



**Bunker  
Holding  
Group**



**2022-2023**

# **ESG REPORT**

# CONTENTS

4	Letter From our CEO
8	Financial highlights
9	Key achievements
10	Our value-add
13	Value proposition
14	Setting targets
16	ESG Governance model
18	Materiality assessment
21	ESG performance

## 22 ENVIRONMENT

25	The long and winding road to net zero
26	Our carbon footprint
28	Climate Impact from Supplied Fuel
34	Climate Impact from Own Activities
40	Resource and Waste Management
42	Avoiding Oil Spills

## 44 SOCIAL

48	Diversity, Equity, and Inclusion
50	Talent and Capabilities
52	Health and Safety
54	Local Community Impact

## 56 GOVERNANCE

60	Corporate Governance
62	Compliance
66	Handling and Reporting on Misconduct
67	Responsible Tax Policy
68	Cybersecurity
70	Transparency and Reporting of Performance
72	Accounting Principles
74	Statement by the Management regarding the FY 2022/2023 Greenhouse Gas Inventory
75	Independent Auditor's Compilation Report



# CELESTIAL



# EMBRACING CHANGE AND LOOKING AHEAD

As I reflect on Bunker Holding's more than 40 years of bunkering innovation, it is clear to me that our business shows a successful combination of disrupting our industry, embracing changes, and staying agile in our execution. And as we prepare to embark on the next leg of our journey, I am certain that this winning recipe will not change anytime soon.

Ever since I was a young boy, I was taught to always keep my eyes firmly fixed on the ball. A skill which I have put to good use during my entire career, staying focused on our distant goals and keeping the course towards them. At times this can be challenging, especially so when our objectives are committed many years into the future, which is the case with our ESG ambitions.

## **Our ESG progress**

It is one thing to talk about ambitious 2030- and 2050-targets and quite another to dare set targets up in the short term, compelling us to act now. For this reason, ESG has been top of our agenda this past year. So much so that we now have four KPIs for the pillars Environment, Social, and Governance included in our credit facility. This is indeed a milestone event for us and one which I see as a true testament to our joint commitment of moving the needle on important issues within the ESG sphere.

Alternative fuels, employee inclusion, and top tier compliance are areas we are committing to at a new level. Our initiatives within these areas serve as proof that we are indeed putting actions behind our words. ►

On the environmental side of the agenda, we are putting more effort into building partnerships and taking a leap of faith with new technologies. Now, we are deeply involved in more than ten projects with the aim of making low- and zero-carbon fuels available to shipping, and we have allocated funds in the double-digit million USD range towards low- and zero-carbon fuel initiatives.

Before grasping the extent of the challenges that decarbonising our sector poses, many of our suppliers and clients thought they would embark on the journey themselves. They have since found our global reach and our extensive knowledge to be of great value to them. And this is precisely how we see our role – to act as a valued facilitator between the producers of new energy products and the shipping industry.

### Talents for the transition

We must not neglect the fact that steering the industry towards 2050 takes talent and know-how. Some we already have, some we can cultivate, and some we must acquire from new fields of science to round out our pool of knowledge. As such, attracting the right talent for the industry-wide transition that shipping is facing has never been more pivotal, and perhaps never more challenging.

I acknowledge that in the public eye, operating a company specialised in the purchase, sale, and supply of marine fuel is not the easiest sell to attract new talent. But it is precisely in the energy-intensive industries that a significant difference can be made. I am very pleased that we have managed to bring on board some

of the best experts in their field of alternative fuel and supply chains, as we build our internal Centre of Excellence, prioritising and promoting green and sustainable solutions both internally and externally.

To attract, retain, and develop the many people of Bunker Holding, the most crucial aspect is undoubtedly to continue to evolve. When I talk to colleagues about our work culture, it is apparent that Bunker Holding can be a frontrunner in more than one way. And so, during the past year, we have really concentrated our efforts into facilitating a healthy work-life balance, and we have launched several new policies to this regard.

### Strengthening inclusion, Governance, and Compliance

In late 2022, we updated our global Parental Leave Policy followed by the introduction of a Senior Policy, a Stress Policy, and a Whistleblower Policy in early 2023. I am extremely proud when I see our employees' reactions to these meaningful and important steps, we have taken towards becoming a more inclusive workplace.

For many years, we have built a strong Governance foundation ensuring we stay at the forefront of legislation and sanctions. Our ability to smoothly navigate the past year's challenges can in most part be ascribed to our unwavering foundation and our agility.

Our compliance is anchored in a sophisticated and advanced system which has been developed and adjusted over time. But what use are robust systems if you do not have

the right people to manage them and ensure that learnings are materialised in the best possible way.

I have had the pleasure of getting to know many new colleagues during the past year. Some of these talented people are looking forward to helping us improve and sustain our governance setup, which also involves moving compliance to the supply chain, something which is gaining a lot of traction. But to really make headway on ESG, we need to be bold by taking a standpoint on important issues and having the courage to ask the same from our business partners.

Acknowledging the ESG agenda is challenging to navigate, we believe it is important to maintain the right course whichever way we can. We have started taking concrete actions, and even though waste sorting, solar panels, and a new company car policy may seem like smaller initiatives, they trigger individuals to realise that we all have a role to play.

### Taking action on ESG: Leading by example

Going forward, we will continue to give equal weight and priority to Environment, Social, and Governance. In the past year, we have launched several groundbreaking initiatives to address all three areas, and I am excited to keep up this work. To us, this is what it means to be a global industry leader: We are obligated to set a leading example, to set ambitious targets, and not least to go the extra mile.





Keld R. Demant, CEO, and Mette Østerskov, Head of ESG.

# FINANCIAL HIGHLIGHTS

EARNINGS BEFORE TAX  
USD MILLION

223

GROSS PROFIT  
USD MILLION

599

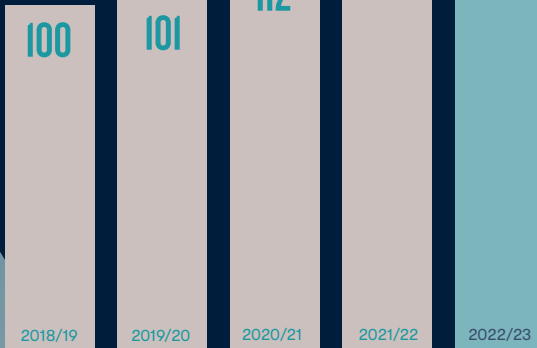
EQUITY  
USD MILLION

468


VOLUME

100

2018/19= Index 100







**77%**

OF SALES FORCE  
COMPLETED  
DECARBONISATION  
EDUCATIONAL PROGRAM



**5%**

AT LEAST 5% VERY  
LOW CARBON FUELS IN  
PORTFOLIO BY 2030



**4 ESG  
KPIs**

4 ESG KPIs INCLUDED  
IN THE NEW  
CREDIT FACILITY




**NEW  
SUPPLIER CODE  
OF CONDUCT**

ONE NEW GLOBAL BUSINESS PARTNER  
RESPONSIBLE CONDUCT INTRODUCED  
TO 3RD PARTY MARINE FUEL SUPPLIERS



**80%**

OF OUR TRADING  
UNITS ARE NOW ISCC  
CERTIFIED



**44%**

44% FEMALES  
ON BOARD OF  
DIRECTORS



**130+  
CASES**

THROUGH 130+ CASES WE  
HAVE FOSTERED COMMUNITY  
DEVELOPMENT, WELL-BEING,  
AND ENVIRONMENTAL  
PROJECTS



**20**

20 WEEKS OF PAID  
PARENTAL LEAVE  
LAUNCHED GLOBALLY

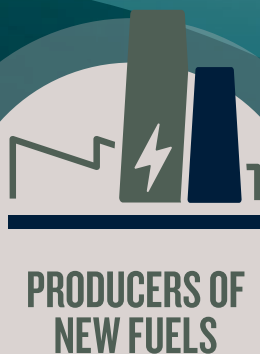
KEY ACHIEVEMENTS

## **Our ambition is to become the preferred and most trusted partner in the green transition of the shipping industry.**

As the world's largest supplier of marine fuels, Bunker Holding has an obligation to engage in and help facilitate the maritime energy transition. Over 99% of our global carbon emissions are derived from the products that we provide to our customers meaning that for us to achieve our own goals, we must engage to deliver low- and zero-carbon solutions to the broader maritime sector. Through our global reach and extensive network, we are well-positioned to act as a valued

facilitator between the producers of new energy products and the shipping industry.

