treatment Across Our Workforce

We also recognise the importance of fair treatment for third-party contracted labourers who work on our vessels. At JR Shipping Group, we make no distinction between our directly employed staff and third-party contractors; everyone receives equal treatment, rights, and opportunities, regardless of nationality or background. So that they can also say with pride: **We are JR Shipping Group.**

While the topic of 'working conditions in the value chain' did not meet the materiality threshold, it remains a significant aspect of our social responsibility. The alarming rise in modern slavery, as highlighted by the International Labour Organisation (ILO), underscores the urgency of this issue. Globally, including in Europe and the Netherlands, individuals are increasingly being exploited and forced to work under appalling conditions for little or no pay, often through abuse of power. Recognizing the gravity of this situation, JR Shipping Group fully endorses the United Nations guidelines and is committed to raising awareness of this issue among our employees, clients, and other stakeholders.

Given the importance of these human rights challenges, we are dedicated to collaborating with suppliers and partners who uphold standards aligned with our own. Through our supplier code of conduct, which is consistent with the UN Guiding Principles on Business and Human Rights (UNGPs), we clearly communicate our expectations regarding human rights, environmental stewardship, diversity, equity, and inclusion (DE&I), labour rights, health and safety, and the freedom of association and collective bargaining. This ensures that workers throughout our value chain are afforded the rights they deserve.

In addition to setting these expectations, we are working towards implementing a labour rights due diligence assessment within our value chain and we will intensify our participation in initiatives against exploitation and human rights violations. This will allow us to monitor compliance and engage in ongoing dialogue with our partners to drive continuous improvement where necessary.



Safety, security, and well-being

Why it is material

The safety, security, and overall well-being of our employees are foundational to the success and sustainability of JR Shipping Group. We recognize that the physical and mental health of our workforce is linked to our ability to operate effectively and responsibly.

From an Inside-Out Perspective:

By prioritizing safety, security, and well-being, JR Shipping Group ensures that our employees can perform their duties in a secure and supportive environment. These aspects are not merely regulatory obligations but core values that we uphold, demonstrating our commitment to safeguarding our employees' lives and health. Our impact materiality assessment underscores the significant positive influence we have on our workforce by minimizing risks and promoting a culture of well-being.

From an Outside-In Perspective:

Our workforce's safety and well-being are critical drivers of our operational efficiency and long-term viability. A strong safety culture reduces the incidence of workplace injuries, lowers absenteeism, and enhances employee morale, all of which contribute to increased productivity and reduced costs. The financial materiality assessment highlights the economic benefits of investing in safety and well-being, reinforcing their importance as strategic priorities for JR Shipping Group.

Ambition

Our ambition is to foster a culture where safety is ingrained in every aspect of our operations. We aim to ensure everyone returns home safely by achieving zero fatalities and minimize workplace incidents by continually improving our safety practices and prioritizing the well-being of our employees.

Targets

2024 and ongoing

- Ensure that all employees receive proper equipment and required training to perform their job safely.
- Prevent fatal and life-altering incidents by continually improving our health and safety protocols to ensure everyone returns home safely.

Safeguarding Our Crew: Pioneering Safety and Well-Being at JR Shipping Group

At JR Shipping Group, 'Safety First' is more than just a slogan—it's a core principle that shapes our commitment to providing safe and secure working conditions for our employees and delivering excellence in short sea and offshore shipping services to our business partners. We recognise that the safety and well-being of our workforce are essential to our success, and we are dedicated to fostering a culture where safety is a shared responsibility across the organisation.

Our commitment to safety, security, and employee well-being is deeply embedded in our broader ESG strategy, where we use our materiality process to identify and mitigate risks associated with workplace safety, physical and mental health, and security measures. This process involves an assessment of risks such as occupational hazards, stress, and mental health challenges, as well as the effectiveness of our safety protocols and security practices. Oversight and management of these risks follow the same rigorous processes outlined in our climate-related risk management strategy, ensuring a holistic approach to protecting our workforce and fostering a safe, secure, and supportive work environment.

Proactive Safety Measures and Incident Management

Our proactive approach to safety involves staying ahead of evolving risks through continuous improvement and vigilance. We've cultivated a culture of trust where all colleagues are encouraged to contribute to safety reporting, voice concerns, and challenge existing practices to identify safer ways of working. Our goal is to create both a physically and psychologically safe workplace, supported by a strong reporting culture where every colleague feels confident speaking up.

In 2023, we recorded a total of 5 workplace accidents, resulting in a total recordable rate of 1.65 at JR Ship Management and 4.58 at SeaZip. These incidents contributed to a lost-time



injury frequency rate (LTIFR) of 1,1044 at JR Ship Management and 4,58304 at SeaZip*. Each incident was thoroughly investigated, and appropriate follow-up measures are implemented to prevent a recurrence. We are committed to reducing these figures through targeted and proactive safety initiatives, ensuring that our workforce operates in the safest possible environment.

Our robust health and safety management system is anchored in a comprehensive health and safety policy and regular risk assessments. This policy covers critical components such as safety protocols for dangerous situations, the authority structure in emergencies, substance use regulations, harassment prevention, and more. It applies to all employees across our operations. Preventive measures include regular staff visits on board our vessels, where safety culture is consistently reinforced. Additionally, weekly meetings are held at the office with safety on board as a standing agenda item for discussion. These proactive steps are designed to identify and mitigate risks, ensuring the protection of our employees. These efforts are continuously reviewed and updated to address new challenges, with oversight and management of these risks governed by the rigorous processes outlined in our Human Rights policy.

Addressing Key Security Risks

Through the risk assessment part of our materiality assessment, we have identified four key security risks critical to our operations:

- **People:** Our duty of care encompasses travel and expat security, ensuring that all our employees, whether onshore or offshore, are safe and secure.
- **Cyber Security:** As technology plays an increasingly vital role in our operations, we prioritise the cyber security of our ships, systems, and data to prevent breaches and ensure operational continuity.
- **Cargo:** We vigilantly protect against cargo-related risks, including theft, bribery, and non-compliance, safeguarding the integrity of our services.
- **Illicit Cargo:** We are committed to preventing the transport of contraband, including drugs, illegal wildlife, and timber, through strict compliance and rigorous checks.

Although, the primary responsibility for cargo-related risks typically lies with the charterer, we at JR Shipping Group acknowledge our shared responsibility in ensuring the integrity and safety of the cargo transported under our care. We believe that maintaining open communication and collaboration with our charterers is essential to address any potential risks effectively.

Moreover, even though the ultimate accountability may rest with the charterer, we remain committed to proactively identifying and mitigating any risks associated with the cargo and its contents. This includes implementing best practices in monitoring and securing cargo during transit, as well as advocating for transparency and adherence to industry standards. By taking these proactive measures, we aim to enhance overall safety and contribute to a more secure supply chain, reinforcing our commitment to responsible and sustainable shipping practices.

