

Photo: DFDS mechanics working on optimising fuel efficiency at Selandia Seaways
DFDS A/S · Sundkrogsgade 11, DK-2100 Copenhagen Ø · T +45 3342 3342 · F +45 3342 3311 · dfds.com · CVR 14 19 47 11



DFDS CSR Report 2020





3	CEO letter
4	Our business
5	Sustainability strategy
6	Environmental Footprint
12	Our climate action plan
13	Caring Employer
19	Our commitments
22	Sustainability risks
23	ESG key figures

About this report

This report constitutes DFDS' Communication on Progress to the UN Global Compact. It covers the DFDS Group's CSR approach and activities for the financial year 1 January to 31 December 2020. The report is an integral part of the management review of DFDS' Annual Report 2020 and by publishing this document, we fulfil the requirements of Sections 99a and 99b of the Danish Financial Statements Act.



The power of commitment

The power of commitment

2020 was an extraordinary year that impacted us all. As a transport and logistics company, we are used to being exposed to global events and its impact on our infrastructure. However, the corona pandemic impacted us with such intensity and magnitude that I personally have not experienced anything similar before. When the crisis hit us the hardest, and required us to close our passenger business and furlough of 1/3 of our employees, we leaned on our purpose to move for all to grow. Our commitment kept us focused on doing our utmost for customers and employees. In parallel we introduced our climate action plan, committing us to becoming a climate neutral company by 2050.

Becoming climate neutral by 2050

Our climate action plan ensures we prioritise our environmental footprint. In an industry with a large carbon footprint, we are committed to finding solutions that will eventually transform how our industry operates. The plan commits to climate neutrality by 2050 by gradually reducing our footprint. We will reduce CO₂ emissions by 45% by 2030.

Innovation for green fuels

96% of our CO₂ emissions come from our vessels, making it a natural focal point in our green transition. However,

the challenge is twofold: Vessels are designed and built for today's fuelling, and green fuel alternatives for vessels do not currently exist. To address the first challenge, we focus on several projects aiming to reduce CO₂ emissions from our existing fleet over the next ten years, as well as reducing CO₂ emissions from our trucks, travel, cars, and buildings.

To find green fuel alternatives, we joined two sustainable fuelling partnerships in 2020. One project aims to develop a hydrogen and e-fuel production facility in Copenhagen. The other aims to build a 100% hydrogen-powered ferry, running on electricity from a hydrogen fuel cell system that emits only water. More partnerships like these will speed up innovation and help us transition and sustain our company and industry in the years to come.

Moving for employees to grow

It is rooted in our DNA to care for our people. As we operate in logistics locations, at terminals, and sea, our people's safety is a particular focus of mine. With the outbreak of the pandemic, the safety of our people remained a top priority. Our mental health became an issue of concern, with office employees working from home. For our many non-office colleagues, frequent testing and the creation of safe work shift routines were quickly implemented.

Diversity & inclusion

We must develop diverse and inclusive teams in an industry with a long tradition for being diverse on nationalities but less so on gender. Today, our organisation includes 23% women, and it is our ambition to increase that number to 30% by 2023. In 2020, senior leadership in DFDS pledged to make DFDS even more diverse and inclusive. We made diversity and inclusion a top priority parameter in promotions, recruitments, and projects.

Despite a challenging 2020, I am proud of the progress we made on sustainability. Our commitment to move for all to grow is deeply embedded in our culture and benefits customers and people alike. It helps make us a valuable partner to society.

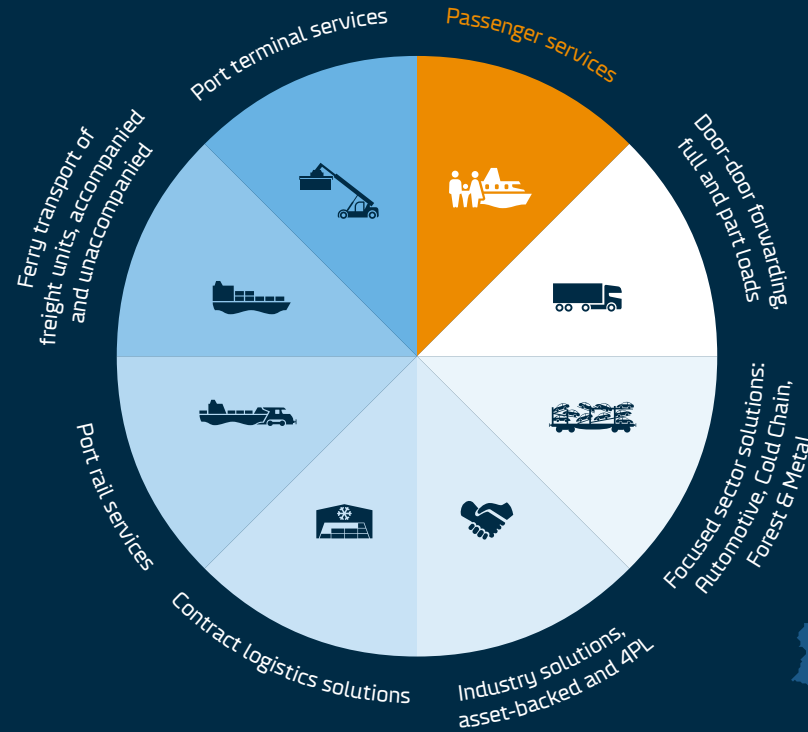
In closing, I would like to thank our colleagues for their extraordinary commitment to our company during challenging times. A special thank you to customers and our external partners, without whom we would not succeed. Lastly, a thank you to shareholders and our Board of Directors for their continued support.



Torben Carlsen
President and CEO
of DFDS Group

Our business

We contribute to safeguard and develop the infrastructure to move goods and passengers



27
ferry routes

8,200
employees

The key customers of our freight solutions are manufacturers of automotives, fresh and frozen foods, forest & paper products as well as retailers. Our ferry routes mainly carry trailers for forwarders and hauliers. This is typically fast-moving freight destined for delivery within days.

The key passenger groups are people travelling in their own car, and mini cruise passengers enjoying a maritime experience and the on-board facilities.

