

# COMMUNICATION ON PROGRESS 2020

UN GLOBAL COMPACT



**MOLSLINJEN**



**MOLSLINJEN**



## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>4</b>
<b>1. MOLSLINJEN'S BUSINESS MODEL IN A SPECIAL YEAR</b>	<b>6</b>
<b>2. MOLSLINJEN AND THE UN: OUR CORPORATE SOCIAL RESPONSIBILITY IN A SUSTAINABLE DEVELOPMENT</b>	<b>7</b>
2.1 UN GLOBAL COMPACT – THE FRAMEWORK OF MOLSLINJEN'S CORPORATE SOCIAL RESPONSIBILITY	<b>8</b>
2.2 MOLSLINJEN'S SYSTEMATIC APPROACH TO CSR	<b>8</b>
2.2.1. POLICY	<b>8</b>
2.2.2 DUE DILIGENCE	<b>9</b>
2.2.3 ACCOUNTABILITY IN BUSINESS RELATIONS	<b>17</b>
2.2.4 ACCESS TO REDRESS AND COMPLAINTS	<b>18</b>
<b>3. KEY PERFORMANCE INDICATORS</b>	<b>18</b>
<b>4. MOLSLINJEN'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT, INCLUDING THE SUSTAINABLE DEVELOPMENT GOALS</b>	<b>21</b>
4.1 CONTRIBUTION TO THE FREEDOM OF MOVEMENT	<b>21</b>
4.2 CONTRIBUTION TO ENVIRONMENTAL SUSTAINABILITY	<b>22</b>
4.3 THE UN SUSTAINABLE DEVELOPMENT GOALS	<b>22</b>

# EXECUTIVE SUMMARY

2020 has been anything but ordinary for Molslinjen. Following years of remarkable expansion, we commenced the year as the largest domestic ferry company in Denmark. We operate nine ferry lines, and our 1,000 employees serve more than 8 million guests annually. Our 15 vessels include some of the world's largest catamaran ferries, and we are among the largest fast-ferry shipping companies in the world. Ready to enjoy the fruits of our labour, in the spring of 2020 the global COVID-19 pandemic entered Denmark. The subsequent lockdown challenged both our business and agility. Towards the end of 2020, our previous owners, Polaris Private Equity, agreed to sell its shareholding to the global investment organisation EQT. We are excited to continue our journey with our new owners.

Despite these challenges, it is my pleasure to share that we have maintained and accelerated our focus on sustainable development.

In this Communication on Progress (CoP) report, Molslinjen describes how we work with our responsibility to enable sustainable development. We describe our policy commitment, procedures, the concrete risks we have identified as more salient, and how we seek to prevent such risks from becoming actual impacts. Based on our systematic approach to responsible business conduct, we also share our ambitious strategic efforts on sustainability, including our aims for the coming years.

The 2020 COVID-19 pandemic brought unprecedented challenges, restrictions, and restraints. Amidst the crisis, many Danes became interested in new, creative ways of engaging in outdoor activities, just as they travelled and explored new parts of Denmark. Despite the economic challenges, Molslinjen is proud to have maintained our key focus; enabling free movement to all parts of the country. The changes reminded us of why we are here – and the responsibilities that follow. By the end of 2020, the Swedish government closed its borders, including the critical road passage that we depend on for traveling to the Danish island Bornholm through the Swedish town of Ystad. Bornholmers clearly emphasised our purpose: the travel-ban affected our freedom of movement and pressured our lifeline our connection to the rest of the country. We appreciate that the impact was severe, despite our best efforts to mitigate through increasing capacity on our alternative connection Rønne-Køge.

The on-going crisis has urged us to think about the role we play, and wish to play, in society. At Molslinjen, we are committed to connecting Denmark and enabling free movement for as many as possible. With this comes a wider responsibility towards the environment. I am proud to share through this report our ambitious plan to further cut our CO2 emissions by 70 percent by 2030. This includes our goal to make our West routes CO2-emission free by 2028.

This annual report is separated into two parts. The first describes our systematic approach to CSR, based on the UN Guiding Principles on Business and Human Rights (UNGPs), and the OECD Guidelines for Multinational Enterprises (OECD). It describes our policies, due diligence processes and how we enable access to remedy for impacted stakeholders. This section also outlines our progress in conducting regular impact assessments on social, environmental, and economic sustainability. As part of our responsibility towards social sustainability, we describe our efforts to improve gender representation, including the gender balance in Board and management (this also serves to fulfill the requirements of the Danish Financial Statements Act § 99b).

The other part (3-4) describes our strategic aims to contribute to sustainable development and includes the key performance indicators (KPIs) that guide our work. Furthermore, it assists the reader in understanding our work within consideration of the UN Sustainable Development Goals.



MOLSLINJEN



# 1. MOLSLINJEN'S BUSINESS MODEL IN A SPECIAL YEAR

Molslinjen is a ferry company which creates cohesion in Denmark. We connect Denmark for people and goods. We create mobility and provide the infrastructure needed in a society rich in islands, where the ferry is often a vital connection and the prerequisite for growth.

Following its rebranding in 2017, Molslinjen has expanded its activities considerably in 2018 and 2019. In 2020, as the rest of the world, Molslinjen was hit by the global pandemic, which meant that we put all our efforts into providing the best possible transportation for everyone in consideration of COVID-19 safety.

Nevertheless, in 2020 we have completed environmental restorations of several ferries, ordered an electrically powered ferry for the Fanølinjen, and prepared new ferries for conversion to fossil-free fuel as part of the environmental strategy we have launched in 2020 and with an ambitious goal to further reduce CO2 emissions by 70 percent before 2030 as well as become fossil free on the West routes before 2028. Other than this, we have expanded the Kombardo Expressen. We have more departures Aarhus-Copenhagen and Aalborg-Copenhagen, and we have added new stops in Viborg, Holstebro, Herning, and Silkeborg. Also, we have reduced the CO2 emission by 90 percent, as all our buses run on biodiesel.