Comprehensive Training and Employee Well-Being

All seafarers at JR Shipping Group undergo mandatory and regularly updated training on health and safety topics, ensuring they are certified in line with STCW regulations. This includes forming and executing specific training programs, emergency procedures, and safe-work practices in the near future. Our training programs are aligned with current best practices and regulatory requirements, equipping our workforce with the knowledge and skills necessary to maintain a safe working environment. In addition, we ensure that all employees are provided with the necessary personal protective equipment and tools required for their specific roles.

We prioritise the well-being of our employees through a range of support services, including hybrid working opportunities, compensation for healthcare insurance and flexible thinking into personal preferences and initiatives. These initiatives are designed to promote both physical and mental health, ensuring that our workforce remains healthy, motivated, and productive.

* The Lost-time injury frequency rate is determined by dividing the Lost Time Injuries (LTIs) by the total working hours per million. LTIs are the sum of Fatalities, Permanent Total Disability, Permanent Partial Disability and Lost Workdays Case.



Human Capital

Why it is material

Human capital, particularly through our training, development, and talent attraction efforts, is an important and material driver of JR Shipping Group's long-term success and competitiveness.

From an Inside-Out Perspective

At JR Shipping Group, we recognize that our employees are our most valuable asset. Investing in their continuous development is essential for maintaining a skilled and capable workforce that can meet the evolving demands of our industry. Additionally, our focus on attracting top talent ensures that we bring in individuals who align with our values and strategic goals. Our impact materiality assessment has underscored the importance of these initiatives, highlighting how they contribute to employee satisfaction, retention, and productivity, which are critical to the sustained success of JR Shipping Group.

From an Outside-In Perspective

The development and attraction of human capital are directly linked to our financial performance and market position. Well-trained, continuously developed, and carefully selected employees are more adaptable, innovative, and efficient, leading to improved operational outcomes and customer satisfaction. Investing in human capital also reduces the risks associated with skill gaps and employee turnover, which can be costly and disruptive. The financial materiality assessment highlights the economic benefits of prioritizing training, development, and talent attraction, demonstrating their importance as strategic investments for JR Shipping Group's future growth and sustainability.

Ambition

We aim to foster a culture of continuous learning and development at JR Shipping Group, ensuring that every employee has access to the resources and opportunities needed to advance their skills and build thriving careers. At the same time, we are committed to attracting and retaining top talent that aligns with our values and drives our long-term success.

Targets

2024 and ongoing

- Ensure that our employees receive professional development training they need.
- Partnering with other organisations or projects to provide young professionals with opportunities to grow, learn, and develop themselves.

Empowering Talent: Cultivating Human Capital for Future Success

At JR Shipping Group, we recognise that our greatest asset is our people. Human capital, identified as a key opportunity during our materiality process, plays a crucial role in driving our success. This insight underscores our commitment to integrating workforce development into our broader ESG strategy. Our focus on training, development, and talent attraction not only enhances individual employee capabilities but also fuels organisational innovation, efficiency, and overall performance. By providing targeted training programs and career development pathways, we encourage a culture of continuous learning and growth, ensuring that our workforce is empowered to contribute to the company's long-term success.

Renewed Commitment to Employee Development

Over the past two years, we have reinvigorated our focus on employee development, recognising the critical importance of investing in our workforce after a period of financial recovery following the 2008 economic crisis as well as the impact of COVID-19. While we had to scale back on development initiatives for a long time, we are now in a position to renew our commitment to the growth and development of our employees.

One of our key initiatives is providing our Dutch seafaring staff with opportunities to advance their careers. We offer them the chance to obtain a certification level higher than what is required for their current position, thereby stimulating personal growth and making the transition to higher roles within the organisation smoother and more accessible. We also have 10 interns with us for a 5-month period. We are excited to support the growth of these emerging professionals and offer them the chance to advance into officer positions aboard.

Inspiring the Next Generation!

We are also proud participants in various initiatives from the Royal Association of Netherlands Shipowners (KVNR), like 'Zeebenen Gezocht' and 'Ga toch varen!'. These programs are focused on younger people in different age groups letting them experience the maritime industry firsthand by spending a period aboard a vessel.



Thanks to the fixed routes of our vessels, we are uniquely positioned to offer this valuable experience, helping to inspire the next generation of maritime professionals. The goal of these programs are to create interest for the maritime industry, evolving in short or long-term appliances by new students for maritime academies. Our participation includes providing comprehensive guidance and ensuring safety on board. By fostering this engagement and creating a pleasing experience, we aim to contribute to a sustainable future for the maritime industry.

Innovative Learning with MyCado Platform

In line with our commitment to workforce development, we are proud to be a stakeholder in MyCado (My Career Development Online), an innovative learning platform developed through a German-Dutch consortium led by Mariko GmbH and Atria Learning & Development GmbH from Leer. MyCado is designed to place employees at the centre of their career development journeys, offering a practical tool for individualised career

planning. This platform integrates best practices in maritime people management, enabling continuous and independent self-development. It facilitates the acquisition of skills for current and future career stages while conveniently consolidating training, career overviews, development processes, and qualifications in one accessible place. This initiative not only addresses the challenges posed by skilled labour shortages and increasing demands for employee qualifications but also actively supports the diverse needs of individuals, companies, regulatory bodies, and educational providers.

As we continue to expand our development offerings, we remain committed to creating an environment where every employee has the opportunity to thrive, grow, and contribute to the long-term success of JR Shipping Group. Through initiatives like MyCado and other development programs, we aim to ensure that our workforce is well-equipped to meet the challenges of the future while supporting the continued success of our company.



Diversity, Equity and Inclusion (DE&I)

Why it is material

Diversity, Equity, and Inclusion (DE&I) are critical and material priorities for JR Shipping Group, directly influencing our organizational culture, workforce well-being, and overall business success.

From an Inside-Out Perspective

At JR Shipping Group, we are committed to creating a workplace where all employees are respected, valued, and given equal opportunities to succeed. This commitment includes addressing the risks of workplace violence and harassment, particularly among vulnerable groups. Additionally, we actively work to prevent discrimination and promote diversity across all levels of our organization. Our impact materiality assessment has highlighted the significant role that DE&I plays in shaping a positive and productive work environment, reinforcing our ongoing efforts to advance these values.

From an Outside-In Perspective

DE&I also presents both challenges and opportunities that can significantly impact our financial performance and reputation. Ensuring a diverse and inclusive workplace helps mitigate risks such as legal liabilities from discrimination claims and the costs associated with workplace harassment. Conversely, embracing DE&I can lead to a stronger corporate reputation, better employee engagement, and increased innovation—factors that positively affect our market position and financial health. The financial materiality assessment emphasizes the economic benefits of prioritizing DE&I, underscoring its importance as a strategic focus for JR Shipping Group.

Ambition

At JR Shipping, we want to ensure an inclusive environment where differences are respected and we are committed to fostering diversity, equity, and inclusion.

Targets

2024

- Ensure that all employees receive comprehensive education on our Diversity, Equity, and Inclusion (DE&I) policy, fostering a shared understanding and commitment across the organization.