8
port terminals

50
logistics locations



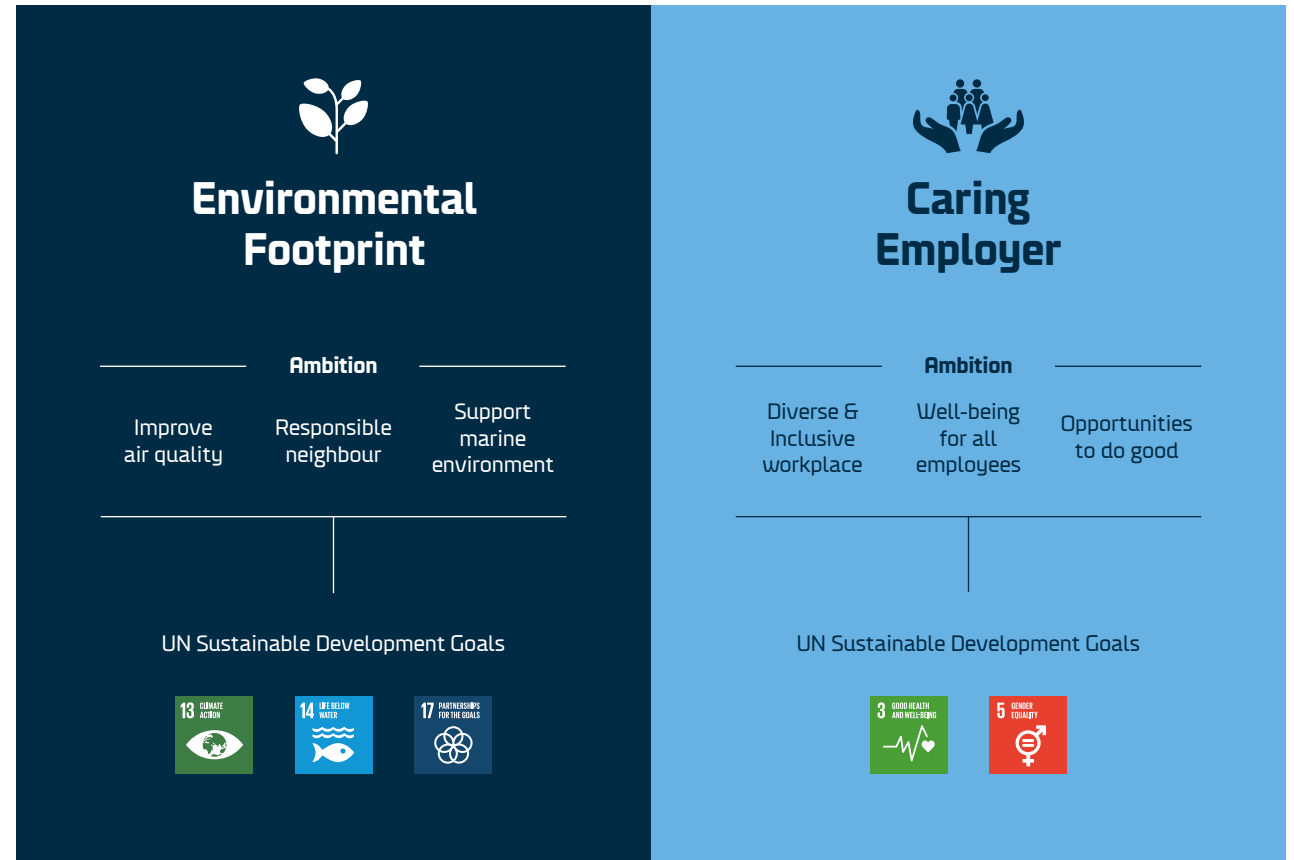
Sustainability strategy

Being a transport and logistics provider, we are committed to having a sustainability strategy that helps us reduce our environmental footprint and to ensure that our employees are safe, healthy, and treated equally.

We defined our sustainability strategy in 2018. The two overarching themes Environmental Footprint and Caring Employer are each supported by three ambitions. In 2019, we added individual metrics to measure progress. In 2020, we completed our specific, targeted, and actionable climate action plan and emphasised organisational sustainability, including Health & Safety, Diversity & Inclusion, and our Code of Conduct.

Sustainability is an intrinsic component of our daily planning and operations. We have thorough processes and reporting lines to help us reduce our environmental footprint and continuously strengthen our position as a caring employer. We assess risks, analyse, and investigate relevant initiatives and adjust our actions as needed to stay on track with our commitments. Sustainability is also an inherent element in investment considerations: All CAPEX investments above €1 million must be accompanied by documentation assessing the investment's environmental impact before they can be authorised. The Executive Management Team (EMT) has approved the climate action plan and follows its progress closely during the year.

Our sustainability strategy aligns with UN Sustainable Development Goals (SDGs) 3, 5, 13, 14 and 17 because they are particularly relevant to our business activities. These SDGs guide our efforts and represent global principles for responsible conduct, to which we want to be held accountable.





Environmental Footprint



Environmental Footprint

Our comprehensive climate action plan will lead to the improvement of air quality. The plan's targets are to reduce relative CO₂ emissions by 45% by 2030 and to make us climate neutral by 2050.

We aim to be a responsible neighbour who contributes to reducing pollution, waste, and noise in the communities in which we operate.

We operate in the marine environment and want to support ocean life, relevant research, and educational initiatives.

Air quality

Taking responsibility for bringing down emissions

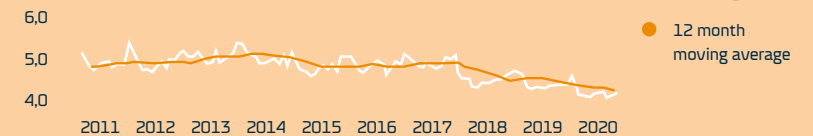
Customers are becoming more prone to seeking climate-conscious suppliers who can prove that their business is sustainable. We continuously adjust our business and operations to minimise our environmental footprint to remain a competitive supplier, partner, and employer.

In 2020, we finalised our climate action plan. We want to be climate neutral by 2050 and aim for a relative reduction of GHG emissions by 45% from 2008 to 2030, corresponding to an approximate reduction of 32% between 2019 and 2030.

Our emissions of CO₂ equivalents were estimated at 2.020.000 tonnes of CO₂ – 96% of which come from the operation of our ferries. We have reduced our CO₂ emissions by 4% since 2019. We continued to improve our efficiency and cut emissions per unit by reducing average fuel consumption. The main drivers of the reduction were new efficient tonnage, operational and technical improvements, and innovative anti-fouling treatments to reduce resistance on a number of vessels. Part of the emissions reduction on total volumes was also largely driven by the reduced operational activities caused by the

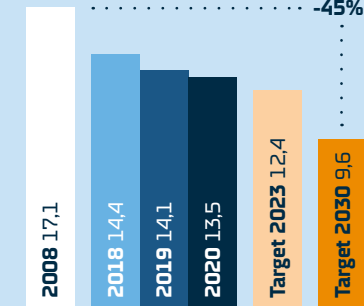
Average fuel consumption of the DFDS fleet 2011-2020

Fuel consumption (g/GT/Nm)



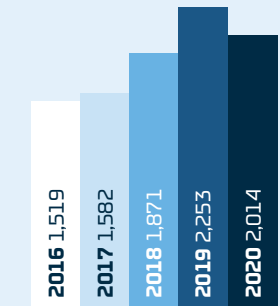
CO₂ emissions per gross ton mile

gCO₂



DFDS Group CO₂e emissions

1,000 tonnes



global pandemic within the passenger business, resulting in several ferries being taken out of operation. On the other hand, additional tonnage and fuel consumption during Q4 related to increased trade volumes and Brexit partly off-set the reduction.

2030 target: we know where and how to improve

Our short-term plan for reducing emissions is based on careful analysis of how we operate today, and identification of the areas with the most significant potential for improvement. We have a long tradition of continuously improving our operation and fuel efficiency, resulting in a 21% improvement from 2008-2020. To reach our 2023 and 2030 targets, we need to increase our speed of implementation and have therefore identified necessary actions such as fleet replacement and environmental upgrading, optimising the vessels' hydro-dynamic performance to reduce friction in the water and improving decision support systems to help crews and shore-side support teams operate in a more fuel-efficient way, as well as continuous improvements to energy consumption. We actively develop and test new means of propulsion and energy generation and participate in testing low carbon fuels such as biofuels. We currently run +20 projects that aim to reduce CO₂ emissions from our existing fleet over the next ten years. Combined, they will result in a relative reduction in emissions of roughly 45% from 2008 to 2030. In 2021, we will improve our internal emission accounting by aligning data from all the different parts of the organisation involved in climate plan reporting and develop a common reporting standard. This might have a minor impact on previously reported performance, but it will improve our ability to measure results and assess areas that need improvement.