Moving to a new ferry port with shore power, we opened a new administration building in Aarhus in the autumn of 2020. In our new facilities we have solar cells on our roofs, and the new ferry port means fewer bends and a shorter route. This means a reduction of oil consumption by approximately 5 percent.

In 2019, we joined the Blue Denmark climate partnership whose purpose is to reduce the industry's carbon footprint. The project promises well, and we especially use the network to share our experience and to learn from others, so that we can take part in creating green transition in the Blue Denmark as soon as possible. We look forward to the cooperation in the coming years and to showing our results.

2020 has put great demands on all Molslinjen employees. COVID-19 has brought big and unexpected challenges, and our employees have made an impressive effort to meet the challenges.

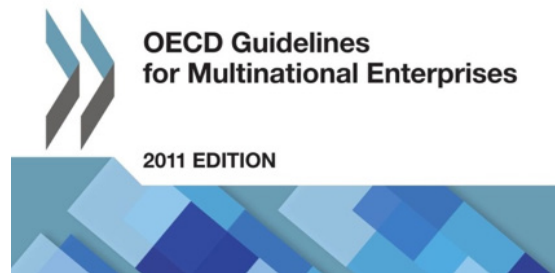
Therefore, we would like to thank everyone for their priceless effort to enable Molslinjen to see 2021 as a larger, stronger, and more sustainable company. New employees have started with a can-do spirit, and our existing employees have taken on the responsibility for ensuring that all new employees have become part of the team. The efforts of the employees clearly reflect Molslinjen's spirit:

**"KOMBARDO"**

## 2. MOLSLINJEN AND THE UN: OUR CORPORATE SOCIAL RESPONSIBILITY IN A SUSTAINABLE DEVELOPMENT

Molslinjen wants to contribute to the UN Sustainable Development Goals. We are part of the UN Global Compact. Our CSR initiatives follow the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises.

Following the UN and OECD guidelines, we relate systematically to risks of impacts on humans, environment, or anti-corruption, and we act on preventing or alleviating our risks.



### UN AND OECD GUIDELINES

According to the UN and OECD guidelines, companies must as a minimum:

- Have a policy for human rights, environment, and anti-corruption.
- Implement a due diligence process in respect of the above areas.
- Ensure access to redress for rights holders and mending of damages through appropriate complaint mechanisms, where negative impacts have been established.

In 2018, Molslinjen established a CSR committee consisting of the CEO, the executive secretary, and the head of human resources. The committee has the overall responsibility for the day-to-day implementation of CSR at Molslinjen and for progress reporting to Molslinjen's board of directors.

Molslinjen works with the UN Guidelines for Responsible Business Conduct because we believe that global agreements are necessary to solve global challenges. We base our work on the UN guidelines because they are a global minimum standard. We want to take our full responsibility from the start.

We draw up this Communication on Progress report as part of our membership of the UN Global Compact. The report also serves to meet sections 99a and 99b of the Danish Financial Statements Act. Molslinjen notes that the Danish Financial Statements Act prescribes that companies must report on whether they have a policy for "social conditions and employee relations". Molslinjen's respect for human rights comprises all the elements stated in the act as examples of social conditions and employee relations. In the same way, our work on environmental sustainability also includes impacts on the climate. We thus find that all matters included in the legislation are covered by our CSR policy, which is described in the next paragraph.

## 2.1 UN GLOBAL COMPACT – THE FRAMEWORK OF MOLSLINJEN’S CORPORATE SOCIAL RESPONSIBILITY



**United Nations**  
Global Compact

The UN Global Compact is the world’s largest CSR initiative, which Molslinjen joined in 2017. Each year, Molslinjen, together with thousands of other members, draws up a progress report in which we describe the work on converting the ten principles of the UN Global Compact to the company’s strategy and actions. The ten principles comprise human rights, including the International Labour Organization’s core employee rights; environment, including the climate; and anti-corruption.

## 2.2 MOLSLINJEN’S SYSTEMATIC APPROACH TO CSR

### 2.2.1. POLICY

In June 2017, Molslinjen’s board of directors adopted a CSR policy:

*“Molslinjen will contribute to the freedom of movement by offering fast and comfortable travels. Through our services we will display corporate responsibility by continually identifying, preventing, or mitigating negative impacts on a sustainable development.*

#### ***The triple bottom line***

*Our commitment rests on internationally recognised principles necessary to achieve sustainable development, i.e. principles pertaining to human rights (including employee rights), environment, and anti-corruption.*

*The principles are listed by the UN Global Compact and are made operational through the UN Guiding Principles on Business and Human Rights.*

*We abide by national legislation, no matter where we operate. Furthermore, we will continually identify, prevent, and mitigate negative impacts on the core principles of human rights, environment, and anti-corruption. We communicate on how to handle these impacts.*

*We will handle the potential and actual negative impacts that we cause, to which we contribute, or with which we are directly associated through our business relations, such as our suppliers.*

#### ***Our expectations for our employees***

*We expect our employees to assist us in living up to our commitment by acting in accordance with this policy in their day-to-day work. We will integrate the policy in the day-to-day work for employees as well as management through training, communication, and continuous impact analyses.*



## ***Our expectations for our business relations***

*We expect all our business relations to meet the globally agreed minimum standard for responsible business conduct as stated in this policy. Business relations must avoid causing or contributing to negative impacts on the human-rights, environmental, and anti-corruption principles and must address negative impacts as they arise. If we become aware of negative impacts that are not handled by our business relations or in our value chains, we will use or build up our ability to influence the company that causes or contributes to the impacts so that they handle these, and we will ensure that the impacts are prevented or mitigated in future.*

