



Sustainability report



2022 / 2023

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Together towards Excellence in Sustainable Short Sea Shipping

With an open mind to the environment, fair and inclusive employment, social interests, and realistic perspectives for stakeholders



Message from the management

'Our vision is to contribute to a sustainable shipping industry by setting the highest standards of environmental, social, and governance practices, to ensure the planet and our company can thrive for generations to come.'

The world faces immense challenges. The climate crisis takes the crown, but geopolitical risks, social unrest, and increasing migration flows also require quick answers. Not only from politicians and citizens, but also from the business community.

Both private citizens and NGOs are increasingly demanding that companies account for their actions; for the impact of their activities on the environment, climate, people & society, and for the related ambitions for the near future. Casual reflections are no longer taken seriously. The corporate sector must and will work with policies on which it can be assessed and - if necessary - judged according to validated standards.

ESG policy JR Shipping Group

We are, of course, discussing ESG policy (Environment, Social, Governance). At our shipping group, we began to shape this policy organisation-wide in 2022 and started to form frameworks and goals. These focus on our impact on the environment, emissions management, our responsibility to employees, and international society. Our focus is also on establishing innovative partnerships that will facilitate us in areas such as the development of new, low emission fuels for shipping, data protection, and ship design focused on economical, sustainable, and safe operations.

Attention to the environment, people & society, good governance, and transparency to stakeholders are not new at our shipping company. What is new, however, is the concrete naming and recording of principles and goals regarding these aspects according to current ESG standards. We do this because we want to act and be an active participant in the field of ESG. We are not obligated to publish an ESG report currently, but we believe it is critical to act and make progress in the field of ESG. Although this report will not meet future accounting standards yet, it is a significant step in the right direction for us. This first ESG report for 2022 demonstrates that. More will follow since there is still more work to be done. Within our organisation, we are aware of this, and there is a high level of commitment to our ESG efforts at all levels.

Environment: Investments first

Given the industry we are part of as JR Shipping and SeaZip Offshore Service, our ESG policy focuses most on the E of Environment. While shipping is a crucial activity for global economic growth, prosperity, and a more equitable distribution of resources and raw materials, it also has a significant impact on the environment and climate.

Cargo and container vessels still run on fuels with relative high emissions. The industry is responsible for over 3% of global emissions. Transitioning to cleaner fuel is challenging. Not only technically, but also financially. Making progress will necessitate huge investments, and the sector will require access to new sources of financing.

Nonetheless, our industry has an important responsibility to drastically reduce harmful emissions. Europe is committing to achieve carbon-neutral shipping by 2050. It is difficult to predict whether that is feasible (or affordable), but it's a big wake-up call to act together.

Or rather: to intensify existing actions. Because a lot is currently taking place within the shipping industry, often visibly, but also behind the scenes. Powerful and collective efforts are being undertaken to achieve a radical transition that will result in cleaner shipping and a slowing of global warming.

Social: People first

As a shipping company, our success hinges on the dedication and passion of our employees, both at sea and ashore. Without their commitment and expertise, we would be unable to deliver exceptional services to our customers. Our vessels primarily sail under the Dutch flag, so our seafarers are subject to Dutch labour law and have the assurance of correct remuneration and solid social security. We permanently invest in an open, inclusive, and healthy working atmosphere, in which everyone has a say. Our proactive HR policy works, as employee turnover at JR Shipping is minimal.

Governance: Transparency first

In terms of good governance, we believe that tight control processes and transparency are crucial for the continuity and reputation of our organisation, as well as the service we provide to our customers and the interests of our stakeholders. Our shipping group has been centred around these principles for a long time. We quickly respond to new developments to keep up with them if new insights require us to.

Taking steps and adjusting

At our shipping group, we are undertaking important initiatives and activities. Later in the report, we go into greater detail on longer-term goals and initiatives. We are proud of what we are doing as a relatively small shipping company, but understand we are far from being there yet. For now, we have good pillars to build on, and we invite you to follow us and help us go in the right direction.



Jan Reier Arends



Sander Schakelaar

Managing Owners JR Shipping Group

Harlingen, June 2023

Our approach to sustainability

At JR Shipping Group, we are committed to ensuring our operations and decisions align with our commitment to Environmental, Social and Governance (ESG) principles. We strive to adopt a high standard of responsible business practices that support the health, safety and well-being of our employees, client relations, maritime partners, communities, and the environment. We are dedicated to implementing policies and procedures that meet our ESG commitments and to reporting regularly on our progress in this area.

Materiality assessment and priorities

Our ESG strategy and prioritisation are founded on the concept of single materiality, which incorporates important standards, reporting, and ESG frameworks as well as feedback, input, and expectations from stakeholders. The process of the materiality assessment was very important to gain insight into our priorities and our impact. It is critical that we listen to and interact with our key stakeholders to better understand our company and its impacts. The topics of our materiality will serve as the foundation for our ESG priorities, and in this report, we will explain why these topics are essential to us, as well as the concrete steps we have taken. In our materiality assessment, the top priorities can be seen. The placement of the topics is based on their importance and relevance for both the JR Shipping Group and our stakeholders.

ENVIRONMENTAL IMPACT

- A Biodiversity
- B Ocean health
- C Ballast water management
- D Ship recycling
- E Energy transition & efficiency
- F Waste management

EMISSIONS

- G CO₂ emissions
- H NOx emissions
- I SOx emissions

APPEALING EMPLOYERSHIP

- J Health & safety
- K Employee & talent development
- L Diversity & inclusiveness
- M Employee engagement

SOCIAL IMPACT

- N Compliance & anti-corruption
- O Human rights & modern slavery
- P Community engagement
- Q Sustainable procurement & supply chain
- R Long-term financial performance

COLLABORATING FOR INNOVATION

- S Digitalization
- T Cyber security & data privacy
- U Alternative fuels
- V Leading vessel designs & maritime solutions

MATERIALITY FOR STAKEHOLDERS
(Charterers, B2B customers and investors)



MATERIALITY FOR JR SHIPPING
(Management team, employees ashore and offshore employees)





Stakeholders

Five stakeholder groups were focused on when the ESG issues were determined: clients, employees, investors, authorities and our (local) community / society. Our stakeholders are essential to us, and we are striving to meet their sustainability expectations.



Our Investors / bond holders: Our investors expect us to take a responsible and equitable stance when dealing with environmental, social, and governance risks and opportunities, by maintaining fairness, impartiality, and transparency in our interactions with the market.



Our employees: Our employees expect us to guarantee and assure their safety, to treat them with respect, and to be a good employer that they are proud to work for.



Our clients: Our clients expect us to operate in a secure way, with integrity, honesty, and accountability.



Our community / society: Our community expects us to take care of the environment we work in and stimulate engagement in the green transition. Our society outlines what is desirable in terms of leading by example and corporate behaviour.



The authorities: The authorities expect us to comply with the regulations and expect us to lead and drive the transition to net zero emissions by 2050.



Sustainable development goals

JR Shipping is committed to the Sustainable Development Goals. The Sustainable Development Goals (SDGs) of the United Nations (UN) provide a framework for attaining the objectives and targets set by UN Member States that together signal what needs to be done to protect our planet, fight injustice, and end poverty. We have aligned our sustainability priorities with the following goals: 3, 4, 5, 7, 8, 10, 12, 13, 14, 16, and 17. Of these goals, goals 3, 7, 13, and 14 are our main four priorities. We are confident that our efforts towards these priorities will help us contribute to the realisation of the SDGs.



ENVIRONMENT - CHALLENGES AND GOALS

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

International regulations are increasingly being issued. For example, in March 2023, Europe agreed on measures that should result in a 2% reduction of CO₂ by 2025 and an 80% reduction by 2050. Shipping-related propulsion technology will have to be ready for new low emission fuels, but these have to become widely available first. For now, an alternative is the use of low emission fuels on vessels.