We recently introduced better silicone-based hull coating on four of our new Jinling vessels while they were in dry dock. The remaining two Jinling vessels will also get this hull treatment. This simple improvement reduces water resistance and enables us to use less fuel. It is expected to reduce our annual CO₂ emissions by 4-6% or 10,000 tons on these four vessels alone.





We are developing a hydrogen ferry that only emits water, Europa Seaways. If the project succeeds in achieving the necessary financing and results, she will serve our Oslo-Copenhagen-Frederikshavn route from 2026.

Towards zero emission shipping in 2050

The major transition towards zero emission shipping requires our industry to replace today's fossil-fuel dependent fleets with a new generation of ships that run on sustainable fuels created entirely from renewable energy.

In the long term – by 2050 – we will replace fossil fuels with zero emission fuels like ammonia, hydrogen, or methanol. Storing, handling, and using these new fuels differs vastly from how fossil fuel works. Finding feasible alternatives to fossil fuels calls for cross-sector collaboration and an appetite for experiments. Numerous complex uncertainties still hold back the commercial viability of renewable fuels. The demand for them depends on price differentials between black and green energy, availability, bunker infrastructure, and regulations.

Closing the price gap between fossil and renewable fuels will be critical to driving the adoption, construction, and use of zero emission vessels. We openly share information about which sustainable fuels we are investigating and the volumes we estimate to be required to fuel a business of our size. We are contributing to the development of a hydrogen factory in Copenhagen and a green ammonia production facility in Esbjerg, to better understand the production of green fuels and contribute to their availability. With projects like those, we aim to lessen the price gap between black and green fuels and sustain our commercial competitiveness.

We are vocal about the sustainability challenges and possibilities that face the maritime industry. We pursue new knowledge and partnerships to help qualify our

Setting emission targets for our ships



- We are fully committed to the International Maritime Organisation (IMO)'s GHG (greenhouse gases) strategy and use “Gross Tonnage multiplied by distance travelled” when reporting on GHG emissions performance.
- Based on a 2008 baseline of 17.1 grams CO₂ per GT-mile, the 2023 target is set at 12.4 grams CO₂ per GT-mile.
- The 2030 target is set at 9.6 grams CO₂ per GT-mile. We are therefore aiming for a 45% reduction between 2008 and 2030. The development from 2008 to 2020 showed a reduction of 21%.
- Achieving the 2030 target requires a 29% reduction from 2020 levels.



strategic decisions on future infrastructure and business models for carbon neutral transportation. We engage in industry fora and open innovation initiatives to develop technologies and synergies that will help drive down the cost of renewables. We also actively participate in the EU's European Sustainable Shipping Forum (ESSF) and the International Maritime Organisation's (IMO) Marine

Zero emission fuels: Speeding up the the development of Zero Emission Energy Distribution at Sea

ZEEDS (Zero Emission Energy Distribution at Sea) is an open innovation partnership across the maritime value chain. Our partners Equinor, Wärtsilä, Aker Solutions, and Grieg Star have different competencies and knowledge that can help move shipping from where it is today to a zero-emission shipping future. There are several projects in development, like an Island Energy Ecosystem, an Offshore Hub production unit for ammonia, an ammonia bunkering ship, and converting a vessel to run on ammonia. In 2021, there is a particular focus on the environmental aspects of using ammonia as a replacement for fossil fuel in a maritime setting.

Environment Protection Committee (MEPC). We prioritise contributing to regulation processes and are in close dialogue with customers to understand their expectations.

Testing biofuels based on agricultural waste

In 2019, we invested in MASH Energy, a start-up developing a method to produce commercially viable biofuel from agricultural waste. In 2021, we aim to test MASH Energy's B11 biofuel based on leftover nutshells on our ferry Pearl Seaways. By testing the fuel, we can help create realistic alternatives and supplements to fossil fuels.

Improving air quality with scrubbers

We are cutting sulphur levels through our pioneering work with air cleaning systems. We were one of the first shipping companies to deploy scrubbers on our ferries, installing the first system in 2009 on Ficara Seaways. Scrubbers are the best available option to combat SO₂, and other air pollution particles. Studies indicate that using scrubbers emits less CO₂ than using low sulphur oil – in our case this means an estimated reduction in the total value chain of 25,000 tonnes of CO₂ in 2020. We also see indications of our scrubbers emitting considerably less SO₂ than the compliance rules require. In 2020, we completed the installation of scrubber systems on board our ships in the Mediterranean Sea, bringing the total of vessels in DFDS with installed scrubbers to 36. The two new freight/passenger ferries we will deploy in 2021 and 2022 will also have scrubbers installed.

Upgrading our road fleet to cut emissions

We invest in trucks with the highest possible Euro class engines to reduce exhaust emissions and ensure optimal safety and efficiency. In 2020, we purchased 27 Euro 6 standard Volvo trucks for our UK operations. 98% of our 640 trucks are now Euro 5 or 6-certified. These vehicles effectively reduce harmful gas emissions, are fuel-efficient, and equipped with high-quality communication systems.

Across the Logistics Division, we are reducing emissions through improving fuel efficiency. We are training drivers in Eco driving, optimising route planning, and using bio diesel (HVO). In Sweden, we use biofuel in almost all Logistics locations. We have initiated innovative partnerships with customers and truck manufacturers. In 2021, we plan to test fuel additives in a research set-up to confirm that this will increase fuel efficiency and reduce emission per kilometre. If the test results are positive, we plan to scale the test to a section of the fleet. We will also test our first electric truck next year.



of our trucks live up to the highest EU emission standards, Euro 5 and Euro 6



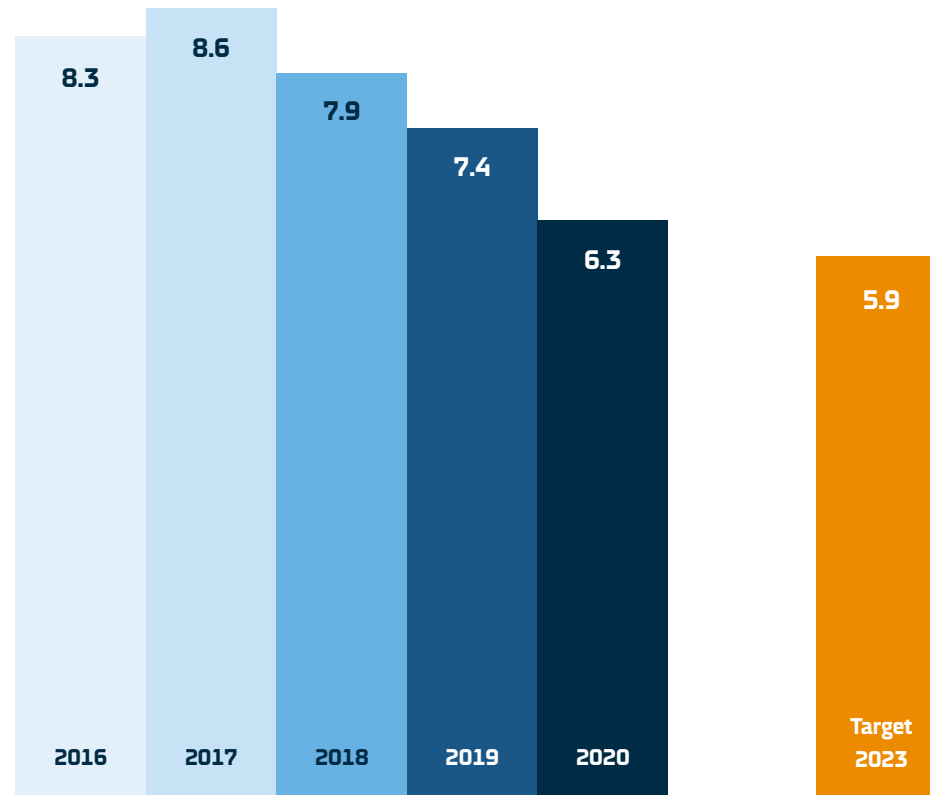
Responsible neighbour

Taking local responsibility

We play a significant role as an employer in many local communities due to our sizeable operations and broad network. We operate in places where people live and work, and we must act as a responsible neighbour in all areas of our business. This involves improving our buildings and operations to make them more energy-efficient, shifting to hybrid and electric vehicles to improve local air quality, and governing the management of our inputs (responsible procurement) and outputs (waste management).