## ***Integration***

*This policy is reflected in all relevant policies, guidelines, and procedures in the company. To ensure that they are complied with, we encourage all our employees, customers, business relations, and other stakeholders to make us aware of significant potential and existing negative impacts on human rights, the environment, and anti-corruption that can be related to our services, products, or business relations.*

## ***Policy development***

*This policy has been developed and approved by the board of directors. Molslinjen has used external experts to contribute to drawing up the policy. The policy is publicly available and is communicated internally and externally. To reflect the ongoing implementation and ensure that we maintain focus on sustainable development we will take the policy up for review every two years."*

## **2.2.2 DUE DILIGENCE**

With the help from experts, we carry out annual operational analyses of Molslinjen's risks of impacts in the areas covered by the ten principles of the UN Global Compact. Today, the analyses cover the Kattegat route and the Bornholmslinjen. We found risks of causing negative impacts in respect of 19 and 22, respectively, of 48 human rights. Both routes have risks in 13 out of 20 areas for environment and eight out of 12 areas for economic sustainability.

### **2.2.2.1 SOCIAL SUSTAINABILITY**

Through the impact analyses we first identify where we risk negative impacts on all 48 human rights. Where we do not find an immediate risk, we describe why.

Where we identify a risk, we describe what we do to prevent such a risk. We also introduce new actions to prevent or mitigate the risk, if we can see that we can do more. We measure the effect of our actions through indicators which we update every year. The persons who can experience impacts will be updated on our work through our employee manual as well as our external communication, etc.

In 2020, we analysed the Kattegat route for the fourth time and the Bornholmslinjen for the first time. We see risks of negative impacts for 19 human rights on the Kattegat route and 22 on the Bornholmslinjen. There are risks in respect of the right to work, the right to freedom of information, and the right to rest and leisure, among other areas.

Our indicators also show that we generally handle these risks well. However, there are three significant risks that we cannot ignore: the right to a healthy and safe working environment, the right to freedom of movement, and the right to health. We handle those as described below:

## **THE RIGHT TO A HEALTHY AND SAFE WORKING ENVIRONMENT**

### **WHY DOES MOLSLINJEN FIND THAT WE RISK A NEGATIVE IMPACT?**

The shipping industry as well as passenger and vehicle transport involve great risks to the well-being of our employees. There is a risk of occupational injuries in the terminal, on deck, or during transport. Furthermore, accidents can happen in case of impacts, heavy seas, other accidents aboard, or collision. The crew may also be affected by exhaust gases, or they can get lifting injuries. The catering crew can experience injuries from preparing food. There is also a risk of the crew meeting angry passengers. The psychological working environment can be affected by the responsibility for safety, including the safety of other people, that crew members may have during time pressure, as swift boarding and travel time are crucial to our routes.



### **WHO CAN BE AFFECTED, AND HOW DO WE GET THEM ENGAGED?**

Employees can be negatively affected. We engage them through employee satisfaction surveys, talks, hiring procedures, and regular meetings in the health and safety committees.

### **WHAT DO WE DO TO PREVENT OR MITIGATE THE IMPACT?**

Excerpt from our actions:

1. We have a “safety first” policy from the top management which requires us to never compromise on safety. We will rather cancel a departure in case of strong winds than expose the crew to danger.
2. We have clear markings and procedures for boarding/exit to minimise risks of occupational injuries.
3. All Molslinjen crew members receive safety training, and we conduct regular safety drills.
4. Our ferries are built of material with minimum fire risk, and all ferries are equipped with several fire extinguishers. There is no smoking on all ferries.
5. Handling of hazardous chemicals on the ferry requires strict reporting and procedures for this.
6. Employees in particularly straining functions receive all necessary safety equipment as well as machines to minimise physical loads.
7. There are regular measurements of the amount of harmful particles/gases which may be emitted from the ferry and from vehicles.
8. We have an efficient reporting system where employees report near misses to our health and safety committee, and these are dealt with in board meetings. Furthermore, we have health and safety committee meetings in case of personnel matters.
9. We provide courses in food and staff safety.
10. In connection with the relocation to the new ferry port in Aarhus we have had increased focus on a healthy and safe working environment, such as considerably improved changing and shower rooms.

We keep statistics both on the number of reports of risky situations and on occupational injuries. We convey how we handle our risks and the efficiency of our actions to our employees. We do that through our “Actimo” employee app.

## **THE RIGHT TO HEALTH**

### **WHY DOES MOLSLINJEN FIND THAT WE RISK A NEGATIVE IMPACT?**

We can have significant negative impacts on the right of our guests to health if a ferry is wrecked, is in distress, or catches fire. Car accidents may also occur, or someone may fall, be seasick or get injured aboard the ferry. Furthermore, guests may fall ill if our restaurants serve bad food. Guests and local communities can be exposed to harmful exhaust gases and particles in quantities that are dangerous to health, and the wake waves can keel over small boats/kayaks.



### **WHO CAN BE AFFECTED, AND HOW DO WE GET THEM ENGAGED?**

Our guests and local environment can be negatively affected. We engage them through our complaint mechanisms on our websites, by sharing safety information with guests, and by participating in debates and be present in public media.

### **WHAT DO WE DO TO PREVENT OR MITIGATE THE IMPACT?**

Excerpt from our actions:

1. We always have health-educated staff aboard, and our crew receive first-aid training.
2. We test and maintain all safety equipment aboard (fire extinguishers, life jackets, and lifeboats). Furthermore, we are in constant radio connection with the mainland during the entire ferry ride.
3. We ensure clear signage with safety instructions everywhere on the ferries, and we clearly mark if there are slippery floors on the ferry.
4. We use catering suppliers that are recognised for their high food safety level. We maintain the highest standards for preparation of food aboard.
5. We play safety videos on all monitors on departure.