Ongoing

- Stimulate the number of female seafarers on our vessels to create a better representation of gender diversity across our maritime workers.
- Stimulate the number of women in leadership roles within our organization, striving for a more balanced and inclusive leadership team.

People First

At JR Shipping Group, we firmly believe that every individual contributes to our collective success, regardless of their background. Diversity, Equity, and Inclusion (DE&I) have been identified through our materiality process as both an opportunity and a risk. This dual perspective highlights the importance of fostering an inclusive environment that not only enhances innovation and teamwork but also mitigates the potential risks of inequity or exclusion within our workforce. Oversight and management of these risks and opportunities are governed by the same rigorous processes outlined in our climate-related risk management strategy.

At JR Shipping Group, we believe in equality and inclusivity across all levels of our operations. Every team member plays a vital role, regardless of their background. One of our captains perfectly encapsulates this ethos: "At JR Shipping Group, we do not distinguish between nationalities. The only criteria for a good crew are commitment, motivation, maritime skills, and an open mind for other cultures and views. We listen to each other and learn from each other." This approach ensures that we leverage the strengths of a diverse workforce while also safeguarding against the risks of inequality, ensuring that every employee feels valued and included.

Collaboration is the cornerstone of our operations, extending beyond the crew members aboard our vessels to include the seamless connection between our vessels and the team ashore in Harlingen. Together, we ensure safe, high-quality operational processes, guaranteeing that the cargo we transport across the sea reaches its destination safely and on time. This collective effort demonstrates our unwavering commitment to excellence in sustainable short-sea shipping.

In today's dynamic and interconnected business landscape, embracing diversity, equity, and inclusion (DEI) is not just a moral imperative but a strategic necessity. JR Shipping Group recognises that a diverse and inclusive workplace is crucial to our long-term success. That is why we have implemented a comprehensive DE&I policy that encompasses inclusive hiring, pay equity, fostering an inclusive culture, and more. By fostering an environment where every employee feels valued and has the opportunity to grow, we live by our motto, **"People First."**

The Strategic Importance of Diversity, Equity, and Inclusion

While Diversity, Equity, and Inclusion are fundamental human rights and essential components of a healthy business culture, we also recognize them as key strategic drivers for our business for these 4 reasons:

1. It stimulates innovation and creativity
2. It helps us acquire talent
3. It ensures our market competitiveness
4. It provides useful insights through international perspectives and cultural competence

At JR Shipping Group, we are proud to employ a diverse workforce of approximately 396 people, reflecting a broad spectrum of backgrounds, experiences, and perspectives.

Our ashore team includes 42 employees, of whom 62% are men (26 men) and 38% are women (16 women). These employees span various age groups: 14% are under 30 years old (6 people), 48% are between 30 and 50 years old (20 people), and 38% are over 50 years old (16 people). All of our onshore employees are of Dutch nationality.

Currently, JR Ship Crew BV, which employs the vessel officers, recently stepped away from the obligation to hire only Dutch captains and officers, which influences the demography we see in the statistics today. Our seafaring team comprises 349 individuals: 35 are on permanent contracts, 6 are interns, and 308 are employed through a specialized crewing agency with which we partner. The gender distribution within our seafaring personnel is 99.7% men (348 men) and 0.3% women (1 woman). Our diverse crew reflects the international scope of our operations, with 41 seafarers from the Netherlands (including all 6 interns), 200 from the Philippines, 2 from Romania, 21 from Russia, and 85 from Ukraine.

At JR Shipping Group, we recognize the importance of achieving gender equality in the maritime industry, a field where women are historically underrepresented. Currently, only around 1.5% of the global seafarer workforce is female. On the road to a more diverse employee base, we always look for quality above gender. Nevertheless, we take pride in the diverse representation of multiple nationalities within our team and shows our commitment to inclusivity and diversity across all levels of our operations.

‘At JR Shipping Group, we firmly believe that every individual contributes to our collective success, regardless of their background. The only criteria for a good crew are commitment, motivation, maritime skills, and an open mind for other cultures and views. We listen to each other and learn from each other.’

JR Shipping Group

Currently, our leadership team is composed of two managing directors, both of whom are men and of Dutch nationality. While we recognise that this does not reflect the diverse workforce we aim to foster, we are committed to increasing diversity within our leadership ranks. We aspire to create a more balanced and inclusive leadership team and have set a target to increase the number of women in leadership roles. This goal is not about meeting quotas but rather about ensuring that our leadership reflects a broader range of perspectives and experiences, which we believe will strengthen our decision-making and overall business performance. Our commitment to this goal is strong, and we are focused on making meaningful progress over time while maintaining the high standards of leadership excellence that define JR Shipping Group.



To achieve these goals, we are working on implementing a comprehensive DE&I policy that encompasses our commitments to inclusive hiring, pay equity, and creating an inclusive culture, while making it a central part of the culture of the organization. This policy has the goal to positively influence our inclusiveness in the hiring process, while still maintaining the high quality we demand from our employees. Besides the fact that it creates an equal playing field for all our employees.

Our Commitment to Diversity, Equity, and Inclusion

At JR Shipping Group, we are committed to fostering a diverse, equitable, and inclusive workplace. Below are our key commitments:



1. Commitment to Diversity

- **Inclusive Hiring Practices:** We actively seek to attract and retain a diverse workforce through inclusive hiring practices.

2. Commitment to Equity

- **Pay Equity:** We ensure equal pay for equal work, regularly reviewing our compensation policies to eliminate any disparities.
- **Career Development:** We provide equal opportunities for career advancement, supporting the professional growth of all employees.

3. Commitment to Inclusion

- **Inclusive Culture:** We are dedicated to fostering a culture where every employee feels a sense of belonging.
- **Accessibility:** We ensure necessary accommodations for employees with disabilities.

4. Commitment to Enforcement of DE&I Policy

- **Policy Enforcement:** We strictly enforce our DE&I policy, prohibiting any form of discrimination and taking prompt action when necessary.

The primary responsibility for implementing and enforcing our Diversity, Equity, and Inclusion (DE&I) policy lies with the managing owners, under the active oversight of the board of directors. However, upholding these values is a duty shared by all employees. Any violations of the policy will be thoroughly reviewed by the managing owners or the responsible department colleagues, with consequences ranging from formal warnings to contract termination, depending on the severity of the violation. This approach underscores our commitment to maintaining a workplace that genuinely reflects our values and principles regarding diversity and inclusion.

To ensure that every employee is equipped to contribute to this culture, we strongly encourage all employees to familiarise themselves with this policy, as it serves as the foundation for our ongoing DE&I initiatives. By understanding and embracing the principles outlined in our DE&I policy, each of us can help create a workplace where every individual feels valued, respected, and empowered to succeed.





GOVERNANCE - OPEN IN BUSINESS

'At JR Shipping Group, we value professional, transparent, and long-term business relationships. We strive to be a reliable and honest partner to all of our clients, upholding the highest standards of integrity and trustworthiness.'