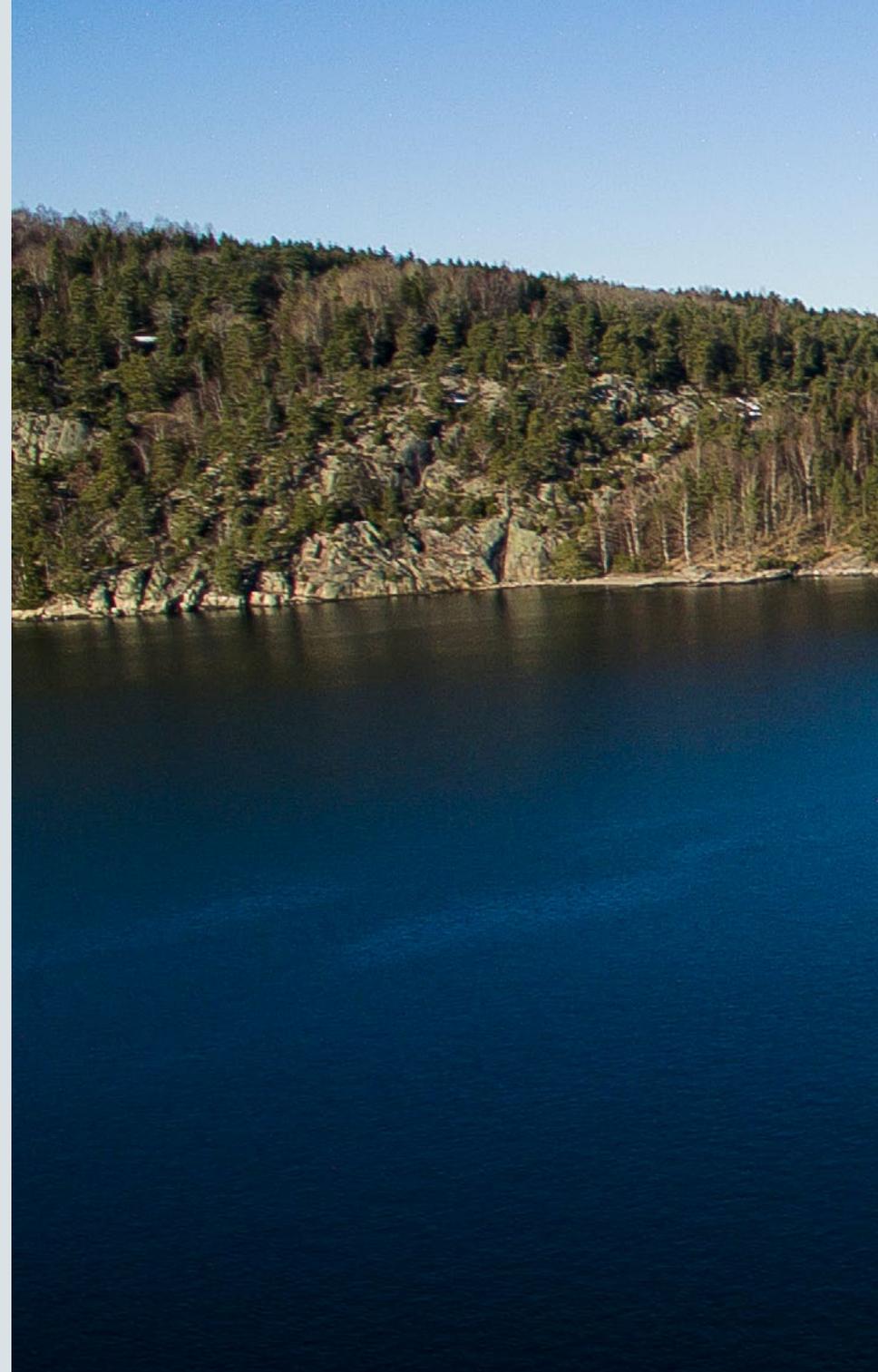
Are these ambitions realistic and achievable? At JR Shipping, we are convinced that they are. We must! We believe that the path of gradual change is the only feasible one. Sustainability can only succeed if healthy operating results are guaranteed and if innovative revenue models are given sufficient opportunity. We are convinced that these opportunities will arise and that, gradually, the ambitions of the shipping industry can and will be achieved.

The new standard

Green shipping has progressed beyond the stage of wishful thinking thanks to common sense, worldwide consensus, and sufficient support for measures within the industry. This does not change the fact that we still have a long way to go. Green shipping is quickly becoming the new norm. And we are actively working towards this. Frequently, in successful partnerships with maritime partners who strive and actively work on efficient and feasible sustainability solutions.

2022 - concrete steps

In 2022, our shipping company once again took proactive measures to reduce the emission of exhaust gasses from our container feeder vessels. The emphasis here is on reducing CO₂, but innovative solutions also focus on other emissions, as well as innovative solutions that reduce our negative impact on the biodiversity of the earth and marine & ocean life.







CO₂ emissions

As a versatile shipping company, we set the bar high when it comes to reducing CO₂ emissions. We are striving to achieve CO₂-free shipping in 2050 and have been taking serious steps to achieve this since 2021. The emphasis here is primarily on existing vessels. By the end of 2023, the majority of our fleet will be equipped with Exhaust Gas Cleaning Systems. Other measures are in the pipeline, such as grid blasting of the hull and applying an improved anti-fouling coating. Slow steaming is also applied to our vessels. We will actively seek cooperation with our maritime partners and actively share our ESG principles.

Our ambitions / goals

Our goal is to become Net Zero by 2050, and we are actively striving to take steps towards this journey.

Our commitments

We are committed to reducing our CO₂ emissions and contributing to a sustainable future. We commit to implementing measures to reduce our carbon footprint, such as investing in more fuel-efficient vessels, optimising our shipping routes, exploring alternative fuels, and investing in exhaust gas cleaning with carbon capture. We recognise the urgent need to address climate change and will work towards meeting the goals of the Paris Agreement.



Stay in line with the Science-Based Targets initiative of staying within the 1.5-degree pathway for global warming.

Reduction of 30% of our CO₂ emissions by 2030.

Work in progress

At JR Shipping Group, we understand the importance of reducing CO₂ emissions and its impact on the environment. We are committed to implementing ESG practices that align with our values and contribute to a sustainable future. The world is facing a climate crisis, and we recognise that it is our responsibility to act. We believe that this is not only the right thing to do, but it is also essential for the long-term sustainability of the planet and our business.

In line with this commitment, we have taken steps to reduce our carbon footprint by reducing drag on our vessels through grid blasting of the hull and applying an improved anti-fouling coating. Slow steaming is also applied to our vessels. This reduces the fuel consumption of the vessels and therefore reduces the amount of CO₂ our vessels emit. The optimisation of our routing is also used to reduce emissions.

A breakthrough in reducing our CO₂ emissions is that we have installed advanced Filtree (EGCS) and Carbon Capture systems on most of our vessels. Exhaust Gas Cleaning Systems will help us reduce our carbon footprint via a completely circular 'Carbon Capture' system. This is a major step towards decarbonizing short sea shipping and will contribute to the reduction of emissions in the international shipping sector.

The application of exhaust gas filters allows us to continue operating existing vessels on conventional fuel in the coming years while reducing our ecological footprint. In 2021, we made our first vessel more sustainable with this measure, MV Endeavor. Six more vessels were fitted out in 2022, and by 2023, most of our fleet will be equipped with Exhaust Gas Cleaning Systems. The fact that

valuable vessels can remain in service longer through the application of such systems allows shipping companies the required time to take further steps towards greener operations and prevents unnecessary - environmentally damaging - scrapping.

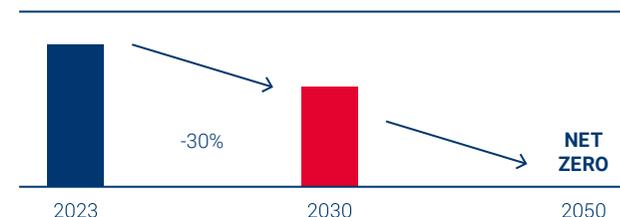
As we strive to continuously improve our energy efficiency and lower our carbon intensity, we recognise that our Carbon Intensity Indicator (CII) rating is a key indicator of our progress. The measures we have taken should all significantly impact our CII rating. While we are committed to taking all necessary measures to improve our rating, we acknowledge that not all factors that influence our CII rating are within our control. One such factor is the speed of our vessels, which has a significant impact on fuel use and CO₂ emissions. As our charterers are in control of vessel speed, it limits our control over our CII rating. Despite this challenge, we remain steadfast in our commitment to improving our CII rating. We will continue to work closely with our charterers to ensure that vessel speed is optimised for maximum efficiency and minimal emissions.

At JR Shipping, we understand the importance of the CII index and its role in measuring the environmental impact of our operations. We are committed to improving our CII rating by making significant ESG investments in our fleet and operations.

However, we must acknowledge that due to the building period (2003–2011) and the design philosophy of our vessels, it is inevitable that some of them will receive a poor CII rating. All existing container feeder vessels were designed in an era where maximised service speeds were required. Subsequently, all existing container feeder vessels are, from today's perspective, overpowered, resulting in less efficiency even while operating at lower service speeds today. Needless to say, this is not optimal. We recognise that reducing CO₂ emissions is a collective effort, and we are committed to working with industry stakeholders to advance progress in the maritime shipping industry. We support the International Maritime Organisation's mandatory measures to reduce greenhouse gas emissions from international shipping and are committed to meeting the 30% reduction in carbon intensity by 2030, as well as meeting net zero operations in 2050.

As part of our ESG efforts, we will continue to monitor and report on our progress towards reducing CO₂ emissions and achieving our sustainability goals. We believe that by prioritising ESG practices, we can create long-term value for our stakeholders and contribute to a more sustainable future.

Planned reduction of CO₂ emissions intensity





Our ambitions / goals

Reduce our NOx emissions as far as possible.

Our commitments

We are committed to reducing NOx emissions in our shipping operations. We will prioritise new technologies that can help us achieve our goal of reducing NOx emissions as much as possible by 2030.

Work in progress

The MARPOL NOx Tier III regulation calls for a 70% reduction in NOx emissions over Tier I requirements. NOx emissions are determined by engine design and recorded in the Test Bed Protocol. NOx-related component records are kept in the engine Technical File and reviewed by the Class Society Surveyor. We ensure that certified NOx-related engine components are acquired when they need to be replaced. The actions we have in place to minimise CO₂ emissions also help reduce NOx emissions. The primary focus is on reduced fuel use, as this will be the primary driver of reduced (NOx) emissions.

Selective Catalytic Reduction (SCR) engines are a technology system that reduces tailpipe emissions of nitrogen oxides (NOx) in diesel-powered engines. Selective Catalytic Reduction is one of the options available for reducing NOx emissions and are installed on some of our engines. We are planning to use this concept in the future, so our NOx emissions can be reduced. SCR systems use a catalyst to convert NOx into nitrogen and water vapour, which are less harmful to the environment. This technology can help us contribute to sustainability by reducing harmful emissions and improving air quality.

NOx emissions

In accordance with current regulations and standards, JR Shipping is committed to the application of new technologies aimed at reducing NOx emissions (nitrogen oxides) associated with our shipping activities. We subscribe to the MARPOL NOx Tier III standards, in force since 2016, for specific shipping areas and act accordingly. With an emphasis on reducing fuel consumption and innovative modifications to engines powered by conventional energy. We follow developments closely and consider reducing NOx emissions as one of the priorities in our ESG policy.



SOx emissions

In our ESG policy, taking measures that contribute to a cleaner environment and the global commitment to halt global warming have top priority. Within our overarching ambition of reducing CO2 emissions, we are keen on better control of SOx emissions (Sulphur Oxides). Here we are committed to the SECA standards of 2015 that apply to specific shipping zones. Partly because we equipped most of our vessels with Exhaust Gas Cleaning Systems (EGCS), our performance in terms of reducing SOx emissions has been above the SECA level since 2022. Incidentally, this is no reason to sit back. As a shipping company, we are aware of the harmful impact of SOx emissions and take responsibility for further reduction.