In 2020, we had no serious accidents for passengers on and around the ferries. Each year we measure the number of injuries that have caused compensation from Molslinjen’s insurance. In 2019 and 2020, two persons recovered compensation from Molslinjen’s insurance.

As a special measure on the Bornholmslinjen, in 2020 the fast ferry Express 1 was equipped with a 16-tonnes T-foil anti-rolling device to minimise the risk of passengers getting seasick during heavy seas.

## **THE RIGHT TO FREEDOM OF MOVEMENT**

### **WHY DOES MOLSLINJEN FIND THAT WE RISK A NEGATIVE IMPACT?**

Where the impact analysis for the Kattegat route did not identify a risk of significant impacts on the freedom of movement, it is a different matter for the Bornholmslinjen. The Bornholmslinjen connects the island Bornholm with the surrounding mainland. Therefore, we play a central part in ensuring the freedom of movement of the islanders of Bornholm and others. That means that we have a special risk of negative impacts on the freedom of movement. This involves reasonable prices, frequent departures, a good experience on the ferries, and room for everyone on the ferries.

## WHO CAN BE AFFECTED, AND HOW DO WE GET THEM ENGAGED?

In particular those of our guests who live on the Danish islands can be negatively affected. We involve representatives of the local population in planning the itineraries, we take part in debates and are present in public media, and the guests can contact us through our complaint mechanisms on our websites.

## WHAT DO WE DO TO PREVENT OR MITIGATE THE IMPACT?

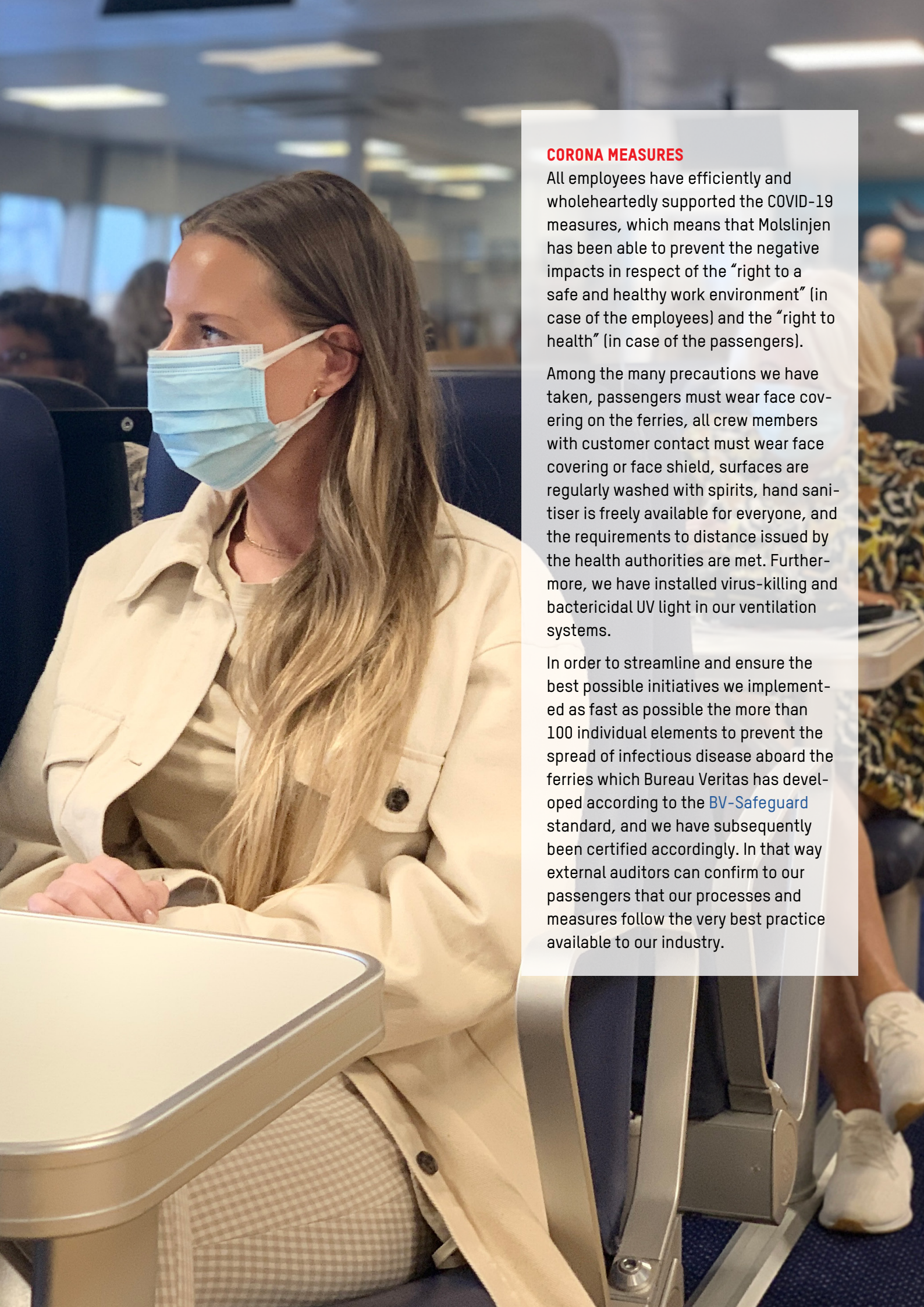
Excerpt from our actions:

1. Have ticket solutions for commuters as well as discount schemes.
2. Minimise the impact of waves on ships as far as possible.
3. Only cancel departures for safety reasons.
4. Have ferry services several times a day to and from Ystad (Sweden) and to and from Køge (Denmark).
5. Have good facilities to enable everyone to get aboard the Bornholmslinjen ferries regardless of whether passengers are walking-impaired, use wheelchairs, or the like.
6. Have effective complaint mechanisms for the guests on the ferries via our website. Furthermore, the crew aboard the ferries know how to handle approaches or complaints.
7. Are in ongoing dialogue with the islanders of Bornholm about how the Bornholmslinjen can best handle this responsibility.