Good governance at JR Shipping Group

Robust governance is integral to our commitment to ethical conduct and sustainable growth. We believe that a company's enduring success is grounded in transparent, accountable, and responsible management.

Our governance framework is designed to uphold the highest standards of integrity. We carefully evaluate our policy decisions through a structured process involving both internal and external stakeholders. Financial transactions are closely monitored and audited by independent firms to ensure transparency and accuracy.

We are committed to frequent and open communication with investors and financiers, maintaining high standards in our financial reporting. Regular audits help us continuously improve our procedures and systems, reinforcing our dedication to honest and trustworthy business practices.

With the Corporate Sustainability Reporting Directive (CSRD) applying to large corporations in 2024 and to us by 2026, we are proactively preparing to meet these new standards. As one of nearly 50,000 companies in the European Union required to disclose their sustainability impacts, we are committed to ensuring our reports not only comply with the latest regulations but also reflect our dedication to sustainable business practices.

At this stage, we are addressing key areas such as building a robust history of performance data, mapping out our entire value chain, and preparing our report for eventual audits.

Although our current report reflects our commitment to these new standards, it is not yet fully compliant. However, by taking the necessary time to identify the right KPIs and enhance our internal processes, we are steadily progressing towards full CSRD compliance, ensuring that future reports will meet all requirements and accurately represent our sustainability journey.

This section outlines our governance practices and our approach to stakeholder engagement. By adhering to these principles, we aim to foster trust and contribute positively to both our industry and society.

- **Business ethics**
- **Data ethics**
- **Sustainable procurement**
- **Stakeholder engagement**



Business ethics

Why it is material

Business ethics, encompassing corporate culture, whistle-blower protection, and the prevention of corruption and bribery, is a critical and material priority for JR Shipping Group. Upholding ethical standards is essential to maintaining our reputation, ensuring compliance, and securing long-term business success.

From an Inside-Out Perspective

At JR Shipping Group, we are committed to advancing a strong corporate culture grounded in transparency, integrity, and ethical behaviour. Promoting these values is not only vital for our internal operations but also shapes our relationships with partners, clients, and the broader community. In addition, we place a high priority on protecting whistle-blowers, ensuring that individuals who report unethical or illegal activities are safeguarded and have access to effective grievance mechanisms. This commitment is integral to building trust and accountability within our organization. Furthermore, we actively work to prevent corruption and bribery in all our operations, recognizing the significant risks these practices pose to our reputation and operational integrity. Our impact materiality assessment confirms the importance of these ethical commitments, highlighting how they contribute to the overall trust, stability, and sustainability of JR Shipping Group.

From an Outside-In Perspective

Upholding business ethics directly influences our financial performance, legal standing, and market reputation. A strong ethical foundation reduces the risks associated with legal penalties, loss of business, damaged stakeholder trust, and reputational damage due to corruption or unethical practices. Additionally, a transparent and ethically driven corporate culture attracts and retains top talent, fosters positive business relationships, and enhances stakeholder trust. The financial materiality assessment underscores the economic benefits of maintaining high ethical standards, demonstrating their critical role in mitigating risks and driving long-term success for JR Shipping Group.

Ambition

At JR Shipping Group, our ambition is to embed the highest standards of ethical behaviour into every aspect of our operations and contribute to the elimination of corruption. We strive to cultivate a corporate culture that values transparency, integrity, and accountability, ensuring that every employee and partner upholds these principles. We are committed to protecting whistle-blowers, maintaining robust mechanisms for reporting and addressing unethical behaviour, and ensuring that our organisation is free from corruption and bribery.

Targets

2024 and ongoing

- 100% of staff to be educated in our Code of Conduct.
- 100% of seafarers know and can use the ISM manual.
- Enhance whistle-blower protection mechanisms to ensure confidentiality and non-retaliation.
- Continuous monitoring to ensure strict compliance with business ethics, while consistently enhancing and executing risk mitigation measures.

Upholding Excellence in Business Ethics

Our corporate culture at JR Shipping Group is deeply rooted in transparency, integrity, and ethical behaviour. As part of our broader ESG strategy, we leverage our materiality process to identify and mitigate risks associated with business conduct. This includes addressing issues related to anti-corruption, ethical standards, and adherence to our code of conduct.

To ensure this foundation remains robust, all employees are familiarised with our code of conduct during onboarding, which includes crucial information on anti-corruption and other ethical standards. This onboarding process is designed to foster a commitment to ethical behaviour at every level of the organization. Beyond onboarding, we are setting up awareness programs to provide ongoing training and relevant information.

Leadership and Collective Responsibility

Our leadership team sets the standard for ethical behaviour, demonstrating integrity in their actions and decisions. They are responsible for integrating ethical considerations into all business decisions and ensuring that our corporate culture supports ethical conduct. However, upholding these values is a collective responsibility shared by all employees. We regularly engage with our stakeholders, including employees, partners, and customers, to ensure that our ethical standards are aligned with their expectations. Feedback from these engagements helps us continuously improve our ethical practices.



Whistle-Blower Protection and Reporting Mechanisms

Whistle-blower protection is a key component of our commitment to ethical conduct. JR Shipping Group has established mechanisms that allow employees and other stakeholders to report unethical behaviour without fear of retaliation. Since 2022, we have designated and trained two persons of confidence for our entire organisation, including all offshore and onshore colleagues. These individuals are available to discuss confidential matters such as bullying, intimidation, sexual harassment, aggression, or discrimination. Our reporting channels ensure anonymity, and we strictly enforce a non-retaliation policy, protecting whistle-blowers from any form of retaliation or discrimination as a result of their reports. It is vital that employees feel they can turn to a trusted confidant within the company with their concerns. This policy has been clearly communicated to all employees through various channels, including our Human Rights Policy, email communications, and our Enews magazine. All whistle-blower reports are thoroughly investigated by the managing owners or the appropriate department, and we regularly monitor the effectiveness of our whistle-blower protection mechanisms to ensure they remain robust.

Commitment to Anti-Corruption and Compliance

Operating in Europe, we take pride in operating in a region with robust regulations and laws that prioritise the prevention of corruption and bribery. Compared to other regions, Europe has a more robust legal framework that promotes transparency and accountability, allowing us to conduct business with confidence. However, this does not absolve us of the responsibility to remain vigilant, respond to any signs of wrongdoing, and consistently act with integrity. Our business approach is guided by a leading principle: zero tolerance for corruption. We have established a clear code of conduct addressing anti-corruption, which applies to all employees, partners, and suppliers. This policy outlines prohibited behaviours and provides guidance on avoiding situations that could lead to corruption or bribery. We will communicate our expectations clearly to all partners and suppliers through our supplier code of conduct, which is consistent with the UN Guiding Principles on Business and Human Rights (UNGPs). While we currently rely on this code to guide our suppliers,

we recognise the importance of conducting thorough due diligence in the future. As part of our evolving ESG strategy, we are committed to developing and implementing a comprehensive due diligence process that will enable us to better assess and mitigate potential risks of corruption, bribery, and other unethical practices within our operations and supply chain.