Our ambitions / goals

Reduce our SOx emissions as far as possible.

Our commitments

We at JR Shipping Group are committed to reducing our SOx emissions and contributing to a cleaner environment. We will prioritise decarbonization to help us achieve our goal of reducing SOx emissions as much as possible by 2030.

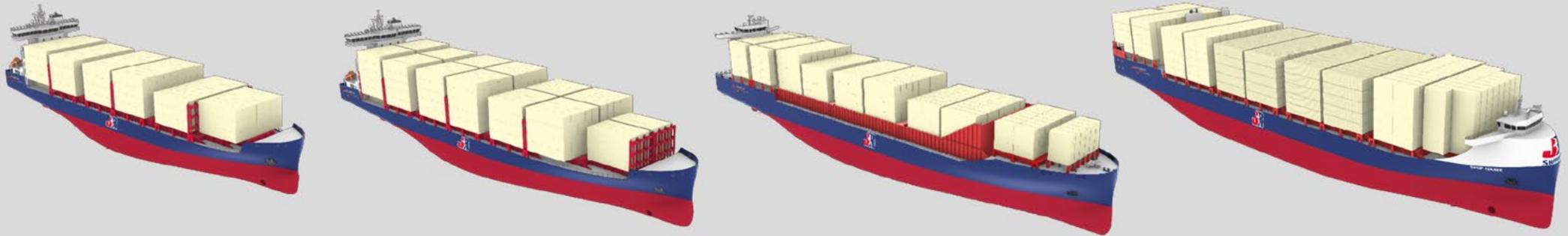
Work in progress

We are committed to reducing our SOx emissions. Regulations such as SECA (SOx Emission Control Area) in North-West Europe have been introduced as of 2015, limiting the use of fuels to a limit of 0.1% sulphur content inside the Baltic and North Sea. Our vessels perform ten times better than the limit. With our Filtrees, our vessels only emit 0,01% sulphur. Since 2020, a global limit of 0.5% sulphur content has also been implemented. A further SECA area in the Mediterranean Sea will be established as of January 1st, 2025. Environmental inspections and fuel sampling for analyses are used to monitor compliance, and large fines are imposed for noncompliance.

We have been employing Exhaust Gas Cleaning Systems (EGCS) on the majority of our fleet to reduce our SOx emissions even further. These systems wash the sulphur out of the exhaust gas fumes, which reduces our SOx emissions. Next to this, the main focus is on reduced fuel use, as this will be the main driver of reduced SOx emissions.

By implementing these measures, we try to reduce the harmful effects of SOx emissions on the environment and human health.





Leading vessel designs & maritime solutions

In addition to the focus that our shipping group places on making existing tonnage more sustainable - tonnage that will continue to play an indispensable role in the industry processes in the coming decades - we are taking concrete steps to make short sea shipping structurally sustainable. Based on our expertise in short sea shipping, particularly in the container feeder market segment, we are committed to the development and realisation of an ambitious design program for the next generation of container feeder vessels. The design is aimed at a symbiosis between energy-efficient sailing and the transition to renewable fuel on the one hand, and optimal performance for our clients on the other. With our 'ECO Feeder program' we introduce a new standard for future-proof ship designs.

Our ambitions / goals

Our goal is to develop next generation container feeders and short sea dry cargo vessels that distinguish themselves from the existing vessels in the market by means of significantly better 'energy efficiency' and significantly lower fuel consumption.

Our commitments

We commit to use the latest technologies and innovative concepts to build vessels that are not only efficient and reliable, but also environmentally friendly. We will try to acquire vessels that exceed expectations and set new industry standards.

Work in progress

One of our top priorities is to reduce our environmental impact. One of the key ways we achieve this is through our vessel designs. We prioritise vessels that are energy-efficient, have low emissions, and are built with sustainable materials.

Our commitment to ESG is reflected in our vessel designs, which are being optimised for fuel efficiency and environmental performance. We work closely with our partners to ensure that our vessels are built to the highest standards of sustainability, using the latest technologies and materials.

Of course, our firm will eventually invest in a new generation of future-proof container feeder vessels capable of running on new low emission fuels. To stay ahead and progress in this area, we teamed up with Technolog GmbH to develop a comprehensive concept for a new generation of container feeder vessels. The series of new designs covers all segments of the European container feeder market. JR Shipping Group aims at 'ECO Flex Feeders' ranging from 500, 900 and 1100 TEU with high 45 ft. container capacities and 'Baltic Max ECO Feeders' ranging from 1600 TEU up to 2100 TEU. All designs will have the highest ice class.

We will provide container liner services and operators with a cost-effective option as soon as investments in new tonnage can and must be made. This will be through our adaptable ECO Feeder programme, which is comprised of container feeder vessels in all relevant capacity classes. The ECO Feeders are efficient vessel designs that will be 40% more efficient than current vessels in terms of emissions. This will result in significantly lower emission potential. The next generation vessels will be suitable for new, low emission fuels

like green methanol and/or hybrid e-propulsion solutions. Until these new, low (or even zero) emission fuels become widely available, the new vessels will utilise clean marine gas oil, and the related CO₂ emissions will be further minimised by applying Carbon Capture technologies.

Additionally, we are currently working as a project partner and newbuilding broker on a series of four (plus four optional) 8.500 tons diesel-electric shortsea dry cargo vessels with extremely high cubic capacity and extremely low fuel consumption. A Dutch shipowner who took the initiative to build the new design will take two units in the series. The other two vessels are for a Hamburg-based owner looking to diversify into this sector. The goal for JR Shipping Group is to participate in the series at a later stage.

We recognise that there is still much work to be done in the shipping industry to promote ESG practices. We believe that by prioritising sustainability in our vessel designs, we can help lead the way towards a more sustainable future for the shipping industry. We are proud of our progress so far, but we know that there is always more we can do. That's why we are committed to ongoing innovation and improvement in our vessel designs, as well as in all aspects of our business.

At JR Shipping Group, we understand that ESG is not just a box-ticking exercise, but a fundamental part of our business strategy. By investing in leading vessel designs and other sustainable practices, we are not only reducing our environmental impact but also improving our long-term competitiveness and resilience.



Alternative fuels

The awareness within international shipping of the urgency of greening our business activities is undeniable. At our shipping group, too, we are aware that it is five minutes to midnight. The shipping industry understands that a transition to alternative fuels as soon as possible is the only way to meet environmental and climate agreements. Numerous initiatives show that the application of biofuels is feasible over time. In May 2023, for example, the first container barge in the Netherlands was put into service that runs on hydrogen and is 100% emission-free. JR Shipping's ECO Feeder Vessel designs are also prepared for the transition to renewable energy sources in terms of engine and fuel technology.

Our ambitions / goals

To make the use of biofuels possible and available to the charterers of our vessels.

To plan and prepare for the implementation of new, low emission fuels on our next generation of vessels.

Our commitments

We are committed to exploring alternative fuel use for our vessels and will continue to invest in alternative fuels to transition towards a greener fleet, and fuel usage.

Work in progress

Alternative fuels are becoming increasingly important in the shipping industry as companies strive to reduce their environmental impact. At JR Shipping Group, we recognise the need to transition to more sustainable fuels and are committed to exploring alternative options.

One promising alternative fuel is biofuel, which is made from renewable sources such as vegetable oils and animal fats. Biofuels have the potential to significantly reduce greenhouse gas emissions compared to traditional fossil fuels. We have certified one of our vessels to sail on 100% biofuel. For possible new-building projects, methanol as a fuel for propulsion is considered. Together with engine manufacturers, we have concluded that most engines can technically run on biofuel without modifications and that up to 30% biofuel can be used without restrictions. If the ratio of the biofuel component is > 30%, emission measurements need to take place to see if this area is still within the earlier Test Bed Protocol limits. When applicable and in order, the vessel will receive an IAPP (International Air Pollution Prevention) certificate that approves the use of bio-based fuel on this vessel.

Another option is hydrogen fuel cells, which produce electricity through a chemical reaction between hydrogen and oxygen. This technology is still in its early stages, but it has the potential to be a game changer in the shipping industry.

We at JR Shipping Group also explore the use of electric propulsion systems, which can be powered by renewable energy sources such as wind and solar. While this technology is currently limited to smaller vessels, it has the potential to be scaled up in the future.

For possible new-building projects of feeder vessels, green methanol as a fuel for the propulsion is considered. We have taken the positioning of possible green methanol tanks into account in the designs of the vessels for our new-building projects.

Overall, JR Shipping Group is committed to reducing its environmental impact by using alternative fuels and propulsion systems. By embracing sustainable solutions, we can help create a more sustainable future for the shipping industry and the planet.



Energy transition & efficiency

As the world faces the challenges of climate change, energy transition and efficiency have become critical components of sustainable business practices. Within our JR Shipping Group, we are literally 'sailing' for renewable offshore wind. In addition to container feeder vessels, our shipping group operates crew transfer vessels for the offshore energy industry under the name SeaZip Offshore Service. These vessels meet stringent emission requirements, and the focus in the development of new service vessels is sustainability. We are proud that with SeaZip Offshore Service, we contribute to a cleaner and greener future in general through our direct involvement in prestigious wind turbine projects in the North Sea.

Our ambitions / goals

To provide solid and high-quality services for offshore wind farms, which will contribute to a more efficient and sustainable energy supply for the years to come.

Our commitments

At JR Shipping Group, we are committed to transitioning to clean and efficient energy sources. We will take a proactive approach by implementing energy-efficient technologies, exploring renewable energy options, and transitioning towards lower-carbon sources of energy.



Work in progress

Through our affiliated company, SeaZip Offshore Service, JR Shipping Group contributes to the development of offshore wind projects as an efficient and sustainable energy source for the future. Through SeaZip, renewable energy has become a major component of our business, and we are committed to assisting our clients in accelerating the energy transition so that they can supply increased amounts of affordable wind energy to their customers.