Tackling our land-based energy consumption in our local offices, warehouses, and terminals is crucial for reducing our local emissions. We measure the efficiency per FTE, as the number of people working within a building there is the main driver of energy use. In 2020, we saw a significant reduction of 14% in energy consumption per FTE. Like the reductions in previous years, this is mainly due to increased awareness and local energy-saving initiatives. That we had many employees working from home this year was also a contributing factor. In 2021, we will start identifying locations suitable for the installation of solar panels. At our new Headquarters being built in Copenhagen, solar panels are part of the construction.

Landbased energy consumption (MWh) per FTE



The share of electric and hybrid vehicles in our terminal-based fleet will increase significantly in 2021 because we across several locations no longer allow leasing of petrol or diesel vehicles. Fully electric and hybrid vehicles eliminate or significantly reduce NOx pollutants compared to diesel engines.

Shore power

Our work to cut local emissions of NOx and particle matter includes installing shore power supply on vessels. Doing this will enable us to switch off auxiliary engines during port stay, reducing emissions, harmful particles, and noise. It significantly improves local air quality and is potentially emission-free if derived from renewable electricity sources. All our newbuilds have a built-in shore power system function, and in 2020 we completed the last installation on the Oslo-Frederikshavn-Copenhagen route. We remain in close dialogue with applicable authorities to determine port locations able and willing to install the infrastructure needed for shore power utilisation. The Port of Oslo completed their installation in 2020, and Gothenburg will introduce a new electrical shoreside power supply system in January 2021. We have signed a letter of intent with Copenhagen Malmö Port about shore power in Copenhagen. The agreement states that the port will invest in a connection enabling us to fully utilise our existing onboard installations.



Continuous Plankton Recorder

Marine environment

Protecting ocean life

Our day-to-day activities come at a risk to the marine environment. Minimising water pollution, protecting ocean life, and supporting research and education are key elements in our sustainability strategy. Vessels crossing seas can be the cause of oil spills and discharges and we unfortunately had one oil spill in 2020, caused by human error.

There is an increasing focus on biodiversity on land and in the marine environment. This is an area in which DFDS can make a difference. A major step towards securing maritime biodiversity is to prevent the spread of potentially invasive aquatic species through ballast water from ships operating across regions. We work actively to reduce this risk by removing or inactivating biological organisms before releasing ballast water into the marine ecosystem. In 2020, we continued our Ballast Water Management programme and installed ballast water treatment systems on eight ferries, making a total of 20. We expect to install eight new systems in 2021 and installations on all ferries to be complete in 2024.

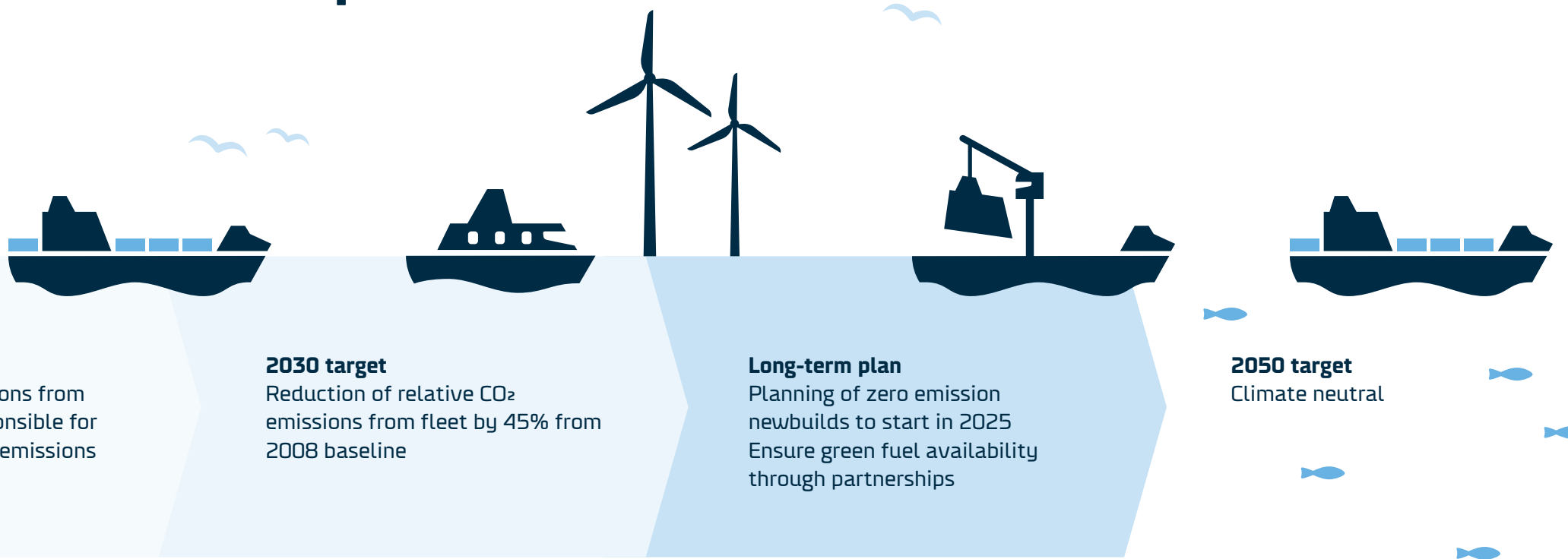
We have an ongoing commitment to collaborate extensively with scientific research institutions to uncover crucial changes to marine environments and help inform and shape governmental policies to protect biodiversity. We provide access to data collection from our ferries, enabling our research partners to conduct a wide range of research at sea. Our continuing projects include monitoring whales and dolphins with ORCA, monitoring cetacean and seabirds with MARINElife, and long-term measurement of the ecological health of marine plankton with the Continuous Plankton Recorder Survey.

Part of the planet's longest-running global marine survey

Continuous Plankton Recorders (CPR) are towed after many of our ferries to collect data and help scientists measure the changing state and presence of sea plankton. Every marine ecosystem relies on plankton for its basic food source, and it generates half the oxygen we breathe. It is crucial to all life on our planet. Plankton also absorbs CO₂ emissions. The pandemic has paused much biological research, yet the plankton survey has been able to continue because the crews have been eager to prioritise it and do the necessary work.



Our climate action plan



Short-term plan

Reduce CO₂ emissions from existing fleet responsible for +90% of our total emissions

2030 target

Reduction of relative CO₂ emissions from fleet by 45% from 2008 baseline

Long-term plan

Planning of zero emission newbuilds to start in 2025
Ensure green fuel availability through partnerships

2050 target

Climate neutral

Getting our house in order

Reduction of the 10% of emissions that are non-fleet: trucks, travel, company cars, buildings, and more





Caring Employer



Caring Employer

The sustainability of our business depends on the sustainability of our organisation.