For us, stepping into a leadership role means acting now by joining forces with customers and existing and new suppliers, with the aim of engaging in both partnerships and projects. And our commitment extends even further, as we have established a strong Green Centre of Excellence. This dedicated centre brings together a team of professionals and experts equipped



**NAVIGATE  
REGULATIONS**

Tracking and understanding the development of local and international regulations.

**NEW  
FUELS**



**MAP SUPPLY  
OPPORTUNITIES**

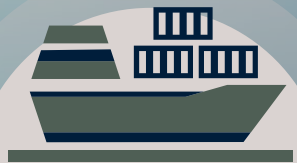
Being at the forefront of finding the solutions and linking producers and customers.

# “BUNKER HOLDING IS COMMITTED TO SUPPORTING THE ESTABLISHMENT OF THE BUNKER INFRASTRUCTURE NEEDED TO SUPPLY LOW- AND ZERO-CARBON FUELS

with strategic, technical, operational, and regulatory knowledge.

Armed with strong green capabilities we will be at the forefront of finding the solutions and linking them to the customers who are willing to decarbonise and drive fundamental changes in how the world fleet is powered and fuelled. Ultimately supporting clients and stakeholders to live up to their climate commitments.

Valerie Ahrens  
Senior Director  
New Fuels and Carbon Markets



CLIENTS

HEDGING  
RISK



FACILITATE  
CREDIT

Expertise with  
customised hedging  
solutions.

LAST MILE  
DELIVERY



BUILD  
BUNKER  
INFRASTRUCTURE

Supporting the  
establishment of the  
bunker infrastructure  
needed to supply  
low- and zero-carbon  
bunker fuels.

TRUSTED  
ADVISOR



ADVISE &  
CONSOLIDATE  
DEMAND

One of the strongest  
Green Centres of  
Excellence in the  
industry.





Christian Mens, Group Treasury Director, Keld R. Demant, CEO, and Casper Pasgaard Dybdal, Group Head of Legal.



# VALUE PROPOSITION

## VISION

Our role as an enabler of world trade means that we play an important part in driving globalisation and developing economies. Over the coming years, the shipping industry will face more products, more regulations, and more complexity. It is this complexity we commit to taking on for our stakeholders.

## MISSION

Our mission is to create value for our stakeholders, be responsible, seamless, and innovative, and provide a good fuelling experience. It is not enough to only create value for our owners – we also need to take a holistic overview of our impact on all our stakeholders and consider non-financial value. We can only become trusted if we behave responsibly, are easy to do business with, and keep innovating to stay relevant in an everchanging world.

## PURPOSE

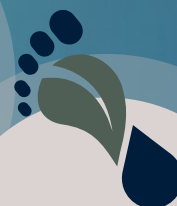
Our purpose is to fuel world trade as the maritime sectors preferred and most trusted partner and to help the industry transition to low- and zero-carbon energy sources. To this regard, we will utilise our role as a valued facilitator between the shipping industry and the producers of new energy products.



**WE MOVE  
CLOSER TO OUR  
CUSTOMERS**



**WE MOVE  
CLOSER  
TOGETHER**



**WE MOVE  
RESPONSIBLY**

# FUELING THE FUTURE

Bunker Holding's strategic direction is guided by three defining moves. We move closer to our customers; we move closer together; and we move responsibly – the last one being the umbrella for our ESG activities.

# ENVIRONMENT

WE ARE COMMITTED TO ACCELERATING THE DECARBONISATION OF THE MARITIME SECTOR

## SUPPLIED FUEL (SCOPE 3)

We will invest a minimum of **USD 50m** to support decarbonisation over the next five years from 2023-2028.

We aim to reduce the carbon intensity by at least **4.5%**, striving for **8.5%** by 2030.

We aim to have the total product portfolio make up at least **5%** of very low-carbon fuels (by energy content) by 2030.

**TOWARDS NET ZERO 2050**

## OWN ACTIVITIES (SCOPE 1+2)

### Own Fleet

We aim to reduce emissions per delivered tonne bunker by 6% by 2030.

**TOWARDS NET ZERO 2050**

### Service operations

We aim to have our service operations (offices) powered **100%** by renewable energy by 2030.

We commit to fully transferring to electrical company cars from 2025.

**2030:** We aim for a **50%** reduction (striving for actual reductions while keeping high-quality compensation solutions in scope for current hard-to-abate emissions – business travelling).

**TOWARDS NET ZERO 2050**

## AVOIDING OIL SPILLS

We aim to have zero oil spills from our own operations.

We strive to have min. 95% of our tonnage vetted by oil majors. We will continue to focus on the remaining providers and ensure that they live up to similar standards.

## RESOURCE AND WASTE MANAGEMENT

We will reduce and recycle all general waste at office sites and where possible.

# SOCIAL

WE ARE COMMITTED TO CREATING A MORE DIVERSE AND INCLUSIVE WORKPLACE

## DIVERSITY, EQUITY, AND INCLUSION

Our ambition is to have either gender make up at least 40% of the composition in the organisation on all levels.

For the gender composition in our Executive Management team, we will work towards a 25/75 split by 2028 and a 40/60 split by 2032.

For the gender composition in the Bunker Holding Management team, we will work towards a 32/68 split by 2028 and a 41/59 split by 2032.

## HEALTH AND SAFETY

We commit to improving our work-life balance score by +0.5 points from 7.0 to 7.5 by 2028.

## TALENT AND CAPABILITIES

We will continue to support the internal Group Mobility Programme by fostering mobility in the organisation and maintaining a threshold of min. 2.5%.

Target 2030, 2040 and 2050: All targets are for end of financial year.  
The baseline year for reduction targets is FY22/23.

# GOVERNANCE

WE ARE COMMITTED TO OPERATING AND PROMOTING A COMPLIANCE CULTURE AND PROGRAMME WITHIN OUR INDUSTRY THAT IS REGARDED AS BEST IN CLASS

LOCAL COMMUNITY IMPACT	CORPORATE GOVERNANCE	COMPLIANCE	HANDLING AND REPORTING ON MISCONDUCT	CYBER SECURITY	RESPONSIBLE TAX POLICY	TRANSPARENCY AND REPORTING OF PERFORMANCE
We strive to have a positive and responsible impact on the communities where we are present by supporting local organisations, institutions, and projects.	We commit to increasing sustainability within our third-party marine fuel suppliers through the new Global Business Partner Responsibility Conduct (GBPRC). Our target is to have answered and returned GBPRC of 85% based on total yearly volume by 2028.	We will continue to build and maintain awareness of how misconduct is reported and handled.	We will continue to embed and maintain a strong compliance culture in the entire organisation.	We will continuously invest in and improve our cyber security program. For FY23/24 we will target our employees with:  12 cyber awareness training sessions  12 phishing simulation tests	In preparation for coming regulations in 2027, Bunker Holding will be covered by an EU requirement of disclosing tax information country-by-country to the public.	During the upcoming year, we will prepare for compliance with the CSRD (Corporate Social Responsibility Directive) and ensure alignment with the European Sustainability Reporting Standards (ESRS) for future ESG reporting.

We will continuously stress test the ambition level and targets as the industry progresses and the regulatory landscape evolves.

# SETTING TARGETS

Bunker Holding’s second ESG report not only covers the Group’s recent developments and activities in more detail but also features concrete, interim targets.

“It is one thing to talk about very ambitious targets in 2050, and quite another to dare set targets for the

short term and put actions behind the words,” says Head of ESG, Mette Østerskov, and continues:

“Defining interim targets and launching supporting initiatives to reach these targets is challenging. But we are committed to being bold and setting the course for the ultimate

destination – a decarbonised and inclusive shipping sector.”

In Bunker Holding’s first ESG report, which was published last year, the Group established and disclosed ambitions and defined the areas within the ESG sphere that it plans to work to improve on.