As the world faces the challenges of climate change, energy transition and efficiency have become critical components of sustainable business practices. The shift from fossil-based energy systems to renewable sources is a key aspect of this transition. At JR Shipping Group, we are taking steps towards the energy transition by gradually replacing company cars with new electric cars. Now, 50% of our company cars are electric, and by the end of 2025, all our company cars will be electric vehicles. Additionally, office lighting has been replaced with more efficient LED panels, making it more energy efficient. We are also installing 238 solar panels on the office building to further reduce our carbon footprint by using green energy at our office. This will result in a reduction of 28.149,02 kg CO₂ a year. These changes are part of our efforts to transition towards greener and more efficient energy usage at the office.

Additionally, we are exploring the implementation of shore-connected e-power to improve our energy efficiency. We believe that this can be an important step towards reducing emissions of CO₂, nitrogen and sulphur oxides, particulate matter, improving local air quality, and reducing environmental noise. Shore power can help us reduce emissions by allowing vessels to turn off their engines while docked and connect to local electric power. While it is complicated as vessels are equipped with different electric systems, we are determined to contribute to finding a solution.

From January 1, 2023, it is mandatory for all vessels to calculate their attained Energy Efficiency Existing Ship Index (EEXI) to measure their energy efficiency and to initiate the collection of data for the reporting of their annual operational carbon intensity indicator (CII) and CII rating. This is part of the IMO strategy for the reduction of GHG emissions from our vessels.

The EEXI calculations showed that six vessels in our fleet need to reduce or limit their engine power to meet the required EEXI number and ensure the vessels meet the minimum energy efficiency standard set. During 2023, Electronic Power Limitation (EPL) systems will be fitted to meet the EEXI requirements.





Ocean health

One of the 17 Sustainable Development Goals, spanning a time span from 2015 to 2030, is the sustainable use of our oceans, seas, and rivers, which together cover three-quarters of our planet's surface. This vast ecosystem is threatened by pollution, overfishing, and intensive shipping. Despite the crucial role shipping plays in global trade, there is a huge responsibility to stop further pollution and destruction of this largely hidden ecosystem. We are aware of this responsibility and aim to reduce our negative impact on the quality of deep-water life, including by developing and deploying as many environmentally friendly technologies as possible.

Our ambitions / goals

Limit our negative influence on marine life in every area where we operate.

Contribute to ocean health initiatives such as Eyesea.

Our commitments

We understand the importance and necessity of fostering the development of environmentally friendly business technologies. We are also committed to reducing our negative impact on the ocean. We are conscious of our operations' environmental impact and are making efforts to mitigate it through a variety of measures.

Work in progress

As citizens of the earth, operating on the oceans, we recognise our duty to minimise negative environmental impacts from our activities. We are committed to meeting the needs and expectations of our customers and other important stakeholders while remaining in compliance with regulations.

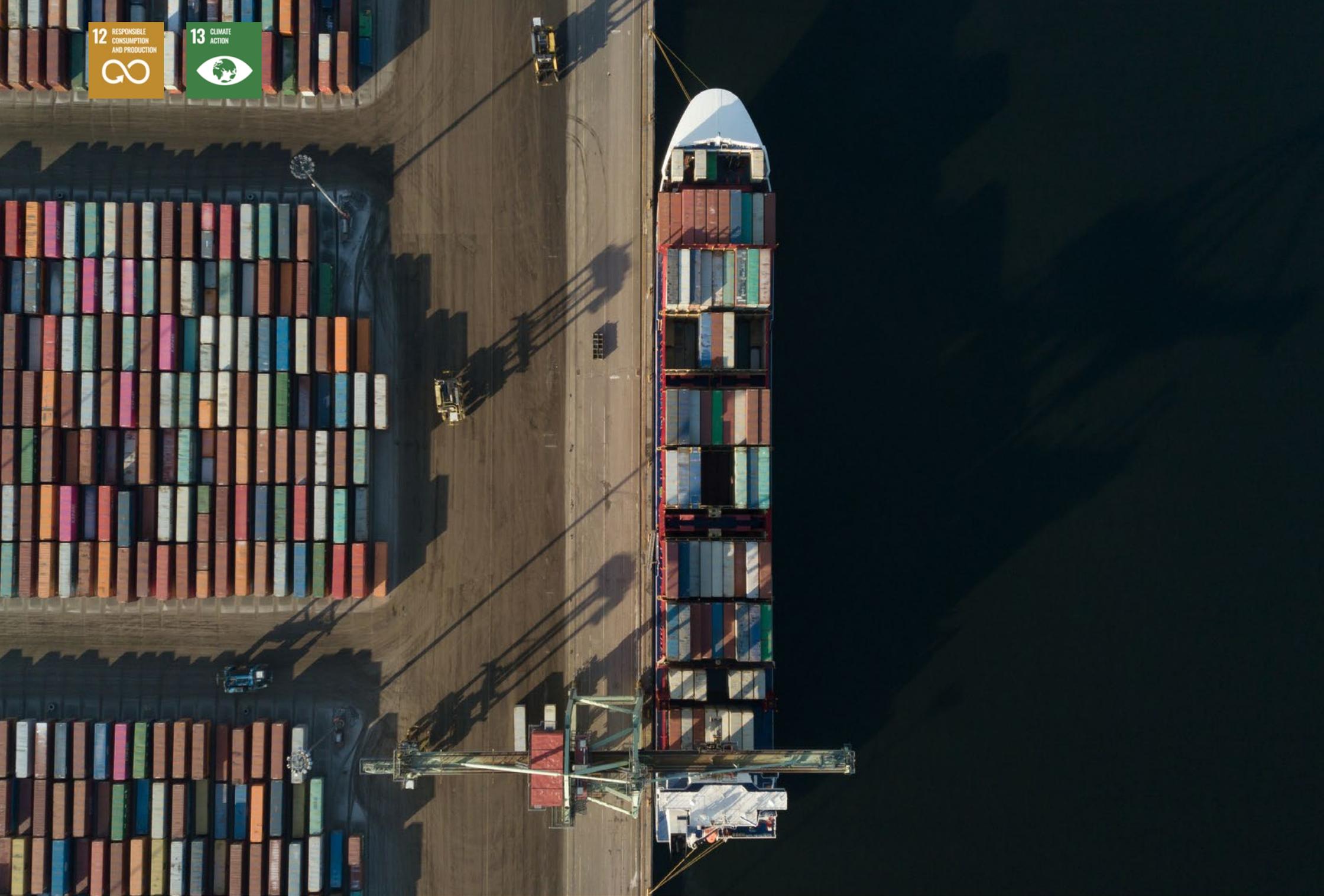
The shipping industry plays a crucial role in global trade, but it also has a significant impact on the ocean's health. We acknowledge that our operations can contribute to pollution and habitat destruction. Therefore, we have implemented measures to minimise our environmental impact, such as reducing emissions, optimising routes, and investing in eco-friendly technologies.

Our goal is to inflict as little harm as possible and actively work towards restoring ocean health in the regions where we operate. Contributing to initiatives like Eyesea is one way in which we contribute to restoring ocean health.

Since the end of 2020, five of our vessels have participated in Eyesea. Eyesea is a maritime industry-backed non-profit organisation with a mission to map global pollution and maritime hazards. Eyesea has developed the concept of using geotagged pictures to chart and map maritime and coastal pollution such as plastic, nets, and oil spills. Once they have data-based maps of maritime pollution, they will be able to identify what makes up maritime pollution, and where clean-up efforts can have the greatest impact.

JR Shipping Group supports this initiative because we believe that mapping the pollution deep within our seas, oceans, and ports is a vital part of solving the growing impact of maritime pollution. It also results in an increasing awareness that everybody can and should contribute, no matter how small. We understand that our vessels and sailors are the only ones who can acquire this information because we are the ones who spend the most time on the sea and waters.







Waste management

Our shipping group has been taking waste management seriously for some time, with careful collection, separation, and making waste suitable for recycling as a common thread. Our procedures are aligned with the latest guidelines and regulations, including MARPOL Annex V of the International Maritime Organisation (IMO). A key ambition in our ESG policy is to significantly expand and improve recycling processes in the coming years. We are also taking concrete steps to minimise the loss of containers on the open sea by implementing intelligent monitoring systems on board our vessels.

Our ambitions / goals

Our goal is to recycle 100% of our waste.

Our goal is to continue to cut back on single-use plastics and aim to progressively phase them out.

Prevent container loss at sea.

Wherever possible, avoid spills from vessels.

Our commitments

The efforts we have made to recycle waste will continue in the coming years. We will constantly improve our waste management processes to increase the effectiveness of our recycling operations.

We commit to reducing container loss through partnerships to completely prevent container loss in the future. We hope to fulfil this commitment by testing and implementing the GBMS SensoriumC system, so no containers will be lost in the future.

Work in progress

Material use and recycling are crucial topics for us. We always adhere to legal disposal standards when it comes to waste, as stated in MARPOL annex V, as well as all the legal requirements outlined for ship recycling. All waste produced on board of our vessels is collected, segregated, and sent to the port for ecologically and environmentally appropriate disposal. Only kitchen waste produced on board may be shredded and disposed of at sea, according to MARPOL regulations.

To make sure our garbage is handled appropriately, we communicate with our waste contractors. To support advancement in this area, we also communicate with our workers through targeted advertising. The transfer of waste to the companies in charge of this in the ports is logged on board, and it is logged by category. We are constantly looking for ways to decrease waste on board, such as buying in bulk to reduce the waste of packaging.

We report the loss of containers to all relevant authorities and attempt to salvage them when possible. In 2022, 5 containers were lost from 1 vessel, MV OOCL Rauma, containing paper and milk powder. Luckily, there were no dangerous goods or chemicals lost, only biodegradable products.