Our work environment should be safe, healthy, diverse, and inclusive, allowing people to thrive and contribute.

That is why we try to support our employees' physical and mental health and encourage them to find opportunities to give back and do good in the societies where they live and work.

Diverse and inclusive workplace

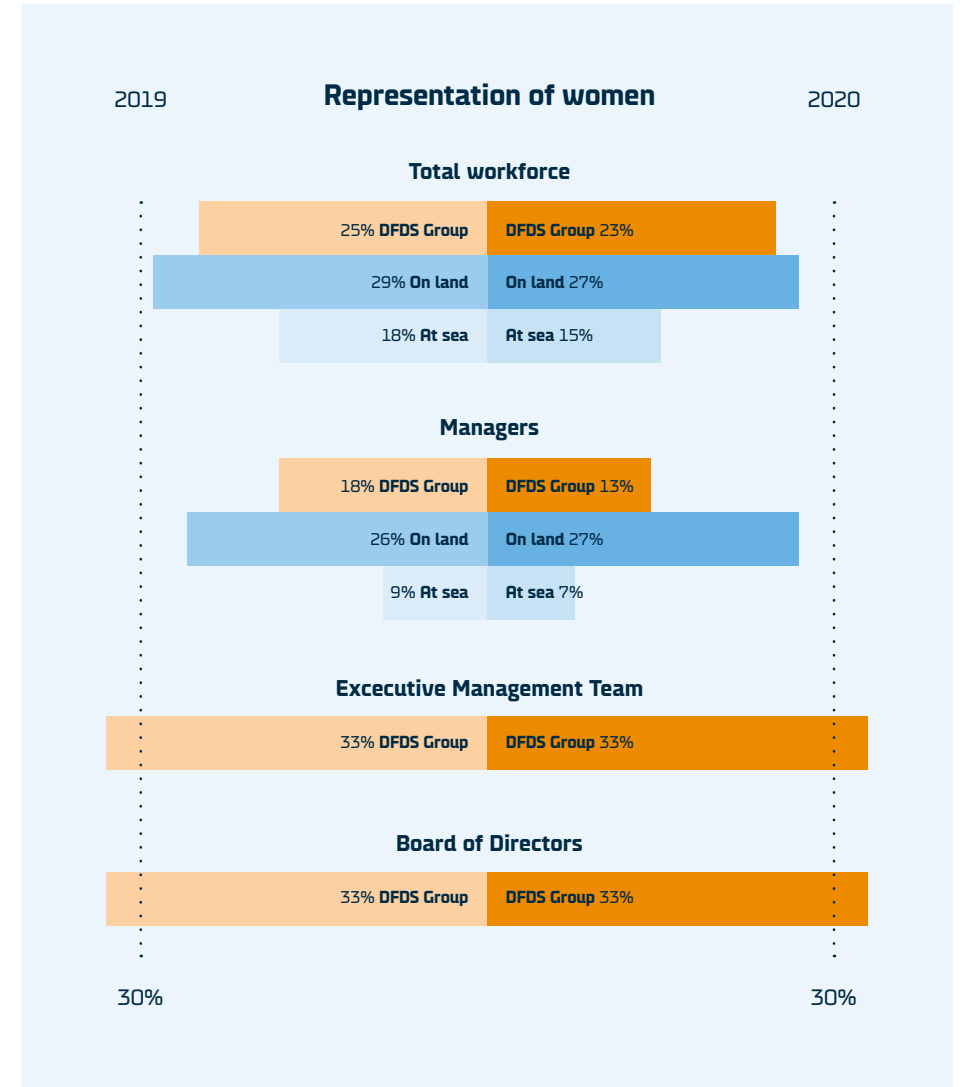
We move for all to grow

We believe a diverse workplace is an effective, engaged, and high performing workplace. Diversity enables better business choices based on an individual's unique contribution. Bringing together people with various backgrounds and expertise creates a culture where different viewpoints are acknowledged, which helps prevent decision-making based on habits and unconscious bias.

Diversity & Inclusion is at the top of our agenda and an integral aspect of all HR processes and our Code of Conduct. We aim to have a minimum of 30% minority representation by 2023, and in 2020 People Division partners worked to include these considerations into operating procedures. Our performance measurement focuses on improvements in gender diversity. However, to secure a truly diverse workforce, minority representation also relates to race, ethnic background, religion, sexual orientation, age, education level, and socioeconomic status.

Gender diversity in DFDS

The maritime and logistics industries are traditionally associated with male attributes and continue to be so today, particularly at sea. Both at sea and on land, the share of





women in our company dipped this year. This was due to the structural changes we set in place because of Covid-19. Our Passenger Division was hit the hardest by furloughing and layoffs. As the gender diversity here is above the DFDS average, organisational changes had a visible impact on the gender balance of the total workforce.

On our ferries, the share of women is 15% of the total workforce. The ratio drops to 7% for managers, but this is still above the industry average. In 2020, we signed the Charter for more women in shipping – an initiative led by Danish Shipping - committing ourselves to strengthening our focus on gender equality in our industry. An internal task force is currently looking at how we can segment and target our approach to make our industry more attractive to a more diverse audience whilst being realistic about how quickly we can progress, given the available talent pool.

At the end of 2020, 27% of our staff on land are women and the ratio is the same for our managers. This is close to our target of 30% by 2023. Achieving gender diversity remains a high priority as women are still underrepresented in many areas, for instance in senior management, where only 16% are women. In 2020, the entire senior management team prepared plans for how to incorporate diversity and inclusion in their daily priorities. This will be tracked and followed-up during 2021.

Leading from a distance

As people began working from home in March, it became clear that we needed to put extra efforts into making them feel included and part of a unified team. Leading from a distance and keeping a dual focus on performance and well-being was new to many managers. As a response, we initiated remote leadership training for managers to give them a framework and tools for providing direction and a sense of belonging. We expect to have gone through training for all managers by Q1 2021.



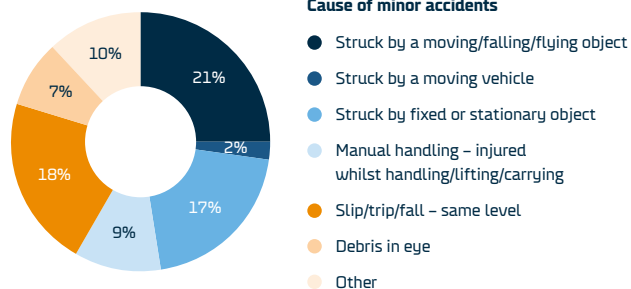


Well-being for all employees

People's safety always comes first

Operating a business where 45% of our employees work in high-risk working environments requires us to continuously assess and improve our overall health and safety performance. We have clear targets for this both on land and at sea. In 2020, we have again seen a positive decrease in our LTIF (Lost-time injury frequency) in both areas. But despite safety being top of everyone's mind in high-risk locations, there are still too many accidents and we will continue to work to reduce them. In 2021 we will review our exiting targets to evaluate if they are ambitious enough. Minor accidents are more frequent than major accidents and injuries. In 2020, the most common causes of minor accidents were slips, trips, or falls, or involved manual handling, lifting, or carrying.

Our approach to safety is based on risk. We set more safety controls and formal inspection regimes for higher-risk locations like port terminals than for lower-risk places like offices. At sea, we carry out frequent reviews



to identify and establish safeguards against risks to people, ships, and the environment. Ashore, our approach to safety is to empower local management teams to take local responsibility. Our safety culture is embedded in The DFDS Way and outlined in our Code of Conduct and Health, Safety & Environmental Policy.