# ESG GOVERNANCE MODEL

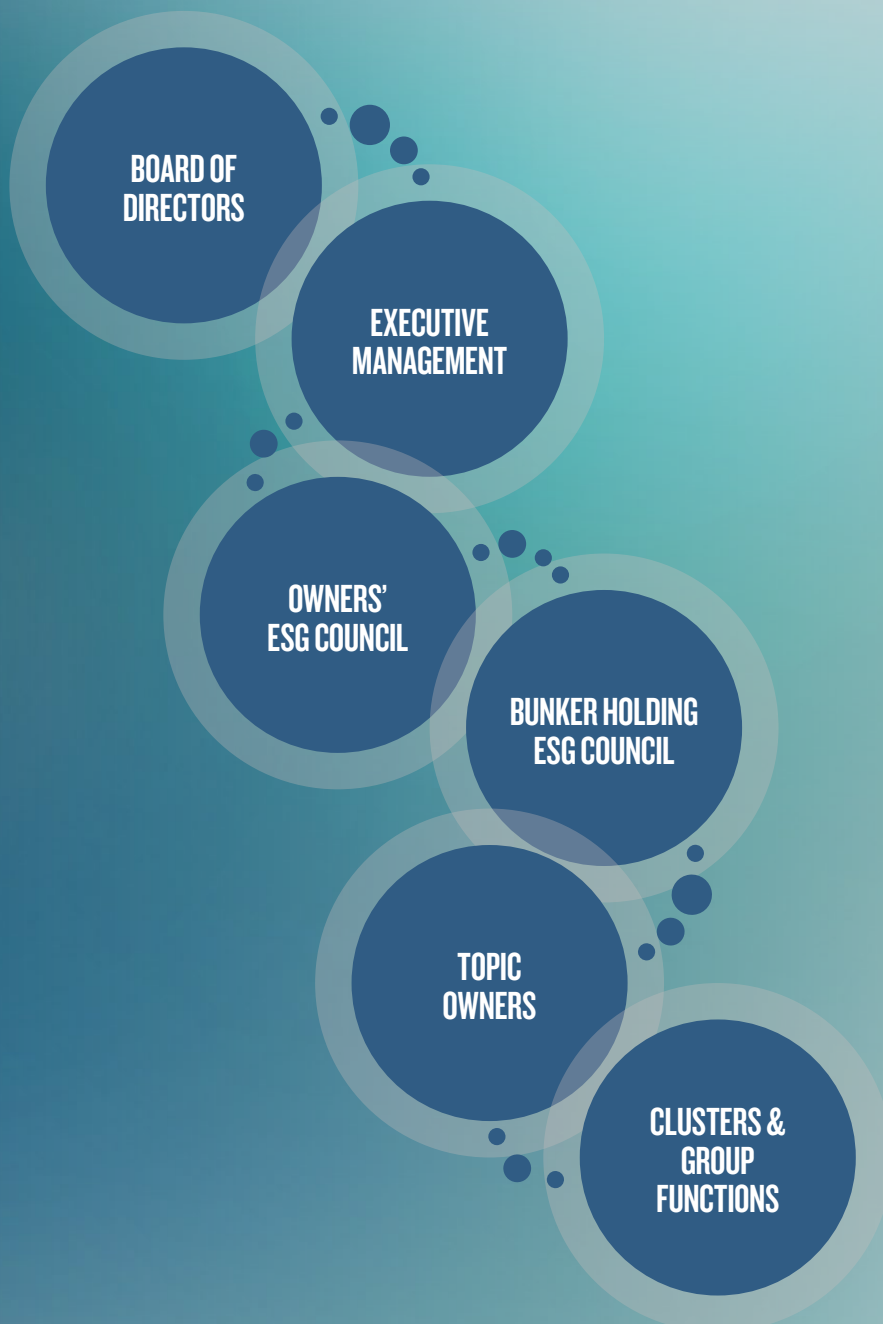
ESG is integrated in how we run our business, and it forms the basis for how we structure and delegate responsibilities. To safeguard that our commercial decisions and ESG strategy remain closely linked, the organisation's decision makers have the overall responsibility for Bunker Holding's ESG strategy and initiatives.

Our Board of Directors sets and oversees the overall strategic direction for the ESG commitments and is represented by a diverse mix of independent professionals and the owner family.

Bunker Holding's Executive Management team, including the CEO, CFO, and CCO, takes active leadership, sets direction, and oversees the performance.

The Owners' ESG Council within our parent company USTC, together with their ESG Lead, concentrates on four key areas, where they support and facilitate cooperation across the Group: Corporate Governance, Climate Impacts, Diversity, Equality, and inclusion, and Compliance.

Bunker Holding's own ESG Council serves as the steering body for ESG, aligning actions and aiding the Executive Management in ESG advancement. It involves the wider Management Team, each responsible for specific ESG aspects, while the Head of ESG collaborates with the Council, Topic Owners, and reports to the CEO. Throughout Bunker Holding, various teams contribute to ESG activities and report data to meet our targets and ambitions.





Mette Østerskov, Head of ESG



**IT IS CRITICAL TO  
GET THE ESG AGENDA  
WELL-ANCHORED IN  
THE ORGANISATION  
ENSURING ALL LEVELS  
IN THE ORGANISATION  
ARE ON BOARD.  
OTHERWISE, WE  
CAN'T SUCCEED**

Mette Østerskov, Head of ESG

# MATERIALITY ASSESSMENT

Our double materiality assessment has the objective of setting a clear framework to steer our ESG efforts, allowing us to take firm action and use our role as a market leader to create impact where it has the biggest effect.

Since we conducted our first assessment in 2021, we have proceeded to take an iterative approach by evaluating our impact, risks, and opportunities in the entire value chain and our own operations.

In our assessment we have considered how we can drive positive and prevent harmful impact while also aligning our work with best practices in the sector. To inform the assessment, we gathered and analysed input from the past year from a range of stakeholders, including our owners, management, employees, business partners, and financial institutions.

We have also analysed our ESG objectives and activities and benchmarked them against established standards, initiatives, and frameworks but also reporting from the broader maritime sector. These include:

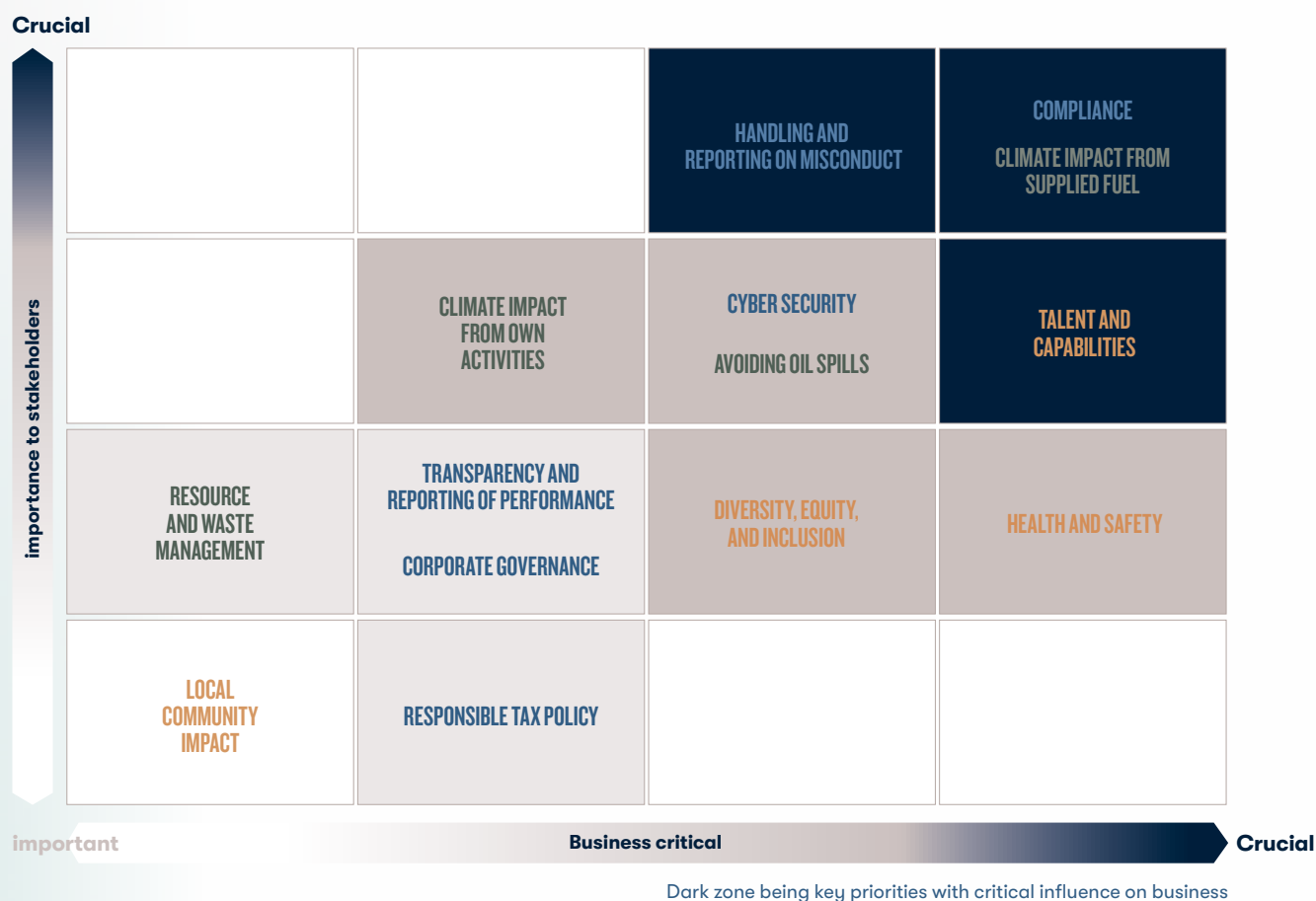
- **GRI (Global Reporting Initiative)**
- **SASB (Sustainability Accounting Standards Board)**
- **The GHG Protocol**
- **MACN (Maritime Anti-Corruption Network)**
- **The Poseidon Principles**
- **UN Global Compact**
- **UN Sustainable Development Goals**