We are exploring a wide range of initiatives, both internally and in partnership with outside partners, to prevent similar losses in the future. This has led us to take an active role in the testing and implementation of the GBMS SensoriumC system (SaaS Warning System), which has been installed on two of our vessels, MV Ensemble and MV OOCL Rauma. The system helps to get a quick overview of the dynamic forces on the containers, the loads, and the lashing. The system also provides the necessary calculations, and if anything deviates from the norm, the system issues a warning so that the crew can immediately intervene. The system can also contribute to an optimal loading & ballast condition, resulting in a more economical exploration of the vessel, and thus less fuel consumption.







Biodiversity

Climate change is unprecedented and is having a disastrous impact on our ecosystems and native biodiversity. Such are the worrying conclusions of the long-awaited Panel for Climate Change (IPCC) report that woke up the world in 2021. Disastrous climate scenarios can only be averted by taking drastic measures. As a shipping group, we endorse the IPCC conclusions and recommendations and recognise the negative impact of our shipping activities on maritime ecosystems. In the coming years, we will put maximum focus on possible measures and innovations to reduce that impact.

Our ambitions / goals

To avoid and reduce negative impacts on local environments and biodiversity.

Our commitments

We recognise the importance of biodiversity conservation and will work towards protecting and restoring biodiversity through the implementation of various initiatives.

Work in progress

We recognise our impact on maritime ecosystems. We are committed to minimising this impact and protecting life beneath the surface and on land to the best of our abilities. We aim to follow the guidelines set by the Environmental Protection Agency (EPA) and the UN's Goal 14 to prevent and reduce marine pollution, sustainably manage and protect marine and coastal ecosystems, and conserve marine resources. We acknowledge the IPCC's findings on the changing ocean and marine ecosystems and acknowledge that this is a problem that needs to be tackled.

Biofouling is the accumulation of aquatic organisms on wet or immersed surfaces, such as ship hulls. This buildup of microbes, plants, algae, and animals is undesirable. Biofouling is also regarded as a major vector for bioinvasions, with research indicating that it can play a substantial role in the spread of invasive aquatic species.

The introduction of invasive species to new environments through vessels has been identified as a major threat to the world's oceans and biodiversity conservation. The effects of invasive species in many areas of the world have been devastating, and the spread of invasive species is now seen as a great threat to the ecological and economic well-being of the planet.

At JR Shipping, we recognise the importance of addressing the issue of fouling and are actively exploring and monitoring new technologies and developments in this area. We are particularly interested in monitoring the effectiveness of two promising antifouling solutions. The first is a pioneering fouling control solution developed by Damen Shipyards Group in collaboration with AkzoNobel and Philips, which uses UV-C light technology to keep vessels' underwater hulls clean. The second is the physical fouling-resistant wrap by Finsulate. We will continue to closely monitor the development and effectiveness of these technologies. If they continue to demonstrate positive results, we are open to investing in these antifouling techniques for our vessels.

We understand that the ocean plays a crucial role in mitigating carbon emissions and will continue to take multi-faceted action to conserve natural ecosystems in the ocean and beyond.

One of the initiatives we were involved in to take action was our contribution to a plankton study on the MV Encounter. This study was mainly concerned with researching the state of the plankton levels in the Irish Sea. We are open to supporting and facilitating this project or similar projects in the future to ensure the preservation of biodiversity.





Our ambitions / goals

Keep invasive organisms out of ballast water.

Our commitments

Our commitment to ballast water management is to ensure that our ballast water management plan is implemented effectively. We will submit required reports and maintain records, and we will commit to best practices and comply with regulations for ballast water management and treatment.

Work in progress

As part of our commitment to sustainability, we recognise the importance of ballast water management in reducing the transfer of harmful organisms between different marine environments. Ballast water is necessary for vessels to maintain stability and improve propulsion and manoeuvrability, but it may pose serious ecological, economic, and health problems due to the multitude of marine species carried in vessels' ballast water.

To address this issue, each vessel has a ballast water management plan addressing procedures for ballast water exchange, ballast water treatment, or both. We comply with the International Maritime Organisation's (IMO) ballast water management regulations to ensure that our operations are sustainable and responsible, and we strive to take measures beyond the regulations in the future.



Ballast water management

Ballast water, a necessity to ensure the stability and steerability of seagoing vessels, is the main source that harms (micro)organisms. The discharge of ballast water in ports or on the open sea increases the risk of pollution and the destruction of vulnerable marine ecosystems. JR Shipping acts in accordance with the International Maritime Organisation's (IMO) water management regulations. With vessel-specific ballast water management plans, we strive to optimise management and cleaning measures and minimise risks to the underwater environment.



Ship recycling

The 'shelf life' of marine vessels is relatively long, but the life cycle has a point at which scrapping is inevitable. This involves a real risk of harmful waste and the destruction of valuable raw materials. We commit to the latest standards for scrapping procedures that are ESG-proof. For existing vessels, we use recognised recycling standards and actively participate in initiatives that focus on transparency around scrapping procedures. When designing the new generation of container feeder vessels, we consider the recyclability of applied materials from the outset and embrace the cradle-to-cradle principle.

Our ambitions / goals

To promote safe, ethical, and responsible ship recycling around the world, which will have a positive effect for employees, the environment, responsible yards, and shipowners.

Conduct a feasibility assessment for obtaining cradle-to-cradle passports for our vessels.

Our commitments

We commit to adopting responsible ship recycling standards, such as the RSRS (Responsible Ship Recycling Standard), and participate in the Ship Recycling Transparency Initiative (SRTI).

At JR Shipping Group, we will explore the design options in close consultation with our suppliers for optimal recycling of materials by investigating the options of cradle-to-cradle passports for our vessels.

Work in progress

As a responsible shipping company, JR Shipping Group understands the importance of ensuring ESG-compliant vessel recycling. The anticipated increase in demand for large vessel recycling capacity adds to the necessity of developing innovative, ethical, and financially feasible solutions. Shipping can help decarbonize the global steel value chain by applying these new solutions.

We are committed to complying with the EU ship recycling rules that entered into force in 2021, which require EEA- and EU-flagged vessels and third-party vessels visiting EU ports to ensure safe and environmentally sound ship recycling. In addition to this, we also comply with the European Union Ship Recycling Regulations (EUSRR), which aim to make ship recycling and dismantling safer and more environmentally friendly. A great initiative that we support is the Ship Recycling Transparency Initiative (SRTI), which is an industry initiative that aims to promote responsible ship recycling through transparency.

We want to undertake a risk assessment for the tracking and defining of materials used in each of our 750 TEU container feeder vessels, before or at the end of their life cycle. This will provide greater value and reusability for a variety of components. While this may seem like a straightforward task, it is a complex and time-consuming process due to the variety of materials used in a ship, such as steel, copper, plastic, wood, glass, and other minerals. However, this is crucial to promoting a circular economy, encouraging the efficient use of resources, and reducing waste.





THE SOCIAL DIMENSION - PEOPLE FIRST

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

Our corporate responsibility for the quality of our living environment extends beyond the crucial transition to the application of new low emission fuels in combination with innovative vessel designs. Our focus is also permanently on people.

Our managing owners of JR Shipping and SeaZip Offshore Service are acutely aware that ambitions around our shared responsibility for the environment, climate, and safety at sea will fail without the commitment of professional and passionate people. We offer both our seafarers and the professionals ashore an honest, open, and reliable working environment in which everyone is allowed to be themselves and diversity is natural. For our seafarers, maximising safety at sea is our top priority. We work in an international, informal culture - with an emphasis on personal responsibility and flexibility for a healthy work-life balance.

Both seafarers and employees ashore are well represented in decision-making processes. Employees work together very well, and their involvement is amazing. We try to give everyone the opportunity to be seen and heard. As board members, we are in the middle of operations. We are on alert, and in the event of possible conflict situations or signals of social or professional dysfunction, we proactively enter individual discussions. In addition, regular plenary meetings are organised to review the ‘state of affairs’ and policy intentions together, usually with a social and informal closing.







Health & safety

At JR Shipping Group, we place a high priority on health and safety. We are dedicated to providing a safe and secure working environment for all of our employees, both on board our vessels and ashore. Furthermore, we strive to ensure that all our staff are aware of the risks associated with their roles and take the necessary precautions to stay safe. In all shipping activities we undertake as a short sea shipping specialist, 'safety first' is our credo. Seafarers are specially trained, and operational procedures are geared to that. And we keep our finger on the pulse with systematic audits.

Our ambitions / goals

Ensuring that all employees receive proper training and equipment to perform their jobs safely.

Establishing a culture of safety where employees are encouraged to report safety concerns and incidents without fear of repercussions.

Our goal is to ensure that everyone returns home safely by preventing major incidents and fatal accidents.

Our commitments

We are committed to health and safety by committing resources to health and safety measures, monitoring progress on a regular basis, and holding leadership accountable for ensuring a safe and healthy workplace.

At JR Shipping Group, we will explore the design options in close consultation with our suppliers for optimal recycling of materials by investigating the options of cradle-to-cradle passports for our vessels.