Sadly, two accidents were fatal for two external contractors in 2020. In Vlaardingen, a driver came between a standing and a moving trailer. Our colleague who found the driver immediately alerted the DFDS first aid team and emergency services. But despite a swift response, an ambulance arriving within minutes, and everyone doing everything in their power, the driver's life could not be saved. In Mersin, while pipes were being repaired on the deck of the freight ferry UND Atilim, a tugmaster hit the scaffolding while a supplier's employee was working on it. The employee of the stevedoring company servicing DFDS fell from the scaffolding and was taken to hospital immediately, but it was not possible to save his life. Our Health & Safety team worked closely with authorities to support their investigations into these unfortunate and tragic accidents, and both cases were closed with no remarks to our responsibility. We want to make sure that these incidents do not happen again and carefully evaluated the situations leading up to their occurrence. Besides local improvements, we implemented a new Safety First programme as a result of these events.





New safety programme

In 2020, we introduced a new safety programme across the business, Safety First. Its purpose is to track accidents and near-misses, strengthen our safety culture, reduce accidents, and help our colleagues become even more aware of what they can do to avoid dangerous behaviour. We started implementing it in high-risk ship/shore locations in 2020, and the work continues across all our locations in 2021. We also began tracking all Health & Safety data in one consolidated system in 2020. This was previously handled locally. By tracking safety in all locations and comparing data, we gain an overview of where accidents happen and what leads to their occurrence. This makes us able to better assess where to set in to reduce the risk of similar incidents occurring again, share best practice, and benchmark Health & Safety performance.

First maritime member of rail safety board

In our efforts to live up to and set standards for safe transportation, we became the first maritime member of the UK Rail Safety and Standards Board (RSSB) in 2020. This industry body works to achieve continuous improvement in railways' health and safety performance in the UK. The rail industry has many similarities to port industries, and this membership will help guide us on how to continue to make rail transport safer and better across our network.

A sound mind

Looking after the well-being of our people also includes awareness and support of their mental health. We increased communication to our colleagues both on business-related issues (to enable them to stay informed at a distance) as well as on more personal matters, as Covid-19 forced us all to balance working from home with dealing with the insecurity of not knowing how long isolation would last. We introduced extensive testing procedures and safe bubbles within teams for our terminal, vessel, and warehouse employees. Office-based employees have been working from home to stay safe and reduce their risk of infection. We have so far avoided operational challenges caused by local outbreaks of Covid-19. Sadly, we have seen a single death related to Covid-19 as one of our colleagues, a Baltic crew member, passed away with it this year.

As a seafarer's work sometimes entails long absences from family and friends, they are more prone to experience mental health issues. At DFDS, seafarers make up half of our employees. Some of them have been impacted by the pandemic by being unable to get home or return to work due to ongoing travel restrictions. As an employer, we do everything we can to give them the support, guidance, and assistance they need in these difficult times. We continuously worked with Shipowners' Associations, unions, and other industry bodies during the pandemic to ensure safe crew mobility across borders. In some cases, we interacted directly with governments.

In January 2021, we joined 300 other companies in shipping, transport, and supply chains in signing the Neptune Declaration for Seafarer Wellbeing and Crew Change, supporting actions we as an industry must address to facilitate crew changes and keep global supply chains functioning.





Opportunities to do good

Seize the chance to help where we can

We are a large company and a considerable local employer in parts of Europe, UK, and Turkey.. We are proud to be a business that has assets we can use to benefit people around us. There is no contradiction between having a business mindset and doing good.

In 2020, we signed a contract with the UK Government to ensure ferry capacity for transport of vital goods like medicine and food after the end of the Brexit transition period. We have also renewed our agreement with Danish Armed Forces to provide ships for the transport of military equipment in connection with NATO preparedness and humanitarian crises. As a result of this cooperation in the past, the Danish Armed Forces have taken part in many humanitarian operations using DFDS ships, including the Danish-led UN mission to transport chemicals out of Syria and Libya and the UN Ebola effort in East Africa.

Our colleagues have a tradition of launching activities that help local people and communities. When the Copenhagen - Oslo route was temporarily suspended in April, large volumes of food on the two ferries on this route could not be used. Copenhagen colleagues acted quickly and contacted the local youth shelter, *RG60* and *Fødevarebanken*, a Danish organisation that fights food waste and helps distribute meals to socially vulnerable people. Both organisations were happy to receive the food.

We Carry for Women, a local project in the Mediterranean, facilitates the transport of female entrepreneurs'

products to European countries for free. A partnership with the Women Entrepreneurs Association of Turkey (KAGIDER) and 21 logistics partners, this project contributes to helping small business owners access and introduce their goods to bigger markets.

Shortly before Christmas, the French Government closed its borders for passengers and lorry drivers entering the country from the UK because of a mutant coronavirus found in the UK. When the borders reopened, a queue of lorries and drivers faced having to spend Christmas waiting for the next post-Christmas sailing. DFDS colleagues volunteered to keep ferries sailing despite the port normally being closed during this time of the year.

Transparent support
As outlined in our Code of Conduct, we provide community support and donations through knowledge, services, or direct financial contributions. We have clear reporting lines and carefully ensure that any donation or sponsorship is not used as a disguise for bribery.



Striving for diversity is not just something that is nice to do – it is necessary. It attracts talent, improves team dynamics, and helps us make stronger decisions.



Our commitments

Our policies provide clear guidance

Providing maritime transport and logistics services mean we are always in close contact with people. It also implies that our activities can have an impact on human rights. It is a priority for us to pay attention to respecting these rights through clear policies designed to influence and determine all major decisions, actions, and activities that take place within their boundaries, as we do not tolerate any form of discrimination or harassment.

Updated Code of Conduct

Times change and our Code of Conduct needed a brush up to live up to its purpose and remain relevant to employees in light of the challenges they face. We involved stakeholders across the organisation in reviewing it in 2020, and the new version is more simple and accessible, both in tone and format. It follows the principles laid out in the UN Global Compact and describes what behaviours we emphasise and how employees should respond to ethical issues. It now includes GDPR (General Data Protection Regulation) and other data privacy considerations. We work to ensure that all employees are aware of the Code and use it as a guide to deal with potentially sensitive issues. It is an essential tool for us to value and develop our culture and ways of working.

To make sure everyone has the possibility to report unwanted behaviour in a structured way, we have a whistleblowing scheme covering the whole Group. 24 cases were reported in 2020, of which 25% were related to Covid-19. We take all violations seriously and investigate every report to learn from them and prevent future cases. The Whistleblowing scheme will soon be translated into selected local languages to avoid misunderstandings preventing people from reporting violations. In 2020, we released a Remuneration Report for the Executive Board for the first time as well as formalised our Remuneration Policy and Group Tax Policy.

We take responsibility for our supply chains

We recognise the importance of building and sustaining a responsible supply chain. Our procurement team strives to minimise the risk of us negatively affecting human rights (including labour rights) and the environment across our supply chain.

We joined the responsible supply chain programme IMPA ACT in 2015. This initiative of the International Marine Purchasing Association aims to improve the economic, social, and environmental compliance of its ship purchaser and supplier members. As many shipping companies share suppliers, a standardised common



system helps keep the industry compliant. Our Supplier Code of Conduct incorporates the IMPA ACT Supplier Code of Conduct, which is based on the UN Global Compact and its Guiding Principles on Business and Human Rights. It asks all DFDS suppliers to conform to the code and all applicable laws, rules, and regulations where they operate. They must also have policies and procedures in place to respect human rights, address significant environmental impacts, counter corruption, and responsibly deal with ship recycling.