Strengthening Governance and ESG Oversight

Currently, governance within JR Shipping Group is managed by our managing owners, who diligently oversee all relevant issues and closely monitor new developments, including regulations, industry initiatives, and other critical updates that impact our operations. Presently, important developments are communicated through informal channels across the company, ensuring that key information reaches the necessary stakeholders.

To enhance our governance structure and ensure a more systematic approach, we are committed to establishing an ESG committee within our organization. This committee will be tasked with formalising our governance processes and ensuring that all critical updates are effectively communicated and integrated into our strategic decision-making. By doing so, we aim to strengthen our ability to respond proactively to industry changes and maintain the highest standards of corporate governance.

Our commitment to transparency is reflected in our ethical performance reporting, where we are preparing to publish key metrics and KPIs related to business ethics in our sustainability reports. We are currently taking the necessary time to refine these KPIs, with an eye towards potentially aligning them with the Science-Based Targets Initiative (SBTi). By ensuring we establish the right KPIs from the outset, we aim to set a consistent path forward, avoiding the need for frequent revisions. This approach is part of our steady progression towards full CSRD compliance, ensuring that future reports will not only meet all regulatory requirements but also accurately represent our ongoing sustainability journey.



Data ethics

Why it is material

Data ethics, encompassing the privacy and personal safety of our employees and end-users as well as cybersecurity measures, is a critical and material priority for JR Shipping Group. Ensuring ethical data practices and safeguarding against cyber threats is essential for maintaining trust and compliance in our digital operations.

From an Inside-Out Perspective

At JR Shipping Group, we are committed to protecting the privacy and personal data of our employees and end-users. This commitment extends to ensuring that data is handled ethically and transparently, especially with the integration of advanced technologies such as artificial intelligence. Equally important is our focus on robust cybersecurity practices to defend against potential data breaches and cyber threats. The impact materiality assessment highlights the significant role that data ethics and cybersecurity play in upholding our operational integrity and reputation as a responsible and trustworthy company.

From an Outside-In Perspective

The ethical management of data, including privacy and cybersecurity, directly impacts our financial performance and legal standing. Protecting personal data and ensuring robust cybersecurity measures reduce the risk of costly data breaches, legal penalties, and reputational damage. The financial materiality assessment underscores the importance of prioritizing data ethics and cybersecurity as strategic imperatives, highlighting their potential financial impact and role in securing JR Shipping Group's long-term success.

Ambition

At JR Shipping Group, our ambition is to be a high performer in ethical data management, ensuring that our customers and employees have absolute confidence in how we handle and protect their data. We aim to differentiate ourselves by embedding high ethical standards into every aspect of our data practices, making data ethics a cornerstone of our business strategy.

Targets

2024

- Improve cyber security awareness along both office staff and fleet personnel with a gamified program.

2025

- Prepare key metrics and KPIs related to data ethics and cybersecurity starting in 2025, aligning with the requirements of CSRD and conform the NIS2 regulations.

Data Safety

In an era where data breaches, cybercrime, and privacy violations pose significant threats to national security and international order, data ethics has become a critical focus for JR Shipping Group. As a company operating in the international shipping industry, we recognise the profound responsibility we hold in protecting the data and privacy of our employees, customers, and industrial partners. Our commitment to data ethics is embedded in our broader ESG strategy, where we use our materiality process to identify and mitigate risks associated with data security and privacy. This involves an assessment of potential cyber threats, data breaches, and privacy violations, as well as the effectiveness of our data protection protocols and cybersecurity measures. By proactively addressing these risks, we not only ensure compliance but also maintain the trust and confidence of all our stakeholders. Safeguarding data against emerging cyber threats is essential for protecting our operational integrity and ensuring our long-term success in an increasingly digital world.

Data Privacy and Protection

Privacy and protection of data is vital for JR Shipping, not only to safely store relevant information, but also to maintain a trustful relationship with every individual involved in our processes. Therefore, as in the previous report mentioned, we are aiming to align with the ISO/IEC 27001:2022 standard. This process is still ongoing, with the main priority towards the newly, in 2022 announced NIS2. This directive forces national governments to make their own laws in the way of handling cyber security. Which resulted in The Netherlands in the 'Cyberbeveiligingswet' (CBW, cybersecurity law), which will be in place in 2025. Next to that, personal information inside JR Shipping is handled conform the AVG (the Dutch version of GDPR), whom are very similar with only language and scope (EU vs NL) as main differentiators.

Cybersecurity Measures

In line with protecting data, we are implementing comprehensive cybersecurity measures across our fleet and office infrastructure to protect our data and prevent breaches.



Our initiatives include the deployment of a new high-end firewall cluster solution on our vessels, along with the replacement of all network-related components. This modernisation effort has been completed on the majority of our container ships, with only four vessels remaining to be upgraded. We anticipate completing this project by the end of the year, significantly enhancing the cybersecurity of our entire fleet.

In addition to these technological upgrades, we recently launched a comprehensive awareness campaign targeting both office staff and fleet personnel. This campaign aims to raise awareness and educate employees through gamification and expert-led training sessions about the latest cyber threats, promote best practices for digital security, and foster a culture of cyber awareness throughout the organisation. This gamified way of training employees is part of the roadmap towards compliance with the NIS2 regulations as mentioned above.

Stakeholder Engagement:

As important as it is to have everything sorted out inside your own organization, engagement with stakeholders on data ethics are crucial. Currently we are executing periodic risk analysis, in which we analyse periodic risk assessments to protect the assets, systems and other resources. Because of the interconnected way of working inside the

maritime industry, mapping the risks and having an overview of the threats and risks is vital. Cybersecurity incidents can quickly escalate and affect multiple parties. Therefore, at JR Shipping we are well aware of the need for collaboration, discussion and management of risks inside of the industry.

Due Diligence

While we have made significant strides in strengthening our cybersecurity infrastructure, we recognize that there is still much work to be done. For example, while we have established a supplier code of conduct consistent with the UN Guiding Principles on Business and Human Rights (UNGPs), we have yet to fully implement due diligence processes to ensure our suppliers adhere to these standards. This remains a key area of focus for our future ESG strategy, as we aim to build more robust mechanisms for monitoring and managing data ethics across our entire value chain.

While our office cybersecurity infrastructure is already robust, we continue to evaluate and implement new security measures. By implementing these measures, we are not only enhancing our cybersecurity posture but also contributing to the overall sustainability and resilience of our operations. These efforts help minimise potential disruptions, ensure continuity of service, and protect the integrity of our systems.



Sustainable procurement

Why it is material

Sustainable procurement, particularly through responsible and ethical supplier relationships, is a vital and material priority for JR Shipping Group. Ensuring that our procurement practices align with high ethical standards and sustainability goals is essential for maintaining our reputation and driving long-term success.

From an Inside-Out Perspective

At JR Shipping Group, we recognize the importance of being a responsible and ethical business partner throughout our value chain. We are committed to partnering with suppliers who share our values of environmental stewardship, social responsibility, and ethical business conduct. The impact materiality assessment underscores the significant role that sustainable procurement plays in reinforcing our commitment to ethical practices and contributing to a more sustainable value chain.