## Materiality Matrix

We have recently established a materiality matrix which is a function of importance to stakeholders and business criticality. The matrix outlines a prioritisation of the most important topics to Bunker Holding's ESG strategy and our stakeholders. For these topics, we have defined specific targets.

The matrix consists of 14 shortlisted material topics that are increasingly interconnected and can often impact each other. The matrix is subject to change in financial year 2023/2024 and onwards when preparing for compliance with CSRD (Corporate Social Responsibility Directive) and alignment with ESRS (European Sustainability Reporting Standards) and the changing needs of our stakeholders.

## MATERIALITY MATRIX



## TOPIC TIERING

<h3>CRUCIAL</h3> <ol style="list-style-type: none"> <li>1. COMPLIANCE</li> <li>2. CLIMATE IMPACT FROM SUPPLIED FUEL</li> <li>3. TALENT AND CAPABILITIES</li> <li>4. HANDLING AND REPORTING ON MISCONDUCT</li> </ol>	<h3>VERY IMPORTANT</h3> <ol style="list-style-type: none"> <li>5. HEALTH AND SAFETY</li> <li>6. CYBER SECURITY</li> <li>7. AVOIDING OIL SPILLS</li> <li>8. DIVERSITY, EQUITY, AND INCLUSION</li> <li>9. CLIMATE IMPACT FROM OWN ACTIVITIES</li> </ol>	<h3>IMPORTANT</h3> <ol style="list-style-type: none"> <li>10. TRANSPARENCY AND REPORTING OF PERFORMANCE</li> <li>11. CORPORATE GOVERNANCE</li> <li>12. RESPONSIBLE TAX POLICY</li> <li>13. RESOURCE AND WASTE MANAGEMENT</li> <li>14. LOCAL COMMUNITY IMPACT</li> </ol>
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# ESG PERFORMANCE

Environment	2022/23	2021/22
MT CO <sub>2</sub> e		
<b>Scope 1 emissions</b>	<b>128,787</b>	<b>146,822</b>
– Terminals and offices	7,138	3,933
– Vehicles	228	201
– Vessels	121,421	142,688
<b>Scope 2 emissions</b>	<b>1,734</b>	<b>1,058</b>
– Electricity (market-based)	1,619	968
– Electricity (location-based)	1,138	698
– Heating	55	76
– Cooling	60	14
<b>Scope 3 emissions</b>	<b>86,135,835*</b>	<b>103,026,399</b>
– Purchased goods and services	14,524,267	17,493,135
– Purchased capital goods	3,912	1,211
– Fuel and energy related	27,267	30,992
– Upstream transportation	4,424	4,983
– Business travel	4,430	2,791
– Chartered fleet	30,241	54,911
– Downstream transportation	343,391	385,301
– Use of sold products	71,197,903	85,053,076
<b>Total Scope 1, 2, and 3 emissions</b>	<b>86,266,356</b>	<b>103,174,280</b>
Percentage renewable electricity as share of total electricity consumption for offices	1.7%	2.5%
Number of oil spills recorded for operated tanks, terminals, trucks, and time-chartered vessels	0	0

Social	2022/23	2021/22
<b>Gender composition (% female)</b>	<b>37%</b>	<b>36%</b>
– Board of Directors	44%	22%
– Executive Management (Tier 1)	0%	0%
– Bunker Holding Management (Tier 2) and direct reports to Tier 1	21%	10%
– Bunker Holding Group	37%	36%
Employee engagement score	8.5/10	8.3/10
Employee engagement survey participation rate	85%	85%
Personal Development Review completion rate	79%	78%

Governance	2022/23	2021/22
Effective tax rate (direct)	24.1%	22.6%
Cyber awareness trainings	14	3
Phishing simulation tests	15	3
% of incoming and outgoing payments screened	97.2%	99.9%
No. of external transactions undergoing automatic screening	47,179	57,000
No. of cases escalated to the compliance team	5,123	2,820

\* Due to a decrease in traded volumes this fiscal year, scope 3 emissions dropped by 16%

# ENVIRONMENT



**SUPPLIED FUEL  
(SCOPE 3)**

PAGE 28

**OWN ACTIVITIES  
(SCOPE 1+2)**

PAGE 34

**RESOURCE  
AND WASTE  
MANAGEMENT**

PAGE 40

**AVOIDING  
OIL SPILLS**

PAGE 42

# STARTING TO SEE THE REAL CHANGE

As environmental frameworks for shipping are being tightened to align with the Paris Agreement and the objective of limiting temperature rises to 1.5 degrees Celsius, there is no getting round the fact that everyone needs to lean in to achieve net zero by 2050. However, there is not yet any clear pathway to reaching this objective and even the most optimistic forecasts and scenarios envision that shipping emissions will increase in the short-term and peak around year 2031.

So it was undoubtedly considered an important step in the right direction when the IMO (International Maritime Organization) announced its new strategy and the new IMO-goal of net zero GHG emissions by or around 2050. And Bunker Holding is well-prepared to follow this path.

“In our view, IMO’s new targets are a long-awaited milestone for the decarbonisation of the entire maritime industry, and we fully support this ambition. We will of course adhere to IMO’s targets and help lead the industry in the transition to low- and zero-carbon solutions – that is our commitment,” says Chief Commercial Officer, Christoffer Berg Lassen.

“Today we are already able to offer an immediate solution for reducing emissions through the use of biofuel in existing engines, which is advantageous and effective in reducing CO<sub>2</sub>, without ship engines having to undergo extensive and costly alterations to their design.”

Bunker Holding is operationalising its green strategy. Here, a major development is taking place where ▶

it has gone from involving thought companies, consultancies, and participating in forums to now having built a deep knowledge pool that has led to a concrete course and action plan:

“This year we are seeing the outcome of the investments we have made in the past. And one of our most important investments are our highly competent and knowledge-hungry experts that now make up our

newly established Green Centre of Excellence.

“They are experts from the very top of their class both at home and abroad. So, it naturally creates a certain pride and confirmation that our colleagues leave their mark and make others jump on board our journey,” says Christoffer Berg Lassen.

Moving forward on this sustainable journey of ours, we remain steadfastly

dedicated to advancing and expanding our continued efforts in reducing carbon emissions and combating climate change.

# NO SINGLE ZERO EMISSION FUEL SOURCE IDENTIFIED AS THE “WINNER”

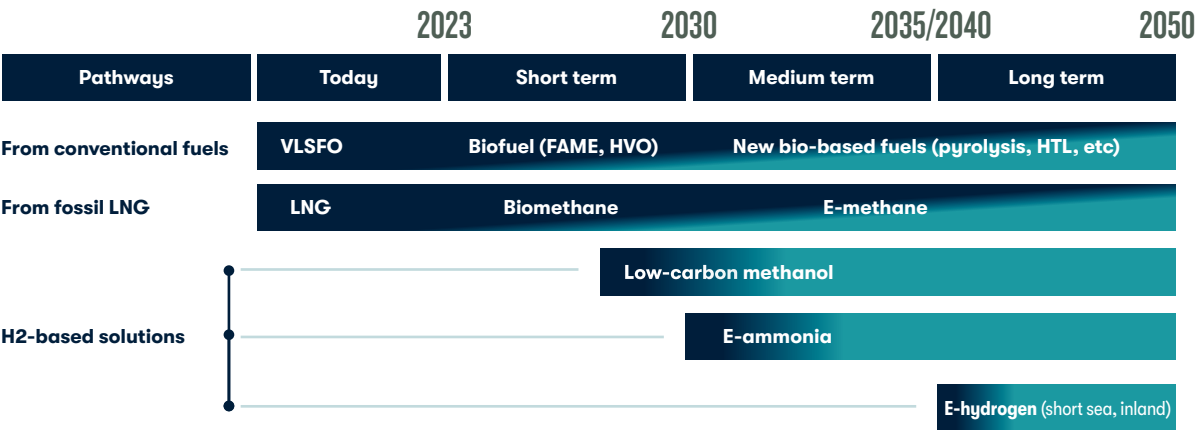
There is no single solution or indeed well-defined pathway for the decarbonisation of marine fuel. Shipowners at present seem to be hedging their bets on future fuel choices, and there is a general consensus that the answer lies in adopting a wide range of alternative fuels in parallel.