Influencing the industry with our maritime peers

We are actively engaged in influencing the industry through different fora and channels. As one of two

Policies

- [Code of Conduct](#)
- [Environmental Policy](#)
- [GHG Policy](#)
- [Diversity & Inclusion Policy](#)
- [Supplier Code of Conduct](#)
- [Health, Safety & Environmental Policy](#)
- [HR policies and Employee Handbook](#)
- [Group tax Policy](#)
- [Remuneration Policy](#)
- [Data Ethics Policy](#)
(Complete in 2021)

Danish shipping companies, DFDS is part of the European Sustainable Shipping Forum (ESSF). This group promotes structured dialogue, technical knowledge exchange, cooperation, and coordination between relevant maritime industry stakeholders and the EU Commission. We also participate in the IMO's Marine Environment Protection Committee (MEPC). Through our participation in Interferry, we support the interests of the ferry industry, as well as in IMO institutions. We are also active members of relevant national shipowners' organisations, especially in Denmark and the UK. Collectively, shipowners' voices are represented in ECSA (European Community Shipowners' Associations). Lastly, we chair the Green Ship of the Future, an independent non-profit organisation driven and financed by the members who want to explore the road towards emission-free maritime transport.

We disclose data to improve

We believe in total transparency and voluntarily disclose and/or verify ESG (environmental, social and governance) data to the stakeholders like CDP, Sustainalytics, and others.

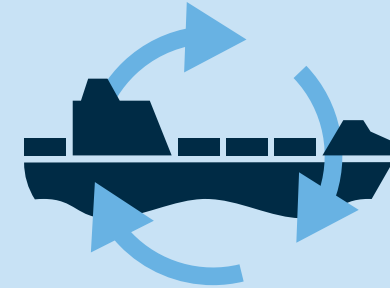
We want to set and impact standards

Business standards help us set priorities and ensure our awareness of and dedication to relevant practices. We support a range of standards and frameworks for responsible business, supply chains, and the protection of human rights.

We acknowledge the need to set science-based targets to ensure that our climate ambitions are in line with the



Responsible ship recycling



Even though we rarely recycle ships, it is important that we have policies in place to determine what happens if we do. We have developed quality standards based on protecting the environment and making the recycling process safe.

If we need to recycle a ship, we will use an approved yard, and carry out the work in line with EU ship recycling regulations and the principles of the International Maritime Organisation (IMO)'s Hong Kong International Convention. The Convention aims to ensure that ships being recycled at the end of their operational lives do not pose unnecessary risks to safety and human health or the environment.

Paris agreement. We do not currently calculate Scope 3 emissions as they are estimated to be below 10% of our total emissions. This ratio will be specified when we begin to set our own science-based target. We expect that this will happen in early 2021, when the official methodology for maritime transportation is ready.

We are committed to contribute to sustainable development through partnerships

Collaboration is key to solving the challenges of today and tomorrow. We therefore work with entrepreneurs, universities, scientists, companies, academia, NGOs, and public institutions in solid, innovative, and dedicated multi-sector partnerships to develop radical innovative solutions, business and financing models. We believe that venturing into broad partnerships with stakeholders that share our aim for sustainable development is what will bring our societies and industries in a healthier direction. Given the ambition and extensiveness of our climate plan, many of our partnerships naturally focus on developing new fuels, cutting emissions, and reducing our environmental footprint. But we also actively seek out partnerships to learn and develop in other areas of the business.



↑ Peder Gellert was elected chairperson of MARLOG (Maritime & Logistics Innovation Denmark) in 2020. MARLOG is a cluster for promoting and sharing innovation and knowledge between companies and projects in the Danish Maritime industries, to reinforce Denmark's strong position in the global transport chain and work towards carbon neutral shipping.

→ In 2020, we entered into a partnership that was granted €20 million in EU funding for the development of automated driving systems for heavy vehicles. Automated driving systems can improve safety and efficiency in freight transport. Optimisation of fuel consumption and better vehicle utilisation are just some of the benefits that can be expected when highly automated systems are used in logistics operations going from hub-to-hub in mixed traffic and in confined areas.





Sustainability risks

Risk management is an integral part of DFDS' management process. Risks and opportunities are regularly reviewed and reported to the Board of Directors for appropriate responses and actions. When we identify CSR-related risks, we initiate an analysis of current policies and processes with a view to implementing mitigation measures and adjustments. Here are the areas in non-prioritised order that have the biggest impact on DFDS and our mitigating actions.

CSR risk	Area	Horizon	Type	DFDS' mitigating actions
Infectious diseases Global/regional outbreak of infectious diseases impacting people and businesses	External	On-going	Societal	Defined crisis management organisation, clear escalation processes connecting local operations with executive management team. Focus on keeping people safe.
Climate crisis Global inability to reduce CO ₂ emissions and mitigate the negative impact of climate change, in alignment with the Paris Agreement.	External	Medium term	Environmental	Acknowledgement of impact related to CO ₂ emissions. Dedication to CO ₂ reductions by launching climate plan, driving innovation through partnerships across industries and communicating with stakeholders and regulators to push for shipping impact to be included in regulation.
Biodiversity crisis Irreversible damage to biodiversity, impacting ecosystems both at sea and ashore	External	Long term	Environmental	Focus on the emerging crisis developing. Continuing support for marine researchers and scientists by providing data and access to vessels. Increasing focus on impact connected to vessel maintenance and improvements.
Cybersecurity failure Disruption to critical systems through breakdowns, data breaches, virus or other cyber attacks can have a significant negative impact on operations	Internal	On-going	Technological	Digital/technology included in both strategies and EXECUTIVE MANAGEMENT TEAM. Increasing investments in cyber security measures, constant monitoring of systems, installation of back-up systems, and proven procedures in place to restore functionality. Advanced scenario planning to illustrate the consequence of increased/excess load.
Harassment and discrimination Individuals being subject to discrimination and/or harassment due to race, gender, religion, profession etc., negatively impacting the individual's rights, well-being and DFDS' employer brand.	Internal	On-going	People	Our Code of Conduct guides appropriate behaviour, as does our Diversity & Inclusion Policy. Understanding of different cultures is included in management training and different reporting lines, and a whistle-blower function is in place.
Corruption related to procurement Individuals with authority to approve major investments/operating costs use their position for personal gain, causing financial and reputational damage.	Internal	On-going	Financial	Approval procedures on major investments in place and contracts above EUR 50,000 are subject to tender processes and centrally managed. Implementation of ERP system with one-level-up approvals. Supplier Code of Conduct, Code of Conduct and whistleblower function are in place.
EU CO₂ levy EU imposing levy on CO ₂ emissions from shipping to motivate emission reductions.	Internal	Short term	Financial	Through trade organisations, argue for a fair system that ensures a level playing field as well as a system that can be policed effectively. In due course, communicate with stakeholders so they also can prepare for a new scenario.
Mandatory IMO efficiency measures IMO requirements requiring investments in fleet/vessels to meet efficiency measures	Internal	Medium term	Financial	Through trade organisations, argue for a fair system that ensures a level playing field as well as a system that can be policed effectively. In due course, communicate with stakeholders so they also can prepare for a new scenario.
Labour shortage Challenges attracting and retaining qualified people due to the maritime industry being perceived as masculine, as well as changes in hiring needs and employee preferences.	Internal	Medium term	Financial	We focus on increasing the attractiveness of the industry to women and other possible employee groups currently underrepresented in the maritime industry.