Work in progress

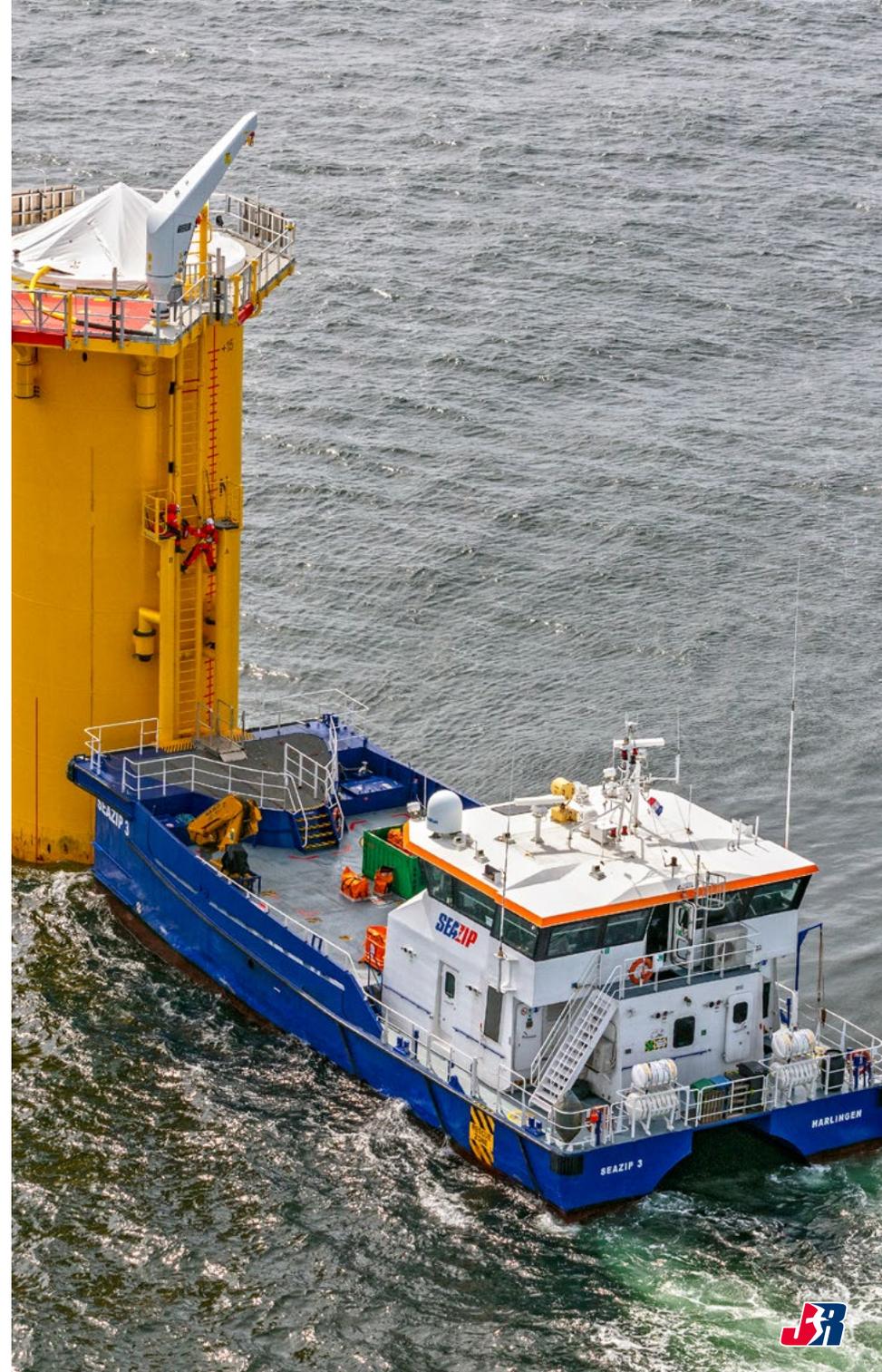
'Safety First' is a basic principle in our mission of providing our business partners with excellent short sea shipping and offshore shipping services. We have implemented a comprehensive health and safety policy that is reviewed and updated on a regular basis to ensure it remains up-to-date with the latest regulations and best practices. Our staff is provided with the appropriate training, equipment, and resources required to ensure they can safely and effectively carry out their duties.

We are also committed to investing in the safety of our vessels and crew. We have implemented a range of measures to ensure that all vessels are operated in a safe and responsible manner, including regular maintenance checks, emergency response plans, and crew training.

To make sure our employees feel safe, we have designated persons of confidence for both our ashore and offshore employees. These individuals are there to deal with matters such as bullying, intimidation, sexual harassment, aggression, or discrimination. It is important that these confidants are available and accessible to employees, as they help create a safe working environment, build trust, and promote a positive work culture. By having someone to turn to, employees can feel supported and valued, which can help them feel safe at work.

Our Dutch-flagged vessels have undergone a thorough risk assessment for asbestos, with our seafarers' health and safety as our top priority. Small amounts of asbestos were found in one place on most vessels, which experts have safely removed. On four vessels, asbestos was found in several places, some of which were not easily accessible for removal. Experts have removed asbestos from accessible and safe areas but not from hard-to-reach places, which pose a high risk of spreading harmful substances if treated. We have taken all necessary precautions and will continue to monitor the situation and take appropriate action if necessary.

At JR Shipping Group, we take pride in the safety of our staff and vessels and are committed to maintaining the highest standards of health and safety. We are dedicated to ensuring that our employees are provided with a safe and secure working environment, and that our vessels are operated in a safe and responsible manner.





Employee & talent development

We believe that the quality of our short sea shipping operations and the success and continuity of our business depend on the talents, commitment, and motivation to go the extra mile of our employees. We strongly focus on being a good and responsible employer and accept no limits in learning, training, or career opportunities. Our ESG policy is designed to ensure that employees can develop to their full potential - both personally and professionally. Starters and trainees can count on a warm welcome and personal guidance. Experienced professionals will find a working environment in our shipping group in which they will always progress.

Our ambitions / goals

Our mission is to foster an engaging atmosphere for all colleagues and to become a company where our employees can develop themselves, grow, and flourish.

Setting measurable and realistic goals for employees to encourage progress and boost confidence.

Partnering with other organisations or projects to provide young professionals with opportunities to grow, learn, and develop themselves.

Our commitments

We are committed to providing opportunities for employee development and growth, such as training programs, mentorship, and career advancement opportunities. We also prioritise creating a positive work environment that fosters engagement and encourages employees to take ownership of their work.



Work in progress

At JR Shipping Group, we know that our employees are our most valuable asset. We are committed to providing a work environment that fosters growth, development, and learning opportunities for our employees, allowing them to reach their goals.

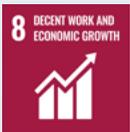
We are committed to providing our employees with the necessary tools, resources, and training to help them reach their full potential. We believe that by investing in our employees' development, we can create a culture of continuous learning and improvement, which will ultimately benefit our customers and other stakeholders.

At our workplace, we prioritise diversity, equality, and inclusion. This not only helps us attract and retain a diverse range of talent but also fosters a culture of innovation and creativity.

We provide our Dutch seafaring staff with opportunities to grow by offering them the opportunity to obtain one certification higher than required for their position, thereby stimulating growth and development as well as making the transition to a higher position easier.

An ambition that we have is to partner with the organisation Sea Rangers. This organisation, among other things, trains young people to become Sea Rangers as a start to their maritime careers. We want to provide a platform for these young talents to develop themselves and learn about the maritime sector. This will not only provide them with a space to grow but also help us attract and retain young talent, thereby strengthening our position in the market. In addition, we can contribute to their sustainable practices and learn from one another with the goal of collaborating for the preservation of our oceans.

To support young talent and give them opportunities, we have set up a program called JR MasterClass. JR MasterClass internships are offered to students from all Dutch maritime schools. The programme components' content and implementation are aimed at students interested in a career in the maritime industry as a first officer, mechanical engineer, or maritime officer. JR Shipping Group provides the facilities and practical expertise, and we believe that by doing so, we can contribute to the development of this young talent and hope to grow their interest in a maritime career. Another initiative in which we participate and contribute is a project for primary schools called 'Zeebenen gezocht'. "Zeebenen gezocht" is an initiative of the The Royal Association of Netherlands Shipowners (KVNR) that allows young people to experience the maritime industry by spending a week on a vessel. Because of the fixed routes of our vessels, we can participate in this project and provide a valuable experience to young people.



Our ambitions / goals

Ensure all of our employees, both ashore and offshore, are aware of ESG and its importance.

Keep all staff informed of our ESG progress and new developments.

Our commitments

We are committed to engaging our employees in our ESG initiatives to ensure that they are active participants in our ESG initiatives and thereby contribute to the achievement of our ESG goals.

Work in progress

Employee engagement is a crucial aspect of our ESG strategy. As a responsible shipping company, we understand the importance of engaging our employees in our ESG initiatives. We believe that employee engagement is key to achieving our sustainability goals and creating a positive impact on the environment and society. Engaged employees are more likely to be productive, innovative, and committed to the company's goals. We are committed to creating a work environment that fosters employee engagement and encourages our employees to be active participants in our ESG initiatives.

To promote employee engagement, we ensure that all our employees are up to date on the latest news as well as our ESG efforts and developments. We encourage our employees to participate in our ESG initiatives and provide them with the necessary resources and support to do so.

At JR Shipping Group, we have a works council, in Dutch: OR. A works council is a group of employees' representatives in a company. In the Netherlands, work councils are required for companies with 50 or more employees. Work councils serve a variety of purposes, including advising management, counselling employees on matters of concern, and establishing business policies. We take an open and transparent approach to our works council to ensure their participation in decision-making. This is also essential for the transfer of knowledge about any new developments inside the company, allowing them to make informed decisions.

We believe that by engaging our employees in our sustainability initiatives, we can create a positive impact on the environment and society while also creating a positive work culture. We will continue to invest in our employees and provide them with the necessary resources and support to achieve our ESG goals.



Employee engagement

At the JR Shipping Group, we realise that creating and retaining support is crucial to the successful implementation of measures associated with our ESG policy. Acting according to clear ESG principles is not a method that can be imposed top-down but should be part of the shared corporate culture. This is why we will actively invest in information sharing and encourage participation in our ESG initiatives. All employees - both on board our vessels and ashore - are given the space to actively contribute to our goals.



Diversity & inclusiveness

At JR Shipping Group, we are committed to creating an open and safe working environment where employees are valued for who they are and what they contribute to the quality and continuity of our business processes. However, we realise that this does not automatically make us an organisation where diversity and inclusivity are anchored. We are working on measures to assess and monitor this - and where necessary - improve it. With the spearhead: active participation in initiatives aimed at encouraging women to choose a maritime career.