Especially during the COVID-19 pandemic it was not possible to avoid negative impacts. At the end of 2020, Sweden closed its borders to Denmark, which meant that an essential route for the islanders of Bornholm was closed overnight. It had a significant impact on the islanders, who lost a vital connection to the island. Upon the announcement on 21 December that Sweden closed its borders to Denmark, the Bornholmslinjen increased the capacity as early as the next morning on the Rønne-Køge route in close dialogue with the Minister for Transport. Molslinjen had a meeting with the Minister for Transport and recommended sailing according to an emergency plan which would give customers with return tickets a better opportunity to travel. On 23 December, an agreement was made with Sweden which allowed transit for islanders of Bornholm, so that they could use the Rønne-Ystad service. Healthcare workers, transport of patients, and persons who travelled because of urgent family reasons were also exempt.

Our efforts for social sustainability are very much helped along by employees and guests, who with commitment and communication help identify risks and find the best solutions – for everything from the right not to be subject to discrimination to a proper treatment in case of restraining.





### **CORONA MEASURES**

All employees have efficiently and wholeheartedly supported the COVID-19 measures, which means that Molsslinjen has been able to prevent the negative impacts in respect of the “right to a safe and healthy work environment” (in case of the employees) and the “right to health” (in case of the passengers).

Among the many precautions we have taken, passengers must wear face covering on the ferries, all crew members with customer contact must wear face covering or face shield, surfaces are regularly washed with spirits, hand sanitiser is freely available for everyone, and the requirements to distance issued by the health authorities are met. Furthermore, we have installed virus-killing and bactericidal UV light in our ventilation systems.

In order to streamline and ensure the best possible initiatives we implemented as fast as possible the more than 100 individual elements to prevent the spread of infectious disease aboard the ferries which Bureau Veritas has developed according to the [BV-Safeguard](#) standard, and we have subsequently been certified accordingly. In that way external auditors can confirm to our passengers that our processes and measures follow the very best practice available to our industry.

### **2.2.2.1.1 ACCOUNT FOR 2020 FOR THE GENDER MAKE-UP OF MANAGEMENT, CF. SECTION 99B OF THE DANISH FINANCIAL STATEMENTS ACT**

We find it natural for a company to reflect the society in which it exists. The maritime sector faces special challenges when it comes to gender representation, which is why in recent years we have put the topic on the agenda in Molslinjen's management layers. As part of our work on social sustainability we have made an effort to ensure equal opportunities for both genders to become part of the maritime sector, including Molslinjen. In 2019, the board of directors set a goal of at least 20 percent representation of women on the board before the end of 2021. Employee representatives are elected by Molslinjen employees and are not included in this target figure. The goal is maintained.

For now, Molslinjen has no women board members elected by the general meeting. The board of directors is aware of this under-representation and wishes to support and contribute to an increase in the number of women board members. A diverse and inclusive organisation which reflects Molslinjen's customer mix makes the company stronger, increases the competitiveness, and creates a good and innovative working environment.

28 percent of Molslinjen's management group are women, whereas the percentage of women middle managers is 14 compared to 15 in 2019 and 11 in 2018. It is Molslinjen's goal that the share of women middle managers will be at least 18 percent before the end of 2021. Molslinjen aims at reaching the goal by making demands in the recruitment phase to have candidates of both genders, and by considering the underrepresented gender in the subsequent planning.

We have initiated several measures to prevent the challenges we have identified as regards gender representation:

- We use statistics on the representation of men and women among employees and in the management tier to target the improvement of the representation.
- We ensure that sexist and other discriminatory language and behaviour are not tolerated and may lead to disciplinary consequences.
- We encourage a better representation in the maritime sector, for example through ongoing collaboration in trade associations and with educations relevant to the sector.
- We invite students from the Aarhus School of Marine and Technical Engineering to visit the ferries.
- Together with 14 other shipping companies we have signed a charter for more women in shipping, which commits us to work determinedly to increase the share of women in the Blue Denmark.

Another focus area at Molslinjen is the right to equal pay for equal work.

We generally ensure that the pay level is fixed for different job categories and emphasise to all managers that pay and bonus within the different categories of pay can only differ as a result of a special effort, special competences, or seniority. Finally, Molslinjen is conscious of showing diversity in our marketing to signal that the shipping company wants to reflect society in our staff composition.

## 2.2.2.2 ENVIRONMENTAL SUSTAINABILITY

Molsslinjen has special focus on environmental sustainability, as it is particularly relevant to our company which needs energy for transport. Throughout the last many years, we have done a lot to reduce our emissions to air, which, among other things, has meant that every day we transport each kg 60 percent more efficiently when it comes to energy consumption than we did just ten years ago. Further, we will also minimise the other impacts that we could have on the environment, such as food waste and other waste.