From an Outside-In Perspective

The way we manage supplier relationships and procurement practices has a direct impact on our financial performance and market position. Ethical and sustainable procurement practices help mitigate risks associated with supply chain disruptions, reputational damage, and regulatory non-compliance. Additionally, maintaining high standards in our procurement activities fosters stronger relationships with stakeholders and partners, potentially leading to improved business opportunities and a competitive edge. The financial materiality assessment highlights the economic benefits of prioritizing sustainable procurement, demonstrating its importance as a strategic element for JR Shipping Group's long-term success and sustainability.

Ambition

Our ambition is to fully integrate sustainability into our procurement processes by 2026, ensuring that our supply chain reflects our values and supports our long-term sustainability goals. We are dedicated to advancing sustainable procurement practices, with all our suppliers adhering to our ethical standards and our procurement team equipped with comprehensive training in sustainable practices.

Targets

2025

- 100% of our suppliers committed to our newly updated Supplier Code of Conduct.

2026

- Implement a due diligence process to assess and mitigate risks related to human rights, environmental sustainability, corruption, bribery, and other unethical practices within our operations and supply chain to identify high-risk suppliers and ensure that our value chain consistently aligns with our stringent ethical standards.
- 100% procurement staff trained in Sustainable Procurement.

Ethical Procurement for a Better Future

Throughout its 30-year history, JR Shipping Group has built strong relationships with clients, financial partners, suppliers, and service providers within the maritime industry. These partnerships are essential to the quality and continuity of our services. As we move forward, we are committed to embedding sustainability and respect for human rights at the core of our procurement practices.

Our new Supplier Code of Conduct sets clear expectations for human rights, environmental sustainability, corruption, bribery, and other unethical practices. By 2025, 100% of our suppliers will be required to commit to this Code, which aligns with the UN Guiding Principles on Business and Human Rights (UNGPs). We actively share our vision and collaborate with our partners to build a responsible and sustainable shipping value chain. This includes supporting each other in innovations that enhance fuel efficiency, environmental safety, and the reduction of harmful emissions, while also ensuring the rights and dignity of all workers in our supply chain are upheld. Our ultimate goal is to create a green and ethically sound shipping chain where every link is committed to sustainability and human rights, driving positive change across the industry.

At JR Shipping Group, we are dedicated to implementing a robust governance structure to oversee our procurement practices. This includes developing and implementing a due diligence process by 2025 to assess and mitigate



risks related to human rights, environmental sustainability, corruption, bribery, and other unethical practices in our supply chain. This governance structure will ensure that our suppliers align with our stringent ethical standards and that any identified risks are promptly addressed.

To ensure our procurement team is fully equipped to manage sustainable procurement and value chain due diligence effectively, we will provide specialised training by 2026. This training will include modules on assessing supplier risks and integrating sustainability criteria into procurement decisions.

We are committed to transparent reporting on our sustainable procurement practices. Once our due diligence processes are established, we will regularly publish key metrics and KPIs related to supplier compliance, risk assessments, and the effectiveness of our

procurement policies. This transparency will ensure accountability and enable us to continuously improve our practices.

Maintaining fair payment practices is integral to our sustainable procurement strategy. JR Shipping Group is committed to ensuring that our payment terms are fair and consistent with industry standards, particularly for small and medium-sized enterprises (SMEs). This practice supports our suppliers and strengthens our long-term relationships with them.

Lastly, we are dedicated to continuously improving our sustainable procurement practices. We will actively seek feedback from our suppliers and other stakeholders to refine our strategies, ensuring they remain effective and aligned with our sustainability and human rights objectives. All our efforts comply with relevant laws and regulations, reinforcing our commitment to ethical and sustainable supplier management.



Stakeholder engagement

Why it is material*

Stakeholder and political engagement, through stakeholder dialogue and active participation in industry associations like the Royal Association of Netherlands Shipowners (KVNR), is a crucial and material priority for JR Shipping Group. This engagement allows us to influence regulatory frameworks, stay informed about industry developments, and advocate for the interests of the shipping industry.

From an Inside-Out Perspective

JR Shipping Group's active involvement in several working groups of the KVNR enables us to contribute valuable insights, data, and support that are essential for effective advocacy at both the European Union (EU) and International Maritime Organization (IMO) levels. By participating in these discussions, we ensure that the perspectives and practical needs of the shipping industry, particularly our own, are well-represented in regulatory matters. This collaboration enhances our ability to navigate complex regulatory landscapes, ensuring compliance and operational efficiency. The impact materiality assessment underscores the importance of our political engagement, highlighting how it strengthens our industry's voice and contributes to the shaping of favourable regulatory outcomes.

Ambition

Our ambition is to play an active and responsible role in shaping the regulatory landscape of the maritime industry. We aim to strengthen our engagement with industry associations like the Royal Association of Netherlands Shipowners (KVNR) to ensure that the voices and concerns of smaller shipping companies are heard and considered in policy discussions at both the European Union (EU) and International Maritime Organisation (IMO) levels. We will also enhance our stakeholder engagement efforts, collaborating with partners, clients, and industry peers to share insights and advocate for policies that align with our commitment to ethical conduct and sustainability.

Targets

- Enhance our stakeholder engagement by conducting targeted surveys and interviews, which will help us better understand stakeholder priorities and integrate their feedback more effectively into our materiality assessment.

Engaging for Impact

Stakeholder engagement is a cornerstone of the CSRD and ESRS frameworks, playing a vital role in ensuring transparent and accountable sustainability reporting. By engaging with our stakeholders, we gain a deeper understanding of their priorities, enabling us to assess the impacts of our operations more effectively. This process ensures that our reporting genuinely reflects the interests and concerns of all involved parties.

Although we have encountered limitations in directly engaging stakeholders specifically for the current Double Materiality Assessment (DMA), their perspectives have nonetheless influenced our strategies through ongoing dialogues. These interactions of our stakeholders with our people have brought forward crucial insights from conferences, meetings, and other interactions. This continuous exchange ensures that even without direct engagement for this specific DMA, the voices of our stakeholders remain integral to our decision-making processes.

However, we recognise that direct engagement is essential for a more comprehensive and authentic understanding of our stakeholders' priorities. We are committed to significantly improving our stakeholder engagement processes. For our next materiality assessment update, we will actively involve our stakeholders in the materiality process. Preparations are already in place, including plans for stakeholder surveys and interviews. These initiatives aim to identify any gaps in our current materiality assessment and to ensure a more accurate and diverse representation of our stakeholder groups.

Listening to and interacting with our stakeholders is essential not only for refining our sustainability strategies but also for ensuring compliance with CSRD and ESRS requirements. By committing to enhanced stakeholder engagement, we aim to align our business practices with the expectations of our stakeholders, reinforcing our dedication to sustainable and responsible business operations.