Our ambitions / goals

Increase the number of women in our workforce, both ashore and offshore.

Encouraging open communication and feedback to create a culture of inclusiveness.

Our commitments

We commit to fostering diversity of opinion and creating a more diverse, equal, and inclusive workplace. We want to encourage gender diversity, as this is our largest shortcoming and also the most crucial area for change in the marine sector.

Work in progress

In today's world, diversity and inclusiveness are crucial components of any successful business. At JR Shipping Group, we recognise the importance of cultivating a culture that values and respects differences in race, ethnicity, gender, sexual orientation, age, and ability. We believe that a diverse and inclusive workforce leads to better decision-making, increased innovation, and improved performance.

As part of our commitment to environmental, social, and governance (ESG) principles, we are dedicated to promoting diversity and inclusiveness throughout our organisation. We strive to create a workplace where all employees feel valued, supported, and empowered to reach their full potential. This includes providing equal opportunities for career development, training, and advancement, as well as fostering a culture of respect and open communication.

Equality for men and women is also important to us. However, we acknowledge that achieving this goal is challenging in the maritime industry, where a disproportionately low percentage of women are active or working. Currently, only around 1.5% of the global seafarer workforce is female. Despite this, we are committed to promoting diversity and inclusion in our company and the industry as a whole.

We understand that there is always more work to be done, and we are committed to continuous improvement in this area. We will continue to review and update our policies and practices to ensure that we are creating a diverse and inclusive workplace that reflects the communities we serve. By embracing diversity and inclusiveness, we believe that we can build a stronger, more resilient organisation that is better equipped to meet the challenges of the future.





GOVERNANCE - OPEN IN BUSINESS

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

As board members of JR Shipping, we subscribe to the ESG principle that companies only have the right to exist and have prospects if there is visible evidence of honest and correct management. Far-reaching policy decisions are systematically evaluated by both internal and external stakeholders. Financial transactions are systematically monitored and periodically charted by an external firm.

Our financial reports meet high standards, and our communication with investors and financiers is frequent, transparent, and correct. Regular audits take place to test and - where necessary - improve our procedures and systems. As managing owners of shipping group JR Shipping, we are personally committed to open and honest business based on trust and reciprocity.

We recognise the importance of the upcoming Corporate Sustainability Reporting Directive (CSRD) reporting standards and are taking proactive steps to ensure that we will be compliant with the new regulations. As one of the nearly 50,000 companies operating in the European Union that will be required to disclose the impact of our sustainability practices, we understand the significance of this initiative and are committed to doing our part in promoting sustainable business practices. We are closely monitoring the implementation of the CSRD and are working to ensure that our upcoming reports are accurate, transparent, and in line with the new standards.



Compliance & anti-corruption

Embedded in Europe, we take pride in operating in a region with robust regulations and laws that prioritise the prevention of corruption and bribery. Compared to other regions, Europe has a more robust legal framework that promotes transparency and accountability. This allows us to conduct our business with confidence, knowing that we are operating within a framework that values ethical behaviour. However, this does not relieve us of the duty to be constantly alert, react adequately to signals of wrongdoing, and focus on acting with integrity and transparency. A leading principle in our worldwide business approach is: zero tolerance for corruption.

Our ambitions / goals

Fostering an environment of ethics, compliance, and integrity.

Making a helpful impact on corporate ethics in our industry.

Our objective is for all staff to be educated in our Code of Conduct and the ISM manual for our seafarers.

Our commitments

We are committed to upholding the highest standards of compliance and anti-corruption practices, and we will conduct our business with integrity and transparency. We strive to ensure that our operations are free from any form of corruption or unethical behaviour.

Work in progress

The JR Shipping Group is committed to upholding the highest standards of compliance and anti-corruption in all aspects of our business. We believe that transparency, ethics, and a strong business reputation are essential to building trust with our stakeholders and ensuring long-term success.

We are committed to fostering a culture of business ethics and integrity. We have zero tolerance for any form of corruption, bribery, or unethical behaviour. We ensure that all our employees, contractors, and business partners are aware of our policies and adhere to them. We believe that integrity defines how we behave, wherever we are, and we strive to do the right thing in all our business dealings. We recognise that corporations are legal persons and, just like human beings, are subject to moral scrutiny.

At JR Shipping Group, we understand that our business reputation is critical to our success. We are committed to conducting our business with the highest level of ethics and integrity, and we hold ourselves accountable for our actions. We want to build a strong reputation as a responsible and trustworthy partner. We believe that this is essential to building long-term relationships with our stakeholders. We believe that by upholding these values, we can build a sustainable business that benefits our stakeholders and the communities in which we operate.





Cyber security & data privacy

Cybercrime, abuse of data, and violations of privacy pose realistic threats to both national societies and the global order. International shipping also does not escape cyber security risks and has a responsibility to adequately cover those risks to ensure the protection of data and privacy. That responsibility is broad: both to our employees and industrial partners and stakeholders, cyber security is high on our agenda. In doing so, we have set ourselves a concrete goal. By 2024, our Cyber Security Policy will comply with the international ISO/IEC 27001:2022 standards.

Our ambitions / goals

Our goal is to adapt our Cyber Security Policy to comply with the international standards of "ISO/IEC 27001:2022" by 2024.

Our commitments

We commit to protecting our vessels, cargo and personnel from any cyber security risk

We commit to staying compliant with relevant and mandatory standards and principles for cyber security.

Work in progress

We at JR Shipping Group understand the importance of cyber security and data privacy in today's digital age. We understand that our customers trust us with their sensitive information, and we take this responsibility seriously.

JR Ship Management BV has implemented a Cyber Security Management Policy, with the captain being the responsible party for implementation onboard. All crew members are required to comply with the policy and report any cyber security threats to the captain. Familiarisation with the Cyber Security Policy is part of the onboard familiarisation process, and further instructions and procedures are provided therein.

Our Cyber Security Policy is primarily focused on all vessels managed by JR Ship Management BV and all processes ashore that support the operation of the vessels. This includes all systems on board the vessels and on shore. Our robust cyber security measures are regularly updated and tested. Our team works diligently to process and safeguard company and customer data appropriately.

Cyber risks can be classified into cyber security and cyber safety, both of which can have serious implications for personnel, vessels, cargo, the environment, and business. Cybersecurity is the protection of IT and OT systems from unauthorised access, while cyber safety focuses on the protection of personnel, vessels, and the environment from cyberattacks.

We prioritise legislative and regulatory issues related to data privacy and other protections, as well as cybersecurity. We believe that it is our duty to stay informed and compliant with all relevant laws and regulations to ensure the safety and privacy of our workers as well as our customers' data.

We recognise that data privacy and cybersecurity are critical components of sustainable business practices, and we are committed to upholding these values. We are dedicated to maintaining the highest standards of cyber security and data privacy. We believe that by prioritising these issues, we can build safety and trust for and with our workers and customers and contribute to more sustainable business practices.



Digitalization

Digitalization and the rapid rise of AI (Artificial Intelligence) can make a significant contribution to the efficiency, safety, and sustainability of our operational processes at sea. At JR Shipping Group, we recognise the importance of embracing digitalization to improve our environmental, social, and governance performance. At the same time, we are keenly aware of any 'new' risks that far-reaching digitalization, and AI in particular, may entail for both employees and working relationships. We believe that careful consideration and implementation are more important than a reputation as early adopters. Our priority is: the application of digitization and AI solutions that contribute to reducing our carbon footprint.



Our ambitions / goals

Our goal is to reduce our carbon footprint by adopting innovative and efficient technologies.

Our commitments

We commit to embracing digitalization in the shipping industry to achieve sustainable and responsible practices.

Work in progress

Digitalization has become a key driver for the shipping industry to achieve its ESG goals. At JR Shipping Group, we see the importance of embracing digitalization to improve our environmental, social, and governance performance. By leveraging digital technologies, we can optimise our operations, reduce our carbon footprint, and enhance our safety and security measures.

One of the key benefits of digitalization is the ability to collect and analyse data in real-time. This enables us to monitor our vessels' performance, identify areas for improvement, and make data-driven decisions. For example, we can use data analytics to optimise our routes, reduce fuel consumption, and minimise emissions. We can also use digital tools to enhance our crew training and safety programs, ensuring that our vessels operate in a safe and secure manner.

Another important aspect of digitalization is the ability to collaborate and share information with our stakeholders. By leveraging digital platforms, we can engage with our customers, suppliers, and other partners to promote transparency and accountability. We can also use digital tools to report relevant ESG data to our stakeholders, demonstrating our commitment to sustainability and responsible business practices.

At JR Shipping Group, we are committed to leveraging digitalization to improve our ESG performance and create long-term value for our stakeholders. We will continue to invest in digital technologies and collaborate with our partners to drive innovation and sustainability in the shipping industry.



Community engagement

In 2023, JR Shipping Group will celebrate its 30th anniversary. The 30-year corporate history of our shipping company is closely linked to our home port - the port of Harlingen, the Netherlands. Our contacts with the port authorities are intensive, and we support the port of Harlingen's ambition: a position as the most sustainable shipping and distribution hub in the Northern Netherlands by 2035. We also maintain lively contacts with representatives of the province of Fryslân and regional fellow companies. We participate in public events in Harlingen and involve the local population as actively as possible in our business plans and ambitions. We are happy and proud to have been in full connection with the community in which we act since 1992.

Our ambitions / goals

Increase community involvement in decision-making processes.

Develop and implement initiatives that address the needs of the communities in which we operate.

Our commitments

At JR Shipping Group, we are committed to engaging with the communities in which we operate in a meaningful and impactful way. We will work to build strong relationships with local stakeholders, listen to their concerns, and take action to address their needs. We will strive to be transparent and open in our communication and to foster a culture of volunteerism and community service among our employees.

Work in progress

JR Shipping Group recognises the importance of community engagement in achieving our ESG goals. We believe that our success is intertwined with the well-being of the communities where we operate. As such, we are committed to building strong relationships with our stakeholders, including local communities, NGOs, and the local government.