In 2020 we identified risks of negative effects on nine environmental areas across the Bornholm and Kattegat routes. The areas where we risk causing negative impacts are:

- Energy consumption
- Emissions to air
- Noise emission
- Waste-water management
- Solid-waste management
- Food waste
- Emissions to surface or ground water
- Biodiversity
- Odour emission

We prevent or mitigate all these risks through different actions of which we measure the effect annually. Examples of how we identify and handle our risks are:

### FOOD WASTE

#### WHY DOES MOLSLINJEN FIND THAT WE RISK A NEGATIVE IMPACT?

A buffet is served during each ferry ride on the Kattegat route. Due to the three-hour rule that applies to food in Denmark, some excess food must be thrown away.

#### IN WHICH AREA DOES THIS CHALLENGE APPLY?

Molsslinjen's catering, in particular our buffet, may cause food waste. There is no buffet on the Bornholmslinjen.

#### WHAT DO WE DO TO PREVENT OR MITIGATE THE IMPACT?

Excerpt from our actions:

1. We employ a project manager to work on reducing the food consumption on the Kattegat ferries.
2. We cooperate with Unilever as well as the "WUOW" app to further reduce our food waste.
3. We will examine the possibility of cooperating with a research project or students to reduce food waste. Optimally, the project will also include proposals for our handling of animal welfare.
4. We will continually seek inspiration for initiatives, for example among the members of [REGA](#), who as restaurant owners face similar food waste challenges.



## ENERGY CONSUMPTION

### WHY DOES MOLSLINJEN FIND THAT WE RISK A NEGATIVE IMPACT?

The diesel engines of our ferries require a strong propulsion effect. We thus risk having a considerable energy consumption also related to our emissions to air.

### WHICH AREA CAN BE AFFECTED?

Our fuel consumption is used to sail our ferries and to keep energy-intensive functions going on the ferries (light, catering, etc.). The energy consumption causes emissions in our immediate environment, but it also affects the global energy consumption. The energy consumption is closely connected to our emissions to air.

### WHAT DO WE DO TO PREVENT OR MITIGATE THE IMPACT?

Excerpt from our actions:

1. We continually optimise our fuel consumption through different initiatives.
2. We change nozzle rings on turbochargers as soon as needed.
3. We use heat recovery from the cooling water of diesel engines to produce electricity on our ferries.
4. We have incorporated a smaller diameter on our seawater pump impeller for the main engines.
5. Everywhere possible, we have changed to low-energy consumption, for example for LED lights on the ferries.
6. Our crew has constant focus on sailing optimisation and timely departure.
7. Our ferries have been given anti-fouling bottom paint to reduce fuel consumption and emissions by 5 percent.
8. We have shore power for our ferries in the new ferry port in Aarhus to minimise both noise and energy consumption when the ferries are not sailing. The new ferry port is built to minimise bends and distance. This leads to a reduction in oil consumption of approx. 5 percent.
9. We only use fuel containing less than 0.05 percent sulphur.
10. Express 5, which will be used between Rønne and Ystad from 2022, will have the world's most efficient four-stroke engines that are prepared for alternative fuels.

## 2.2.2.3 ECONOMIC SUSTAINABILITY

At Molslinjen, we do not let unethical considerations influence our decisions or actions. In 2020, several actions have been implemented to ensure and continue our good practice. We have identified risks of negative impacts in the following areas:

- Bribery of public authorities
- Bribery of private citizens
- Bribery using third parties
- Camaraderie and nepotism
- Political donations or sponsorships
- Gifts
- Employment of public employees





We have a clear zero-tolerance attitude towards unethical economic behaviour. It ranges from all forms of bribery, including gifts, to nepotism. We also have optimised control questions and procedures to ensure full transparency in all our transactions and the use of third parties.

An example of the way we handle our responsibility for economic sustainability is:

## EMPLOYMENT OF PUBLIC EMPLOYEES

### WHY DOES MOLSLINJEN FIND THAT WE RISK A NEGATIVE IMPACT?

Molslinjen is in close interaction with the authorities and depends on ongoing permits. Therefore, there is a risk that we may benefit from hiring public employees. Hiring core employees from the authorities that grant Molslinjen permits can create a conflict of interest.



### WHICH AREA CAN BE AFFECTED?

The negative impact can arise if Molslinjen hires core employees from public authorities who grant Molslinjen permits, and a conflict of interest may thus arise.

### WHAT DO WE DO TO PREVENT OR MITIGATE THE IMPACT?

Excerpt from our actions:

1. Molslinjen only hires people based on their qualifications and experience – managed by the HR department.
2. If a potential candidate for a management or specialist position comes from an employment with a public authority that interacts with Molslinjen, the HR department must intervene in the process to ensure that both the candidate and his or her future manager at Molslinjen avoid conflicts of interest.
3. In case of new appointments, the HR department asks about possible conflicts of interest in relation to previous employments.

In 2020, Molslinjen did not employ any core employees from the public sector.



## 2.2.3 ACCOUNTABILITY IN BUSINESS RELATIONS

In 2020, we have begun to make demands on business relations to also meet the UN and OECD guidelines. Our [Code of Conduct for Business Relations](#) is made available on our website. We have trained our purchasers in the UN and OECD guidelines. In 2021, we expect to begin the first focused collaborations on corporate social responsibility with our key business relations.

If we become aware of risks of material negative impacts at one of our business relations, we will ask them to handle the risk and communicate to us how they handle it.

At the heart of our business relations responsibility is that we ask business relations to meet the global minimum standard of corporate social responsibility: the UN and OECD guidelines. We meet the same standard. It helps everyone have the same starting point for the social responsibility we should take. The expectation corresponds to the EU Commission's announcement in 2020 that it will introduce legislation on due diligence according to the standard throughout the EU.

## 2.2.4 ACCESS TO REDRESS AND COMPLAINTS

Molslinjen has many different options for both employees and guests to tell us if something goes wrong. For our employees, we have an HR department, an employee app, an open-door policy as well as employee representatives and various committees that can handle employee wishes and challenges. In addition, we have several effective mechanisms for our customers to invite them to tell us both if something has gone wrong, and if they have suggestions for how we can become a better company.