Having said that, there are some clear conclusions and reasonable forecasts that can be established:

- 1. All of the alternative / low-carbon fuels identified will be needed together to deliver the energy transition.
- 2. Huge investments are required to scale both biofuels and e-fuels and to make these fuels available to the shipping sector. We are in the early stages of this investment cycle, and it is gaining traction.
- 3. A full decarbonisation of the global fleet will be slow. It is easier and more efficient to decarbonise other sectors of the economy first (e.g., power

generation, road transport), and it seems unlikely that e-fuel production will be able to scale sufficiently to significantly erode demand for conventional marine fuel before the mid-2030s.

Buyers will expect their suppliers to provide them with the full suite of solutions and their guidance in making critical choices. Bunker Holding is ready to be the preferred partner in helping clients with the needed transition.





# THE LONG AND WINDING ROAD TO NET ZERO

Transitioning the global merchant fleet to sustainable fuels is the biggest challenge in the history of shipping, and concrete results will not be immediately visible. Here is a timeline for the next ten years.

“At Bunker Holding we are deeply committed to the green transition. However quickly we would like it to happen though, the production and supply of new fuels are simply unable to be scaled up within the next few years. Even as we support first movers in the adoption of pilot projects and green corridors, it remains clear that the bulk of bunkers will continue to be black fossil fuels for many years to come. Our hard work now is more about building the foundation.”

These foundations include forging the strategic partnerships that will enable the transition to low- and zero-carbon fuels. This is CCO Christoffer Berg Lassen's domain and working with many of the main stakeholders has given him a clear view of the path to net zero.

“It is going to be a long and challenging road to net zero. But also one that is a perfect fit for our strengths.”

- Christoffer Berg Lassen, Chief Commercial Officer

## 2023

Right now, demand is for information rather than fuel. Both suppliers and shipowners are eager to talk with Bunker Holding about its view on the future. The Group is increasingly being viewed as an expert in this field, and its advisory role is getting ever more important.

“This is similar to our role during the transition to low-sulphur in 2020, just on a much bigger scale,” says Christoffer Berg Lassen.

## 2024

LNG is expected to return as a cost competitive lower carbon fuel for shipping, as LNG new builds continue to be delivered.

Around 60 methanol dual fuel vessel are to be launched. And here is your reality check: there are more than 40,000 ships in the world.

This is why biofuels, as drop-in fuels, are a viable low-carbon solution. That demand will be boosted further by the inclusion of shipping in the EU ETS.

## 2027

New regulations at EU and IMO levels are in place with the possible introduction of global market-based measures which will incentivise the uptake of low-carbon fuels.

This could be the year of the first commercial trial of ammonia bunkered vessels.

Biofuels will become the preferred alternative fuel to meet IMO and EU regulations.

## 2030

Many industry players will meet IMO targets to reduce carbon intensity of all ships by 40% by 2030. Power-to-X fuels such as e-methanol and e-ammonia are gradually increasing market shares.

This is when everyone will finally realise that the main challenge of new sustainable fuels is not producing them but delivering the last mile, predicts Christoffer Berg Lassen.

# OUR CARBON FOOTPRINT

Below is an overview of Bunker Holding's carbon emissions. A substantial amount of our carbon emissions originates from our customers' combustion of the marine fuels which we have supplied, and thus they are the fuels we do not consume ourselves.

Since we published our last ESG report in 2021/2022, we have made the decision to move all chartered vessels as sources of our Scope 3 emissions to Scope 1. The reason being that we consider all vessels chartered by us to be under our control. Thus the emissions stemming from these vessels fall under Scope 1. All non-chartered vessels that are used to transport the fuels in the trading operations are considered to fall outside Bunker Holding's operational control and

hence, they are included in our Scope 3.

Compared with 2021/2022, our Scope 3 emissions have decreased by 16%. While we would like to attribute this reduction to a wider adoption of lower carbon fuels in place of conventional ones, that is not yet the case. The development stems from a slight decrease in traded volumes caused by a more selective margin approach to trades and this year's sanctions combined with additional self-imposed restrictions.

**Scope 1:** Direct emissions from the operations owned or controlled by Bunker Holding. The vast majority stems from our chartered vessels, heating of bunker terminals, and owned company cars.

**Scope 2:** Indirect emissions from the generation of purchased and consumed energy such as the electricity, heating, and cooling consumed at our offices and terminals. For instance, our offices in the United Arab Emirates have a substantial cooling demand, and there is a higher availability of renewable electricity in our Scandinavian offices than in South America.

**Scope 3:** Indirect emissions from all relevant activities across our value chain. The overwhelming majority are related to the fuel products we supply to our customers. These emissions are generated from the consumption of supplied fuel products by our customers (82.5%) and the extraction and refining of the crude oil from well to tank (16.8%).

MT CO<sub>2</sub>e

<b>Scope 1 emissions</b>	<b>128,787</b>
– Terminals and offices	7,138
– Vehicles	228
– Vessels	121,421
<b>Scope 2 emissions</b>	<b>1,734</b>
– Electricity (market-based)	1,619
– Electricity (location-based)	1,138
– Heating	55
– Cooling	60
<b>Scope 3 emissions</b>	<b>86,135,835</b>
– Purchased goods and services	14,524,267
– Purchased capital goods	3,912
– Fuel and energy related	27,267
– Upstream transportation	4,424
– Business travel	4,430
– Chartered fleet	30,241
– Downstream transportation	343,391
– Use of sold products	71,197,903

SCOPE 1  
**128,787**  
MT CO<sub>2</sub>e

SCOPE 2  
**1,734**  
MT CO<sub>2</sub>e

## Setting goals for our ambitions

In 2023, Bunker Holding initiated a carbon target setting process to define an aspirational starting point for 2050 and near-term targets for 2030 by undertaking a comprehensive decarbonisation outlook and assessing and tying the knots of the various industry policy frameworks.

To play our part in shipping's green transition and to live up to our continued aspiration of being a global frontrunner, we need to apply relevant frameworks that will ensure we are aligned with the rest of the industry, and that we continue to move in the same direction.

We have considered several relevant frameworks in our work with setting near-term and long-term targets. With the recent revision of the IMO GHG Strategy, which includes an enhanced common ambition to reach net zero GHG emissions from international shipping close to 2050, we have adjusted our targets to align closely with those of IMO.

Apart from the IMO, other pertinent frameworks like the Poseidon Principles and the SBTi (Science Based Target

initiative) offer valuable insights. However, these initiatives are not explicitly applicable to Bunker Holding.

The Poseidon Principles are developed for financiers of the global shipping industry. While they are not directly applicable to Bunker Holding, they influence investors and lenders associated with the company.

SBTi introduced the world's first guidance for setting science-based targets in the maritime sector aligned with 1.5°C. This guidance primarily targets vessel owners, operators, and beneficial cargo owners, and is thereby relevant to the clients we serve. Notably, the SBTi currently lacks a framework to validate climate targets for oil and gas companies, including those primarily engaged in fossil fuel sales. We greatly support the aims and principles behind the SBTi, and we are following the organisation's work closely, extracting valuable insights and finding inspiration from these frameworks.