ESG key figures

Environmental data	Unit	Target 2030	Target 2023	2020	2019	2018	2017
Operated ships	Amount	-	-	66	63	54	45
Total number of days operated	Days	-	-	18,774	20,460	18,937	15,020
CO₂e emissions							
Direct CO ₂ e emissions (Scope 1)	1,000 tonnes	-	-	2,014	2,253	1,871	1,582
Indirect CO ₂ e emissions (Scope 2)	1,000 tonnes	-	-	5.99	7.31	8.46	7.68
Total CO ₂ e emissions ¹	1,000 tonnes	-	-	2,020	2,260	1,879	1,590
CO ₂ emissions per GT mile ²	gCO ₂	9.6	12.4	13.5	14.1	14.4	-
Energy consumption							
Total fuel consumption	Tonnes	-	-	619,867	699,115	654,795	490,401
Fuel consumption per nautical mile	g/GT/Nm	-	-	4.25	4.42	4.49	4.90
Total energy consumption	TJ	-	-	26,850	29,995	24,878	21,069
Electricity and heating consumption per land-based FTE	MWh	-	5.9	6.3	7.4	7.9	8.6
Oil spills							
Spills (> 1 barrel)	Amount	-	0 ³	1	0	0	0

Social data	Unit	Target 2023	2020	2019	2018	2017
Number of employees end of period	FTE	-	8,213	8,638	8,073	7,167
Representation of women						
Total workforce	%	30	23	25	23	26
At sea ²	%	30	15	18	15	-
On land ²	%	30	27	29	29	-
Senior management	%	30	16	19	10	15
Managers ²	%	30	13	18	-	-
Employees ²	%	30	26	26	-	-
Safety at sea						
Lost-time injury frequency (LTIF)	Incidents/mill. hours	3.50	4.05	4.52	5.04	6.40
Near-miss reports ⁴	Average per ship	48	36	55	64	67
Safety on land						
Lost-time injury frequency (LTIF)	Incidents/mill. hours	5.00	5.90	6.73	3.81 ⁵	5.53
Minor accidents	Incidents	-	134	152	185	139
Fatalities						
Colleagues	Accident	0 ³	0	0	0	1
Contractors	Accident	0 ³	2	1	1	0

¹ 2019 & 2020 include electricity consumption from shore power

² No data available for the missing years

³ Annually

⁴ Excluding UN Ro-Ro in 2018

⁵ The low performance is a result of missing data and not actual performance.

Governance	Unit	Target 2023	2020	2019	2018	2017
Representation of women on the Board	%	30	33	33	33	50
Attendance at Board meetings	%	-	96	94	91	97
CEO Pay ratio	Times	-	27	29	36	33



Definition of terms

Environmental data

Operated ships: The number of owned and chartered vessels which were involved in DFDS' operations during the year and whose fuel consumption is included in DFDS' CO₂ reporting. Excludes ships not included in DFDS' fuel consumption reporting.

Total number of days operated: The total number of days operated by the ships in DFDS' operations during the year, and whose fuel consumption is included in DFDS' CO₂ reporting. Excludes ships not included in DFDS' fuel consumption reporting.

CO₂e emissions

Direct CO₂ emissions (Scope 1 as defined by the Greenhouse Gas Protocol): All direct emission sources where DFDS has operational control. This includes all use of fossil fuels for stationary combustion or transportation, in owned, leased or rented assets. It also includes process emissions (e.g. chemical processes, industrial gases, direct methane emissions).

Indirect CO₂ emissions (Scope 2 as defined by the Greenhouse Gas Protocol): Indirect emissions related to purchased energy; electricity or

heating/cooling where the DFDS has operational control. The electricity emissions factors used are based on national gross electricity production mixes on a three-year rolling average (IEA Stat). The Nordic electricity mix covers the weighted production in Sweden, Norway, Finland and Denmark, reflecting the common Nord Pool market area. Emission factors per fuel type are based on assumptions from the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or the average IEA stat.

Total CO₂e emissions: Direct CO₂ emissions and indirect CO₂ emissions.

CO₂ emissions per GT mile: Emissions expressed by gCO₂ per gross tonnage-nautical mile. Only vessels operating on DFDS routes are included. Excludes fuel consumption in land-based logistics transport.

Energy consumption

Total fuel consumption: Total consumption of heavy fuel oil (HFO) and marine gas oil (MGO) on vessels operating on DFDS routes. Excludes fuel consumption in land-based logistics transport.

Fuel consumption per nautical mile: Expressed by gCO₂ per gross tonnage-nautical mile. Only vessels operating on DFDS routes are included. Excludes fuel consumption in land-based logistics transport.

Total energy consumption (TJ): Energy consumed from scope 1 and 2 energy sources, plus energy from renewable sources. Includes both land-based energy consumption and vessels' energy consumption.

Electricity and heating consumption per land-based FTE

FTE: Indirect energy consumption (scope 2) in operational activities for offices, warehouses and terminals, divided by average full-time equivalent number of employees on land.

Oil spills

Spills (> 1 barrel): Incidents of oil spills larger than one barrel into the sea from vessels operating on DFDS routes.

Social data

Number of employees: Average full-time equivalent number of DFDS employees during the year.

Representation of women

Total workforce: Gender ratio between women and men in the FTE workforce at year end.

Senior Management: Gender ratio of average FTE number of women and men in senior management positions out of the total number of senior managers at year end. We define senior managers as Executive VPs and VPs.

Managers: Gender ratio of average FTE number of women and men in management positions out of the total number of managers at year end (excluding senior management). We define a manager as someone responsible for at least one other employee.

Employees: Gender ratio of average FTE number of women and men in employee positions out of total number of employees at year end (excluding Senior Management and Managers).

At sea: Percentage split of average FTE number of women and men at sea out of the total number of FTEs at sea at year end.

On land: Percentage split of average FTE number of women and men on land out of the total number of FTEs on land at year end.

Safety at sea

Lost-time injury frequency (LTIF): Number of work-related accidents registered that causes a seafarer to be unable to work for more than 24 hours, per one million exposure hours.

Near-miss reports: Hazardous occurrences that, under different circumstances, could lead to an incident if no corrective action is taken.

Safety on land

Lost-time injury frequency (LTIF): Number of work-related accidents registered which causes a land-based employee to be unable to work for more than 24 hours, per one million exposure hours. We changed terminology from AFR to LTIF in 2019, but our calculations are still in line with LTIF calculations (LTIF = lost-time accidents * 1,000,000 / number of working hours).

Minor accidents: Work-related accidents which we report, but which do not cause a land-based employee to be unable to work for more than 24 hours.

Fatalities

Colleagues: Number of fatalities among DFDS employees registered in the reporting year.

Contractors: Number of fatalities among third-party contractors occurring during DFDS' operations registered in the reporting year.

Governance

Representation of women on the Board: Gender ratio between women and men in the Board of Directors out of the total number of members at year end (excluding staff-appointed members).

Governance Attendance at board meetings: Attendance in percentage at board meetings by its members in the reporting year.

CEO Pay ratio: Total CEO remuneration including granted LTI divided by average total remuneration for all employees in the company except EB.



“I am proud of the progress we made on sustainability in 2020. Amid the crisis, we introduced our climate action plan and joined two sustainable fuel partnerships which are important steps towards becoming CO₂ neutral by 2050.”

Torben Carlsen, President and CEO of DFDS Group