JR Shipping encourages and maintains lively connections with its immediate surroundings: the port city of Harlingen and the province of Fryslân. The port of Harlingen strives to be the sustainable marine logistics heart of the Northern Netherlands by 2035. As a port, they can make a significant regional contribution to the local economy's sustainability. We believe that it is important to be involved in and contribute to these developments as a shipping group. We maintain frequent contact with the Port Authority (Port of Harlingen) and numerous business associations.

The port of Harlingen is situated directly on the Wadden Sea, which has been a UNESCO World Heritage Site since 2009. This natural area is one of the most beautiful and ecologically diverse regions in the northern hemisphere, stretching all the way to Denmark. With this natural area as our 'backyard', we are more than aware that we must work towards preserving our nature by taking concrete steps towards a more sustainable future for all of us.

Our community engagement efforts are guided by the principles of transparency, inclusivity, and responsiveness. We regularly engage with our community to understand their concerns and expectations, and we strive to address them in a timely and effective manner. We also seek to involve them in our decision-making processes, particularly those that may have a significant impact on their lives and livelihoods.

In the last few years, we have actively participated in social projects, culture, sports clubs, and local (nautical) events such as the Tall Ships Races Harlingen. These initiatives have helped us build trust and foster positive relationships with our community.

Our director, Jan Reier, in addition to his business involvement in different shipping markets, has been chairman of the Harlingen Sail Foundation for over 10 years. He has been very active and passionate about this, and our shipping group has also been closely involved. The Tall Ships Races have been organised in Harlingen three times in a row (2014, 2018, 2022), and Harlingen has once again applied as a host port in 2026.

The Tall Ships Races are the largest international ocean races for Sail Training ships. In addition to looking forward to welcoming these beautiful Tall Ships in our home port, our main motivation is to introduce international young people or trainees between 15 and 25 years old to seafaring in general and all of its different forms. During these events, hundreds of these young trainees have been offered the unique opportunity to experience living and working together at sea while participating in a Tall Ships race.

Moving forward, we will continue to engage with our community as a key component of our ESG strategy. We will work to strengthen our relationships with our community and ensure that their voices are heard and their concerns are addressed. We believe that by working together, we can create a more sustainable and prosperous future for all.



Human rights & modern slavery

The trampling of human rights, including in the form of modern slavery, is increasing alarmingly. This is the conclusion of the International Labour Organisation (ILO), which is part of the United Nations. All over the world, including in Europe and the Netherlands, people are being exploited and forced to perform labour for no or minimal pay and in appalling conditions through abuse of power. As JR Shipping Group, we endorse the United Nations guidelines and contribute to raising awareness of this issue among employees, clients, and other stakeholders. In the coming years, we will intensify our participation in initiatives against exploitation and human rights violations.

Our ambitions / goals

Our ambition is to provide decent, fair, and equal working conditions for all of our employees.

Increase awareness and understanding of modern slavery among our employees and stakeholders through regular training and education programs.

Work with industry partners and organisations to share best practices and collaborate on initiatives to combat modern slavery.

Our commitments

We are committed to continuing to align our company operations with the UN Guiding Principles and including human rights issues in our due diligence procedures and ESG governance measures.

Work in progress

Human rights, forced labour, and modern slavery are both pressing issues that need to be addressed. At JR Shipping Group, we are aware of the importance of ensuring that human rights risks are understood and addressed across all our operations and supply chains. We are committed to providing our employees with decent, fair, and equal working conditions. This means that we are committed to creating a healthy and safe working environment for our employees. This includes non-discrimination and associational freedom, job security, predictable and consistent working hours, and training.

We understand that modern slavery exists in every industry and every country in the world. Therefore, we will develop company policies and procedures to ensure that our suppliers and partners comply with our standards and values, which are all part of our company code of conduct. In the company code of conduct, we reserve the right to conduct regular audits to make sure our suppliers are complying with our policies and procedures.

As part of our ESG reporting and strategy, we will continue to report on our efforts to address human rights and modern slavery issues. We believe that by working together and taking a proactive approach, we can help root out this inhumane practice from our supply chain. In this way, we aspire to make a positive difference in the lives of those impacted by modern slavery and contribute to a more just and sustainable world.



Long-term financial performance

At JR Shipping, we understand the importance of environmental, social, and governance (ESG) investing for the sustainability of the planet and our business. As such, we allocate a budget for ESG investments for our vessels every year. We believe that having a budget set aside for ESG investments is crucial to ensuring progress in this area. We have already made significant investments in this area, such as the Filtree systems of Value Maritime, and we will continue to do so. At our shipping company, investing in the future means investing in a green future and ethical and transparent business practices.

Our ambitions / goals

Consider ESG factors when evaluating investment opportunities and making financial decisions.

Increase our financial performance through the implementation of efficient sustainability practices.

Our commitments

We commit to increasing our financial performance through ethical, green, and transparent operations so both our company and society can thrive.

Work in progress

ESG is vital not just for the environment but also for our long-term financial success. It can contribute to higher company profits and investment performance, especially when major environmental, social, and governance (ESG) risks are adequately mitigated. Strong ESG performance can lead to preferential treatment from investors over companies whose environmental or other activities could represent a higher financial risk. This is because they can demonstrate to investors that they can manage future risks while generating long-term financial returns.

Companies with outstanding ESG performance have shown higher returns on investment, reduced risks, and more stability during times of crisis in the past, and this is something we aim towards as well. It is both good for the planet and society, as well as for our firm in the long term.

We use Value Maritime's 'Filtree' system with Carbon Capture to take a substantial step towards decarbonization while also establishing a better commercial position for the fleet. Exhaust gas cleaning allows us to minimise emissions that come with using regular fuels, which is unavoidable for our existing vessels. The use of this system provides us with a significant competitive advantage.





Sustainable procurement & supply chain

In its 30-year history, JR Shipping has built close ties with both client relationships and financial partners, suppliers, and service providers in the maritime industry. Within this chain, which is crucial for the quality and continuity of our services, people are familiar with our ambitions and concrete initiatives to make shipping more sustainable. We share our plans and actively propagate our vision of 'green shipping'. With the ultimate goal of realising a green shipping chain in which companies support each other in innovations in fuel efficiency, environmental safety, and reducing harmful emissions.

Our ambitions / goals

Develop a green supply chain.

Our commitments

We commit to continuously improving supply chain standards and establishing sustainable supply chains for our organisation.

Work in progress

JR Shipping Group is committed to sustainable procurement and supply chain practices as part of our ESG strategy. We recognise that our operations have an impact on the environment and society, and we are committed to minimising this impact through responsible and sustainable practices.

To achieve this, we check if our suppliers meet our environmental and social standards. We work closely with our suppliers to ensure they share our values and are committed to sustainable practices. We also prioritise suppliers who have a strong track record of sustainability and social responsibility.

In addition, we are committed to reducing our carbon footprint throughout our supply chain. We work with our suppliers to identify opportunities to reduce emissions and improve energy efficiency. We also prioritise the use of sustainable materials and products in our operations.

Our commitment to sustainable procurement and supply chain practices is an integral part of our ESG strategy. We believe that by working together with our suppliers and stakeholders, we can create a more sustainable future for our industry and the planet.



JR SHIPPING - MOVING FORWARD TOGETHER

JR Shipping BV (container feeder shipping) and SeaZip Offshore Service (maritime services to the offshore energy industry) will celebrate their 30th anniversary in 2023. The company, founded by Jan Reier Arends, “breathes” a long shipping tradition. A shipping entrepreneur at heart, Arends began his career as a captain/owner of a compact multipurpose vessel.

Economies of scale - container feeder shipping

Driven by opportunities for economies of scale, Arends entered an alliance with Sander Schakelaar about seven years after founding his company. Both soon decided on 50% / 50% ownership and have been at the core of daily operations as managing owners ever since. In 2000, the shipping company shifted course to the growth market for container feeder vessels. In the process, unique in-house investment and financing programs were designed and implemented. In a short period of time, JR Shipping was able to build up a substantial fleet and attract major international container liner operators. With the mission: Excellence in Short Sea Shipping.

Loyalty through transparency

In the years following the 2008 credit crisis, JR Shipping Group undertook every conceivable restructuring and refinancing effort to manage the consequences for the company and the fleet. The goals were to limit the financial damage for our equity investors and debt providers, maintain employment for seafarers and ashore-based

employees, provide continuity for the industrial clientele and suppliers, and lastly, preserve the expertise in short sea shipping. Because market recovery was not in sight for a long time and needed time, many investors lost large parts of their investments. JR Shipping has consistently communicated about this in a timely and open manner. The transparency towards this group of involved stakeholders has earned the shipping company a lot of loyalty.

Differentiation - offshore wind

To better spread risks, JR Shipping decided to differentiate its shipping activities at the time of the financial crisis. The result was the successful establishment of SeaZip Offshore Service in 2010. In 2022, SeaZip managed and operated ten offshore service vessels. The emphasis is on modern 24 PAX Crew Transfer Vessels. All vessels sail under the Dutch flag. SeaZip Offshore Service contributes significantly to the development, realisation, and maintenance of offshore wind farms in the North Sea.

Focus on performance

Anno 2022 manages and operates JR Shipping's 15 container feeder vessels. The majority of the feeder vessels are owned by a large Equity Investment Fund. Three feeder vessels are owned by third parties. For all parties, performance in 2022 was excellent. Investors are and will be actively involved in and subscribe to the shipping company's greening ambitions.

Together towards Excellence in Sustainable Short Sea Shipping

The shipping group's ESG policy, deployed in 2022, covers all activities and associated responsibilities in both container feeder shipping and services to the offshore energy industry. The goals and frameworks have been defined, the lines have been drawn, and independent audits in the future will determine whether we can adjust our mission towards ***Excellence in Sustainable Short Sea Shipping.***







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