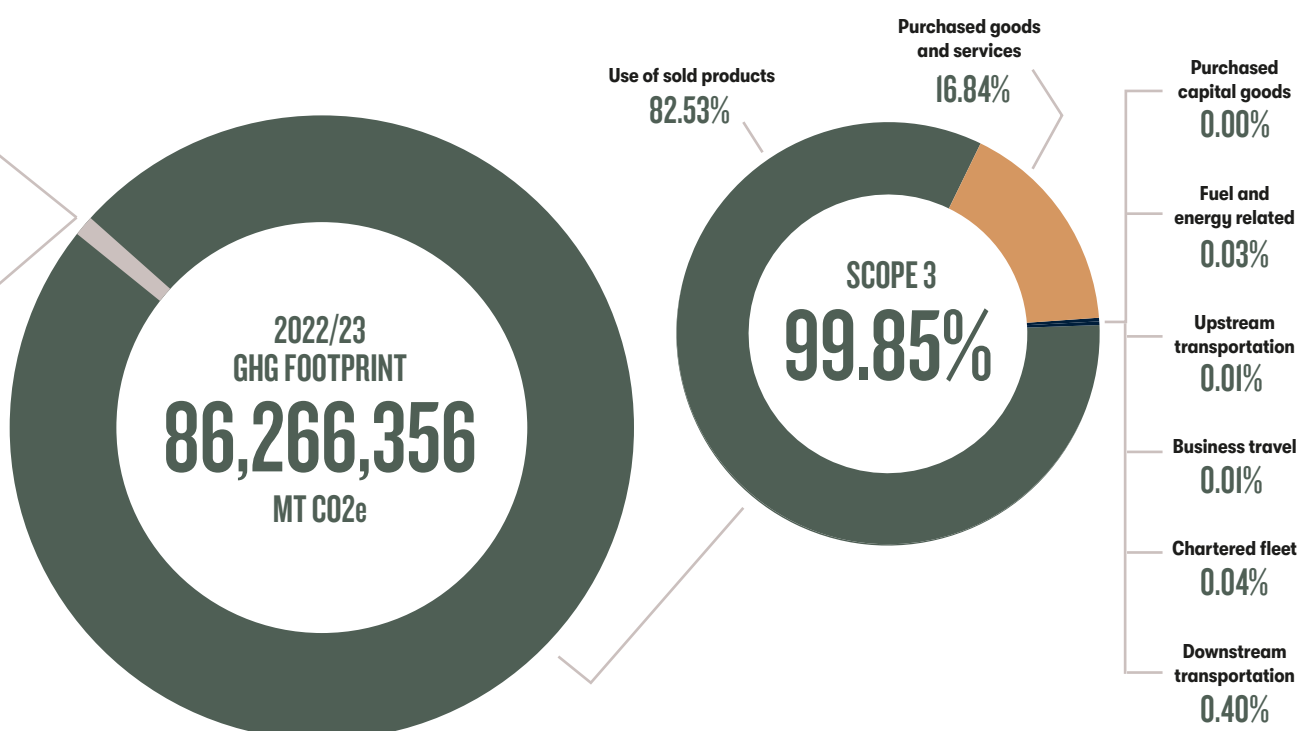
In our pursuit of a net zero future, it is crucial to reduce emissions from our fuel solutions. We believe that committing to a 2030 goal is far more meaningful than a rigid 2050 net zero target that lacks strategy and

control. While aiming for leadership, we also value industry alignment, given our progress relies on customer collaboration. Regarding GHG targets, we draw insights from peers and frameworks, while looking to IMO for guidance, particularly the 2023 GHG strategy, emphasising the near term.

For 2030, we have established new targets for the reduction of our Scope 3 emissions. This includes a carbon intensity target that taps into the existing IMO target of a 40% reduction in carbon intensity by 2030. Based on an assessment of the contribution to come from operational and technical improvement measures and batteries in global shipping, new fuels will likely need to provide 4.5-8.5% of the targeted 40% reduction.

Bunker Holding, therefore, commits to a reduction in carbon intensity of at least 4.5% and striving for an 8.5% reduction in emissions stemming from our fuel portfolio.

Moreover, we have set a goal that supports scaling the availability of very low-carbon fuels. This involves working towards having very low-carbon fuels make up at least 5% of our total product portfolio.





# CLIMATE IMPACT FROM SUPPLIED FUEL

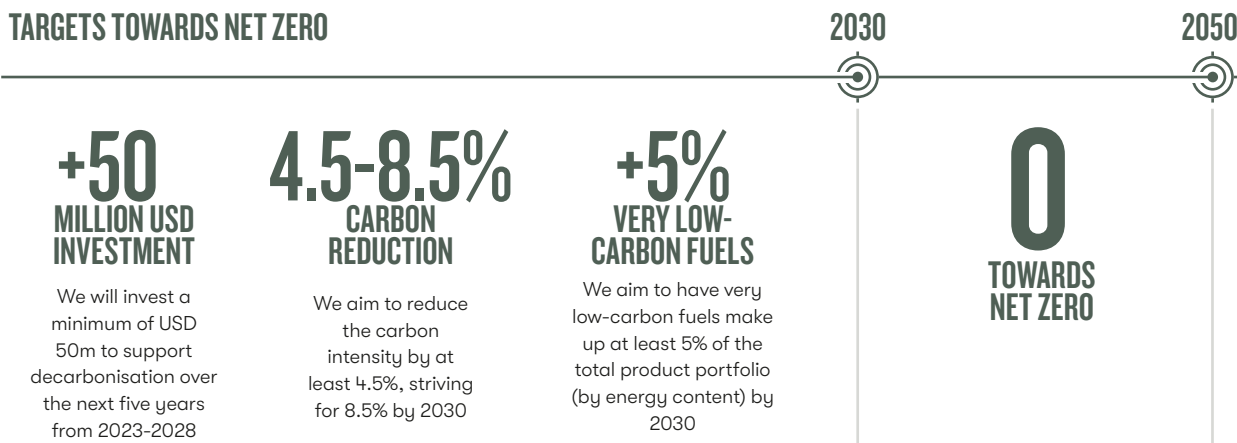
More than 99% of Bunker Holding’s carbon footprint is generated by our value chain, which amounts to more than 86 million metric tonnes of CO<sub>2</sub>e. Of these, more than 82%, approximately 71 million metric tonnes, stem from the consumption of marine fuels which we have sold to our customers. The remaining share predominantly stems from the upstream emissions from extracting, refining, storing, and transporting fuels to our customers.

Transitioning shipping to new low- and zero-carbon fuels is the biggest challenge in the history of the industry, and much of the Group’s hard work and major investments this decade will be in building the foundations for the future and forging partnerships with the suppliers of the fuels of tomorrow.

With this in mind, we take the important role upon us to facilitate the transition to low- and zero-

carbon fuels and to help clients and stakeholders fulfil their environmental criteria.

To do this, we have set forth near-term and long-term targets, which will ensure that we progress with our commitments and ambitions in the green transition and put us and our customers on the right pathway towards 2050.



Baseline FY22/23

In 2022/2023, we raised our level of ambition to support IMO’s new revised GHG Strategy that emissions from international shipping are to reach net zero by or around 2050. We are now in the process of defining our path towards net zero by 2050. With regulatory schemes increasingly

falling into place, the global fuel market will start to move towards alternative fuels. We intend to be instrumental in that move. Although the pathway is not clear, as the required technological solutions, market, and infrastructure are not yet here for widespread adoption, we

have already taken concrete steps and we are investing and gearing up for the transition.

**“WE HAVE BOTH THE FINANCIAL STRENGTH AND THE LONG-TERM VISION TO HELP LEAD THE SHIPPING INDUSTRY TOWARDS ACHIEVING NET ZERO IN 2050**

Christoffer Berg Lassen  
Chief Commercial Officer

### Our progress

During the past year, we have been busy turning knowledge into action. We have acquired important competencies and formed valuable partnerships with some of the leading industry bodies.

We need closer collaboration and partnerships with various players across the supply chain to achieve current emission reduction targets. Hence, we are actively involved in several studies, product testing, and partnerships related to low- and zero-carbon fuels.

Our engagement in partnerships, where low- and zero-carbon fuels are very much at the top of the agenda, ensures that we are continuously staying up to speed with the latest industry developments on shipping's decarbonisation. We are then able to take important learnings and share these with our own organisation as well as customers and remaining industry peers, connecting the dots between suppliers and customers.

We are also aware that it will require close collaboration across the value chain to connect producers of green fuels with the end consumers. This will be the case particularly during the

early phase of the green transition. Therefore, we proactively seek to partner with companies that can be part of these new supply chains and are willing to take the lead in reducing the shipping industry's climate impact.