* Stakeholder engagement is not financially material

In parallel with our stakeholder engagement efforts, JR Shipping Group is actively involved in political advocacy through our participation in working groups within the Royal Association of Netherlands Shipowners (KVNR). This engagement allows us to contribute to discussions that shape regulatory frameworks, particularly those that support sustainable operations in the shipping industry. While our influence may be modest compared to larger players, our involvement ensures that the unique challenges and perspectives of smaller shipping companies are considered in these discussions.

Our participation in KVNR's working groups enables us to bring practical insights to the table, reflecting the experiences of companies like ours. We believe that by contributing relevant data and perspectives, we help ensure that industry regulations are not only effective but also equitable and considerate of companies of all sizes.

The governance of our political engagement and lobbying efforts is overseen by a small, dedicated team within JR Shipping Group, guided by our Managing Owners. This structure allows us to carefully monitor and align our activities with our ethical standards and business objectives. We are committed to conducting all lobbying activities in full compliance with applicable laws and standards, focussing on transparency and integrity in our interactions with policymakers and industry bodies.

Although our lobbying efforts may not have a large-scale impact, they are significant within our scope. Through our engagement with the KVNR, we contribute to the development of policies that help maintain a fair and sustainable operating environment. Our efforts ensure that our interests—and those of our stakeholders—are represented in regulatory discussions, helping to secure a stable and sustainable future for our operations.



Appendix 1 - DMA Methodology

DMA Methodology

Before embarking on the double materiality process, a comprehensive grasp of the CSRD instructions, the complexities of the double materiality process, its implications, and the procedural know-how were crucial. This knowledge was acquired through an examination of the guidelines on double materiality in the CSRD, which covers the necessary steps and components. Combined with insights from third parties like EY, made that the execution of the critical steps outlined in the CSRD reports were performed well.

Initiating the materiality assessment, the first step involved determining the topics for inclusion and analysis. Rooted in the CSRD's 10 topics, an analysis revealed that these topics inherently covered nearly all essential aspects of JR Shipping Group as a business. An exception was noted, prompting the addition of the topic of innovation. This inclusion resulted from recognizing innovation as a pivotal factor for JR Shipping Group's future, particularly concerning vessel design, alternative fuels, and other innovative initiatives impacting operational efficiency and environmental friendliness.

Subsequently, the materiality assessment delved into a nuanced analysis of the impact, risks, and opportunities associated with each topic, sub-topic, and, where applicable, sub-sub-topic. This examination facilitated a comprehensive understanding of JR Shipping Group's influence on each topic, showing both positive and negative aspects. Simultaneously, it provided insights into the risks and opportunities inherent in each topic, laying a solid foundation for the subsequent phases of assessing the overall impact

of these topics. Within the impacts, risks, and opportunities, the whole value chain and stakeholders of JR Shipping Group were taken into account.

Following the analysis of the impacts, risks, and opportunities, it was important to set thresholds to apply for the analysis of impact materiality, the inside-out perspective. The basis for thresholds set by the CSRD was applied. For negative impacts, the thresholds were scale (how grave) and scope (how widespread). This means that the gravity of an impact and the number of individuals or perimeters that are or will be affected will both be relevant considerations.

Irremediability (any limits on the ability to restore those affected to a situation at least the same as, or equivalent to, their situation before the negative impact) is the third relevant factor of severity. For actual positive impacts, the criteria were scale and scope, and for potential positive impacts, the likelihood of occurrence was estimated. The scale on which scores were applied for the thresholds was from 1 to 5, with 1 being low and 5 being high, based on colour codes. The general threshold for materiality was a score with a total average score that exceeds 3 (medium).

For the analysis of financial materiality, the outside-in perspective, thresholds were also set. The thresholds were based on two categories: the likelihood of their occurrence and the potential magnitude of the financial effects. The likelihood of occurrence of each topic, sub-topic, and sub-sub-topic was assessed based on a scale from 1 to 5, with 1 being low and 5 being high, based on colour codes. The potential magnitude of the financial effects was assessed based on five categories: financial performance (profit), financial situation (assets and liabilities), cash flows,

access to finance, and cost of capital. Within this assessment, the average of the financial data from 3 accounting years per financial aspect was utilized as the base to assess potential positive or negative deviations in monetary estimates. The scale for change in financial numbers ranged from low to high, with five defined intervals: 0-2%, 2-4%, 4-6%, 6-8%, and 8-10+%. If the majority of the changes for the topic and its sub-topics, and if applicable, sub-sub-topics, equalled or exceeded 5%, the topic was regarded as material, indicating a potential significant impact on the financial performance and overall financial health of JR Shipping Group.

Based on the identified and set thresholds, the next step was to assess the impact materiality, the inside-out perspective, for each identified topic, sub-topic, and sub-sub-topic. The severity of the impact of JR Shipping Group and our value chain on each topic was assessed based on the identified impacts, risks, and opportunities for each topic, sub-topic, and sub-sub-topic. Scores from 1 to 5 based on colour were allocated to each topic, sub-topic, and sub-sub-topic for scale, scope, and, if applicable, irremediability. When applying the scores, the perspectives of both JR Shipping Group and our stakeholders were considered to ensure the inclusivity of our stakeholders in the process and scoring. Based on the outcomes and severity of the impact, a conclusion was made about whether a topic was deemed material or not.

After the assessment of the impact materiality, the financial materiality, outside-in perspective, was assessed for each identified topic, sub-topic, and sub-sub-topic. The likelihood of occurrence of the topic and potential magnitude of the

topic on JR Shipping Group's finances were assessed based on the identified impacts, risks, and opportunities for each topic, sub-topic, and sub-sub-topic. Scores from 1 to 5 based on colour were allocated to each topic, sub-topic, and sub-sub-topic for the likelihood of occurrence and the potential magnitude of financial effects. When applying the scores, the perspectives of both JR Shipping Group and our stakeholders were considered to ensure the inclusivity of our stakeholders in the process and scoring. Based on the outcomes of the likelihood and severity of the impact, a conclusion was made about whether a topic was deemed material or not.

Based on the assessment of the impact and financial materiality and the results of the assessments, a conclusion could be drawn to determine what topics are material for JR Shipping Group and which are not. Based on the average severity of medium or higher for both impact and financial materiality, the following topics were deemed material: Climate Change, Pollution, Water and Marine Resources, Own Workforce, End-users, Business Conduct, and Innovation. The materiality assessment revealed that these topics are material for JR Shipping Group at this moment in time but are, of course, subject to change over time. We are confident that these topics represent the materiality and priorities of JR Shipping Group and our stakeholders well.

During our double materiality assessment, the outline and requirements of the CSRD and ESRS have been followed. However, we recognise that our double materiality assessment and report do not fully meet all CSRD and ESRS requirements, and we want to be transparent about the areas where we fell short.

Firstly, we did not complete a comprehensive mapping of our value chain due to constraints related to both the availability of information and time. This shortcoming has affected our ability to fully understand and assess our environmental and social impacts across the entire value chain.