Although Molslinjen does a lot to involve our employees and guests, we want to make our commitment more focused on sustainability. In 2021, we will develop our existing as well as new complaint mechanisms, communication channels, and opportunities for suggestions. They must be able to help everyone who is influenced by Molslinjen's behaviour based on human rights. They must also continue to make it possible to make suggestions for how we can improve the environment as well as for economic sustainability.

Dialogue, openness, and fairness are key words for us. We ensure redress where something has gone wrong, and we appreciate the help we get to prevent or mitigate that something may go wrong.

## 3. KEY PERFORMANCE INDICATORS

The follow-up on key performance indicators for the work with corporate social responsibility in 2020 shows the following results:

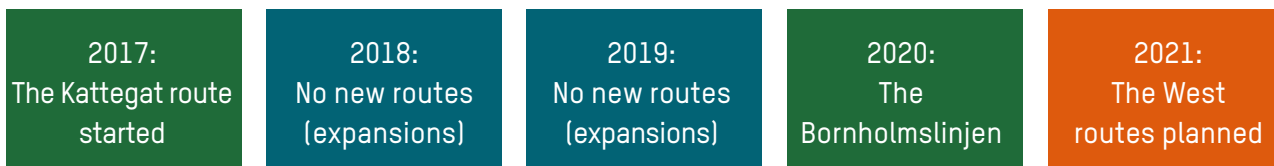
### 1. Follow-up on impact analyses from 2019

Result 2020: In December 2020, a follow-up was conducted on the impact analyses for the Kattegat route. The vast majority of the concrete action points to prevent or mitigate possible negative impacts were implemented or are in the process of being implemented. It involved changes in management systems, manuals, and tools. The CSR committee and the company's board of directors found the results satisfactory.

**New indicator:** Follow-up on impact analyses for the Kattegat route and the Bornholmslinjen from 2020



2. Preparing a new set of impact analyses annually, until all business areas are covered.



In 2020, the Bornholmslinjen prepared its first impact analyses on human rights, environment, and anti-corruption. This indicator is repeated annually. The plan is to prepare impact analyses on the West routes in 2021.

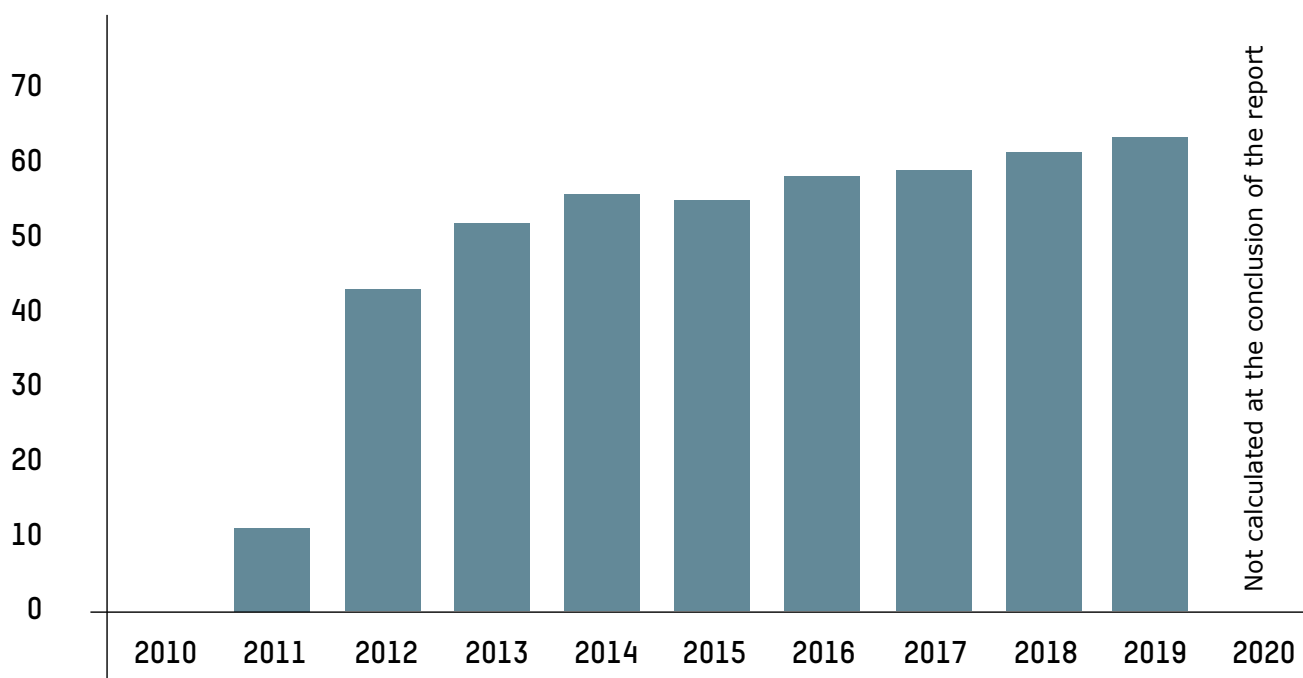
3. Sharing impact analyses with the employees through Actimo in 2020

In 2019, Molslinjen implemented the employee app, 'Actimo', which contains the company's policies and employee manual. In 2020, Molslinjen did not update Actimo with access to impact analyses, as we deprioritised making them easy to read because of the unexpected handling of the COVID-19 pandemic. However, we have shared information about some specific actions from our impact analyses with employees. The indicator is therefore repeated.