### Securing a strong Green Centre of Excellence for the industry

During the past year, Bunker Holding has been intensifying efforts on scaling up on competencies and specialist expertise within low- and zero-carbon fuels. Bunker Holding's Green Centre of Excellence now comprises eight experts with specialist knowledge of ammonia, methanol, biofuels, LNG, carbon markets, and environmental regulations and public affairs - and whose main purpose in broad terms is to help the industry decarbonise.

The Green Centre of Excellence will continue to set the commercial direction for the future and develop a concrete strategy for low- and zero-carbon fuels.

### KEY ACHIEVEMENTS 2022/23



We have invested in green fuel capabilities and securing one of the strongest Centres of Excellence for the industry.



We are engaged in ten partnerships with the ambition to bring low- and zero-carbon fuels to the maritime industry.



77% of our Sales Force have completed the New Fuels Educational Programme ahead of target time frame.



Valerie Ahrens, Senior Director New Fuels and Carbon Markets

## MOBILISING GREEN EXPERTISE ACROSS THE WORLD

Bunker Holding is assembling an industry-leading team of experts on alternative fuels.

When Valerie Ahrens, Senior Director of New Fuels and Carbon Markets, interviews prospective candidates for her new global team of industry-leading experts, she has a powerful pitch for why they should come work for her and Bunker Holding: “You are going to help save the planet by decarbonising shipping.”

Bunker Holding has recently bolstered its position in the green transition with several new strong additions to the Group, covering shipping regulations, biofuels,

methanol, LNG, ammonia, and carbon solutions.

Team members come from all over the world; they will operate from offices in Europe, the US, and Singapore; and there is nothing quite like this team in the industry today.

“We will be able to plan the way forward for the Group, provide industry-leading knowhow and support to customers, and advice to all our partners in the value chain,” says Valerie Ahrens. “We

are already a market leader in fossil fuels. We want to be a leader in new fuels as well.”

This expertise is about to be extended to the trading departments. Selected traders across the Group are being trained in the details and logistics of new fuels. Before the end of this year, 36 certified traders will be ready to advise their clients, and every brand in the Group will have a minimum of four expert traders.

# FORGING VALUABLE PARTNERSHIPS

Bunker Holding is currently actively involved in altogether ten partnerships and knowledge forums with leading industry bodies collaborating on zero emission projects such as the Global Maritime Getting to Zero Coalition, the Maersk Mc-Kinney Møller Center for Zero Carbon Shipping, and the

IBIA New Fuels Group, to name a few. Projects include working on MoUs (Memorandum of Understandings) for different new fuel types, such as methanol and green ammonia, and sourcing biofuel.

Our ten partnerships can be divided into three overarching categories, which span across the entire supply chain.

- Partnerships with suppliers
- Partnerships with customers
- Knowledge sharing across industry sectors

## 2022/23 PARTNERSHIPS HIGHLIGHTS



### Partnerships with suppliers

#### Connecting key elements of the supply chain

Earlier this year in June 2023, we joined forces with Yara Clean Ammonia to explore ways to speed up plans of supplying the shipping industry with ammonia as a fuel. Yara Clean Ammonia and Bunker Holding are leaders in different but complementary parts of the supply chain needed to make clean ammonia a fuel option for ships.

Our collaboration focuses on exploring opportunities to provide clean ammonia as a marine fuel to early adopters in the shipping industry along key trade routes and bunkering ports in different regions around the world.

Additionally, we will work together with Yara Clean Ammonia on HESQ-related initiatives, which play a vital role in creating a fully decarbonised shipping fuel market with a keen focus also on safety.

#### Strengthening efforts to bring biofuels to the market

##### A member of EWABA

Earlier this year, Bunker One, Bunker Holding's physical supply division, joined EWABA (European Waste-based & Advanced Biofuels Association), a members-driven non-profit association that supports the promotion of waste-derived biofuels given their major contribution to the EU's transport renewable fuel mix.

EWABA aims to secure public policies that enable large-scale deployment of sustainable biofuels across the EU in the most efficient way possible.

##### Strategic partner to Chevron Renewable Energy Group

Biofuels play a significant role by providing a low-carbon solution for hard-to-abate sectors such as shipping. For this reason, we are pleased that we entered a strategic partnership with Chevron Renewable Energy Group in early 2022 with the objective to further develop the US and EU marine markets for bio-based

diesel. Overall, our partnership focuses on developing, supplying, and marketing sustainable fuel solutions to the marine sector.

Manja Ostertag, Head of Biofuels, who is coordinating the global efforts to develop the supply of biofuels in key regions and ports, says: "Providing a relevant and competitive value proposition including low-carbon fuels is a crucial part of our New Fuels strategy and key to succeed as a business, given the upcoming IMO and EU regulations. During the past months, we have spent a lot of time with the business and suppliers developing the supply of biofuels in more than 60 ports. And we are developing strong relationships with biofuel suppliers globally to secure access to the relevant products in the key regions. We expect to have a global supply network and many more ports added for the supply of biofuels in the next few months."



## Partnerships with customers

### Harnessing cross-company synergies

Our subsidiary, KPI OceanConnect, and Uni-Tankers have recently combined efforts to test a bespoke blend of B30 biofuel with the aim of gaining knowledge of the emissions performance of biofuel under normal operating conditions.

Results from the trial showed particulate matter emissions reduced by as much as 42% when fuel supply was switched from LSMGO to B30. Carbon monoxide emissions were also reduced by 18%.

In a future of tightening regulation of GHG emissions, this will be an important interim step shipowners can take to maintain compliance and support decarbonisation.

### Bunker One bunkers biofuel for TUI Cruises

Bunker Holding's physical supply arm, Bunker One, recently completed a delivery of biofuel blend to a TUI Cruises vessel at the Port of Aarhus in Denmark. The B30 blend was delivered using trucks and under the guidance of Bunker One. The fuel, which is derived from cooking oil, offers a significant reduction in sulphur oxide particles and a reduction in carbon emissions by up to 90% compared to fossil fuels.

## Knowledge sharing across industry sectors

### Pushing for sustainable changes in the maritime industry

Leading up to the Marine Environment Protection Committee's (MEPC) 80th session, we addressed the IMO Intersessional Working Group on the Reduction of GHG Emissions from Ships as part of a delegation from IBIA (International Bunker Industry Association). The gathering marked the final meeting of the Working Group prior to MEPC 80, where last details were being refined for the 2023 IMO GHG Strategy. Together with IBIA, our aim was to contribute to the collective efforts in shaping the 2023

IMO Strategy on the Reduction of GHG Emissions from Ships.

Furthermore, in addition to our involvement in IMO's Intersessional Working Group, we had the privilege of engaging in IMO's Future Fuels and Technology Project. This project seeks to support the revision and implementation of the Initial IMO Strategy on the Reduction of GHG Emissions from Ships.

Through our active collaboration with IBIA and our participation in IMO's working groups, Bunker Holding remains committed to fostering sustainable change in the maritime industry.

### Mission ambassador for the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping

Earlier this year, Bunker Holding became a Mission Ambassador for the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping – a not-for-profit research and development centre. The Center aims to drive decarbonisation of the global maritime industry by 2050 through collaboration with other key players in the industry and through applied research and regulatory reform.

We intend to use this role to help bolster the uptake of low- and zero-carbon fuels and to make them available at a larger scale, ultimately helping to drive the reduction of the industry's emissions towards net zero by 2050.

### Global Maritime Forum

Bunker Holding is a partner of the Global Maritime Forum – a forum bringing together leaders from across the global maritime industry – those who have the drive and influence to make change happen. Being a partner is an opportunity for us to demonstrate our commitment to unleashing the full potential of the global maritime industry – in collaboration with key leaders across the industry.

### Member of the Getting to Zero Coalition

Bunker Holding is an active member of the Getting to Zero Coalition – a

coalition that brings together decision makers from across shipping's entire value chain. We believe we can contribute with our expertise regarding the Coalition's commitment of getting commercially viable deep sea zero-emission vessels powered by low- and zero-carbon fuels into operation by 2030. This will require developing the vessels as well as the future fuel supply chain and as a world leading bunker company, our knowledge is put to good use.

## KEY DELIVERABLES 2023/24

To ensure we keep momentum and are on track towards our long-term goals, we have set important targets for 2024.

We aim to further educate our people in decarbonisation training, including EU ETS advisory, to strengthen our in-house expertise and advisory capabilities.

We will focus on reinforcing our presence and participation in leading industry bodies and continuously identify how and where we can best create positive results.