Additionally, while we have incorporated feedback from various stakeholder conversations, our engagement with stakeholders was not specifically tailored for the materiality assessment. Our engagement approach was more general and did not involve targeted consultations aimed directly at gathering insights for the assessment process.

Another area where we are lacking insight is a lack of quantitative performance data. Our assessment currently does not include robust quantitative data, which provides valuable insights for a thorough analysis of material sustainability issues and their financial implications.

Moreover, we have not yet obtained external verification or assurance for our materiality assessment. External verification is crucial for ensuring the credibility and accuracy of the information we report.

We also recognise that our findings from the materiality assessment have not been sufficiently integrated with our financial reporting. Effective integration is essential for providing a clear understanding of how sustainability issues impact our financial performance and vice versa.

Finally, we have not established specific Key Performance Indicators (KPIs) related to the materiality assessment.

KPIs are vital for measuring progress and performance in relation to the identified sustainability issues.

To address these gaps and improve our compliance with CSRD requirements, we are committed to several corrective actions. We plan to enhance our stakeholder engagement by conducting targeted surveys and interviews, which will help us better understand stakeholder priorities and integrate their feedback more effectively into our materiality assessment. Additionally, we will undertake comprehensive value chain mapping to better assess our environmental and social impacts.

We will also focus on gathering quantitative data to support a more rigorous analysis of material issues and their financial implications. Seeking external verification will be a priority in the year of required compliance to ensure the accuracy and credibility of our materiality assessment and report. We will work towards better integrating our findings with our financial reporting to provide a more comprehensive view of the impact of sustainability issues on our financial performance. Lastly, we are currently taking the necessary time to refine these KPIs with an eye towards potentially aligning them with the Science-Based Targets Initiative (SBTi). By ensuring we establish the right KPIs from the outset, we aim to set a consistent path forward, avoiding the need for frequent revisions.

By addressing these areas, we aim to align more closely with CSRD and ESRS requirements and enhance the overall quality and transparency of our sustainability reporting.

JR Shipping Group

Future Ready in a Sustainable way

In a world where climate change is a hotter topic than ever, we at JR Shipping Group are pleased to announce the publication of our second Sustainability Report. At JR Shipping Group, we believe that the maritime industry must play its part in making everyday operations on this planet more sustainable, and we aim to actively contribute to this effort. We strive to operate sustainably in every possible way, both in terms of emissions and sustainable business practices. To provide some context about why our organization operates in this manner, this section focuses on the journey that JR Shipping Group has travelled, is currently traveling, and aims to travel in the future.

Learned from the past

After years of crisis management, during which the aftermath of the 2008 economic crisis and the COVID-19 pandemic were still felt throughout the industry, things now seem to be improving. The industry has the wind in its sails and is heading toward a more promising future.

The market took a long time to recover after the 2008 economic crisis, which meant that when the COVID-19 pandemic broke out, the market was still not fully recovered. This meant a huge blow for the industry. These times were characterized by logistical chaos and disruptions in the supply chain. Ports had to deal with stricter requirements and protocols, and some were even closed. After the virus slowly became manageable, this then jumpstarted the recovery of the shipping industry. Gradually, the revenue base for our vessels got more

balanced. Between summer 2021 and autumn 2022 the rates even rocketed after things settled again.

During all these phases, JR Shipping chose to openly communicate towards its investors. This transparency provided a loyal investor base of which we are very proud of. These hard times taught us a lot of hard lessons. But now we are, stronger than ever and focused on the future.

Diversification

During the time when opportunities were limited, JR Shipping Group made the choice to operate differently. SeaZip Offshore Service was added to the Group in 2012 as part of the group's diversification strategy. Offshore service was a new market for JR Shipping Group and made us more flexible, with both CTVs as well as the container feeders as core business.

Upgrading and modifying existing vessels—known as retrofitting—is seen within JR Shipping Group as an excellent way to make our existing fleet more sustainable and future-ready.

Retrofitting, or upgrading and modifying existing vessels, is viewed as a great option for JR Shipping Group to make its existing fleet more sustainable and future-ready. Reducing the resistance to water of a vessel, and at the same time optimizing the propulsion efficiency for the operational conditions a vessel actually sails under can bring a lot. Fuel consumption will go down and subsequently the ghg emissions Retrofit could possibly lead to less resistance and a more efficient way of transporting the vessels. Research into its applicability is ongoing. We see this as a major step forward, and we hope that in the future, our vessels will operate more sustainably, contributing to a more sustainable industry.

Furthermore, we set some steps towards becoming active again in the short sea dry load vessels with investing in the new generation of ECO vessels.

The vessels are expected to emit 30 to 40% less CO₂ compared to the existing tonnage in the segment. This new generation of vessels is extremely promising for our group, and we eagerly look forward to seeing them launched.

Although we have also developed next-generation designs for future container feeders, the focus is now on making the existing fleet more sustainable. This can be achieved in many different ways. JR Shipping Group, among other things, has taken the initiative to install on-board carbon capture filters. So far, 10 of these filters have been installed on our container feeders. Regulations first need to be adjusted to facilitate the use of on board carbon capture technology. But that is bound to come.

Future-proof

The current focus on modifying existing ships and the new generation of vessels clearly shows that we are not standing still. We are committed to reducing our carbon footprint throughout our supply chain. Therefore, JR Shipping Group is exploring, both internally and externally, various ways to make our ships future-proof. From the installation of carbon capture filters to research into retrofit measures, we remain active in our efforts. All the initiatives and innovations mentioned help us in achieving our mission; Excellence in Sustainable Short Sea Shipping.

Since we cannot achieve this alone, one of the future tasks is to map out the value chain. What do our partners expect from us, and how can we engage in a dialogue with them? We are eager to see how their insights and interests can be incorporated into our operations to make them even better, more efficient, and more sustainable. We must do this together, to work towards a Sustainable Short Sea Shipping Industry. Therefore we hope that this sustainability report triggers something and marks an entrance point for starting conversations and discussions. **Let's commit** together towards **Excellence in Sustainable Short Sea Shipping!**





COLOPHON

Redaction & text

Jort Haarsma
Sander Schakelaar
Mirna Hibma-Klok
Irene Manuputty - de Jong

Photos

Flying Focus Aerial Photography
Hasenpusch Photo Productions
Daan Groenewegen
Hapag Lloyd - Johanna Stroex
Teun Put
Danny van den Berg
Matthieu Wiersma
Clipper Stad Amsterdam
Stichting Harlingen Sail
Colleagues JR Shipping &
SeaZip Offshore Service

Graphic design

Okkinga Communicatie

Print

Drukkerij Van der Eems

All the policies we referred to during the texts are published on our website. Please visit www.jrshipping.com/sustainability/policy-documents or scan the qr-code.





SHIPPING GROUP

Contact

+31(0)517 - 431 225
info@jrshipping.com

Visit us at

Korte Lijnbaan 25
8861 NS Harlingen
The Netherlands

Send your post to

P.O. Box 3
8860 AA Harlingen
The Netherlands

Follow us



www.jrshipping.com