4. CO2 emissions – reduction per transported kg

In terms of sustainability, the ferries' fuel consumption is one of Molslinjen's most significant challenges. We have therefore chosen to focus strategically on reducing our fuel consumption as well as replacing fossil fuels with renewable energy sources. For the same reason, we specifically highlight this environmental area under our key performance indicators.

Accumulated CO2 reduction per kg on the Kattegat route in percent





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#### 5. Initiating the update of complaint mechanisms at Molslinjen

Due to the COVID-19 challenge, the CSR committee chose to postpone the implementation of an update of existing complaint mechanisms until 2021. We considered this to be a reasonable priority, as a significant risk in relation to a healthy and safe working environment for our employees as well as the right to health for our guests are of the highest priority during a global pandemic. We also have good existing complaint mechanisms. They simply require minor adjustments, including explicitly updating so that they cover all human rights. This indicator is, therefore, repeated for the next year.

#### 6. Number of collaborations with business relations on the global minimum standard

Molslinjen has started to update our approach to accountability in business relations, and we have taken the first steps in that direction. This means that we have made a plan for 2021 for which companies we expect to contact and how many focused collaborations we plan to enter into. We have made the plan based on an assessment of our knowledge of significant risks and which relationships are important to us. These two parameters are absolutely crucial to where we invest our resources to share knowledge, experiences, and results from Molslinjen and dialogue to assist relationships in meeting the international standard. As we did not start focused collaborations in 2020 due to COVID-19, we are repeating the same indicator for 2021.

## 4. MOLSLINJEN'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT, INCLUDING THE SUSTAINABLE DEVELOPMENT GOALS

### 4.1 CONTRIBUTION TO THE FREEDOM OF MOVEMENT

Ferries are crucial to the positive development of our islands – socially, culturally, and economically. For some islanders, the ferry can be the very core for getting around. Molslinjen is proud to make this possible.

We have a great responsibility in our work to create connections across the country. If we do not do our job well enough, we can complicate or hinder transportation. It is therefore central to Molslinjen that we do what we can to prevent and mitigate this risk. It also helps us stay focused on making a positive difference to the freedom of movement where we can.

Transportation to and from small islands is often long and can be cumbersome. Molslinjen's ferry lines are crucial to the freedom of movement for both islanders and their guests, and therefore it is important that we make an effort to make the transport good, accessible, reasonably priced, and of a proper quality. One way that Molslinjen does this is through discount schemes and flexible ticket booking options.

This applies especially to Molslinjen's departures to and from Bornholm, where the population is low and transport options more limited than on the mainland and in the big cities. Molslinjen originally intended to add 200 extra departures to our crossings, but due to COVID-19 there were only 33 extra departures.

We wish to contribute to the freedom of movement, which is why it is important for us to connect islands and enable people to move freely and easily around the country. Eight of our nine routes connect the mainland and Danish islands. In collaboration with the island communities, we seek to contribute to the islanders' freedom of movement to the best of our ability.

## 4.2 CONTRIBUTION TO ENVIRONMENTAL SUSTAINABILITY

Transport today still has costs for the environment. Our strategy for contributing to the right to freedom of movement entails continued strong focus on environmental sustainability and climate impacts through our energy consumption.

At the end of 2020, Molslinjen could present a clear and even more ambitious climate plan for the entire group: a 70 percent reduction in CO2 emissions from 2021 to 2030.

## 4.3 THE UN SUSTAINABLE DEVELOPMENT GOALS

In 2015, the 17 UN Sustainable Development Goals for states were adopted. They define the international community's priorities and goals for sustainable development for the period 2015-2030. The Sustainable Development Goals are ambitious and require the contribution of the business community.



Through our work with the UN and OECD guidelines, Molslinjen has initiated a number of activities to address our social responsibility. Those actions contribute not only to the achievement of the Sustainable Development Goals but also to elements of sustainability that are not covered by the specific priorities reflected in the Sustainable Development Goals. We have made a risk assessment against all areas of sustainable development, including the areas that are also reflected in the Sustainable Development Goals. We have actions and processes underway to address all risks. In addition, we have our strategic focus areas, which also contribute to the achievement of individual Sustainable Development Goals.

Molslinjen's concrete initiatives thus support the fulfilment of the following Sustainable Development Goals:

## MOLSLINJEN IS ENGAGED IN PROMOTING ALL RELEVANT SDG<sup>1</sup> SET OUT BY UN<sup>2</sup>

A set of initiatives are set out to increase the work towards increasing sustainability for all activities

### All processes are handled according to global standards



Molslinjen ensures necessary care for all human rights including all International Labour Organization labour rights. Similarly, necessary care is taking for all risks associated with financial sustainability to ensure economic growth can take place responsible

### Strong focus on reducing all environmental impacts



High focus on ensuring minimal impact on all lives below water through reduction of environmental friendly operations



Over the last decade Molslinjen has reduced the CO2 emission per transported kg. with +60%



Continuously focus on improving all usage of energy by handling all risk associated to energy usage



Molslinjen plays an active role in many of UN sustainability goals



### Promoting equality for all

Promoting all activities to increase gender equality by increasing female representation in all management levels



Collaborations with "Det Blå Danmark" to promote female interest in all maritime occupations



Continuously effort to reduce inequalities through equal opportunities to promotions, equal pay and the right to educations



### Ensuring well-being for all employees and customers



For all operations employees and customers safety and well-being is ensured through strict safety measures, education and information at the right time



Different initiatives are set in place to reduce food waste such as partnership with relevant stakeholders such as Unilever and the app WOUW

### Playing a vital role for the right to free movement

Playing a vital role in ensuring infrastructure for all Danish citizens, so all have access to job, friends and families



All operations are central to ensuring the fundamental right to free movements



Note: 1) Sustainable Development Goals; 2) United Nations