We plan to invest a minimum of USD 6 million in supporting decarbonisation.

We will proactively seek to engage in new commercial partnerships across the supply chain to accelerate shipping's decarbonisation.



Mærsk Mc-Kinney Møller Center  
for Zero Carbon Shipping



GLOBAL  
MARITIME  
FORUM

Getting to Zero  
Coalition



Carlos Torres, Global Head of Strategic Relationships

# CLIMATE IMPACT FROM OWN ACTIVITIES

Minimising our carbon footprint and meeting our carbon reduction targets means focusing on many different parts of our business. To ensure we make progress, we must commit to investing in activities that lower emissions we are directly and indirectly responsible for.

Bunker Holding fuels world trade through two types of operations: our own service operations and our physical operations, including our

own fleet. We operate as a service provider, which entails offering back-to-back trading of marine fuels and risk management solutions. We also operate as a physical supplier, which entails direct supply of marine fuels to our customers through bunkering vessels and terminals. Both operations are very much in line with our mission of fuelling world trade. However, our two operations produce fundamentally different climate impacts.

The carbon footprint from our service operations originates from mainly our business travel, energy consumption at our offices, and fuel consumed by company cars.

Through our activities as a physical supplier of marine fuels, we operate several terminals and vessels by bringing fuel directly to our customers. The predominant share of carbon emissions from our physical operations stems from the vessels we charter.

## OWN FLEET

The predominant share of the emissions from our physical operations stem from the vessels we charter. For emissions stemming from our own fleet, we are committed to following

IMO and their new updated GHG Strategy working towards a net zero future. We have committed to the following targets with 2022/2023 as our baseline year:

### TARGETS

2030

2050

**6%**  
EMISSION  
REDUCTION

Towards 2030, we aim to reduce emissions by 6% per delivered tonne of bunker

**0**  
TOWARDS  
NET ZERO

To ensure we live up to our own word of leading by example and that we are indeed taking climate action, we have set an ambitious short-term target for 2030. For each delivered bunker fuel, we have committed to reduce our emissions by 6% per delivered tonne of bunker. We believe this is a meaningful yet credible emission reduction goal, which sets a positive example for operators of bunker barges, as these are not yet (near term) covered by any applicable rules and regulations for decarbonisation.

Moreover, we have been in the process of streamlining logistics and fuel efficiency to decrease overall emissions per delivered volume of fuel. This has entailed updating our Charter Policy to ensure that carbon efficiency is a key parameter when chartering tonnage. In line with coming legislative demands, especially within the EU (ETS and FuelEU Maritime), we have introduced all bunker vessels regardless of size to contribute to our emission saving targets, even though they have not yet been introduced into the legislation.

### **Last mile delivery: Methanol bunkering**

Earlier this year we took a major step in catering to future methanol bunkering in and around Scandinavian waters and the Northwest European region. The significant initiative enables the

strait between Denmark and Sweden to support the green transition by offering the necessary infrastructure for last-mile delivery of low- and zero-carbon fuels to vessels.

As of May this year, the tanker MT NORE received all bunkering permits and certifications for operating in the region and even though the demand for methanol as a marine fuel is not yet widespread, Bunker One wants to ensure that it is ready to meet demand once it picks up.

Until then, MT NORE will not be sailing with methanol in its tanks. Instead, it will operate as a regular bunker vessel from Gothenburg and sail conventional fuels.

But even so, there is broad consensus internally in the physical supply division that it is not too early to start necessary preparations and investments to ensure Bunker One can indeed supply new fuels when the time is ripe.

“Purchasing new fleets with alternative fuel as propulsion is a daring investment for shipowners, but we firmly believe that if we build the infrastructure, they will have one less thing to hold them back. New ships and alternative fuels will be necessary for the long run in the green transition. So, for now, we believe in taking a leading position and being fully prepared to transition towards carbon-reduced products. That is the only way that change is going to happen,” says Peter Zachariassen, CEO of Bunker One.

## **KEY ACHIEVEMENTS 2022/23**



We have updated our Charter Policy to cover carbon efficiency as a key parameter when chartering tonnage.



We have developed a catalogue of ideas for operational and technical means for reducing emissions on own fleet.



We have improved and streamlined the data collection and established a baseline for our current and future reduction targets.

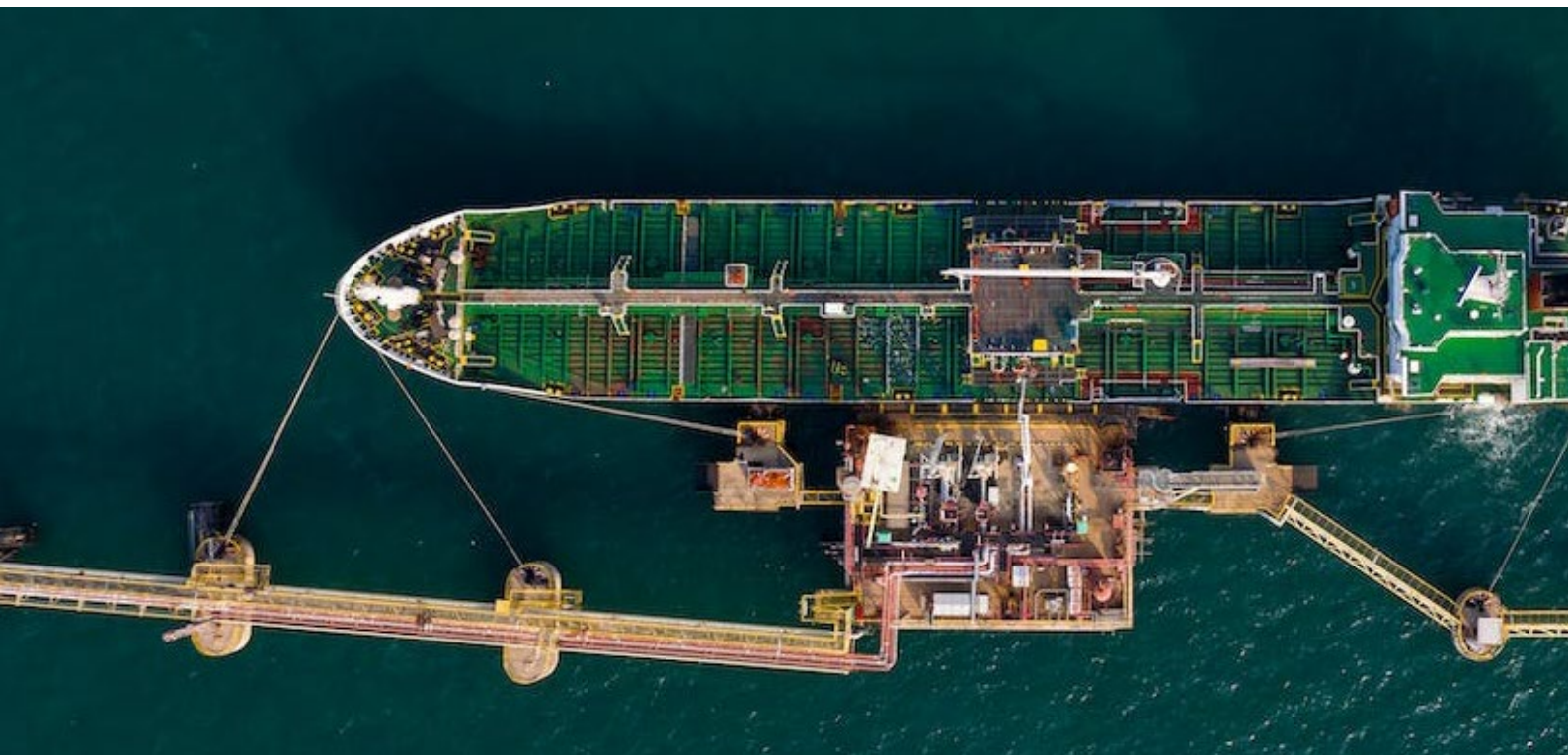


We have established a near-term target.



Our physical supply division has taken a major step in catering to future methanol bunkering in and around Scandinavian waters and the Northwest European region.





## Idea catalogue for achieving reductions

Reducing emissions for bunker barges presents a distinct challenge compared to larger ships due to their size and operational characteristics. Bunker barges typically have limited space for integrating emissions reduction technologies and alternative fuel systems, making the implementation of significant changes more complex. Moreover, their operating patterns often involve frequent short trips and idle periods, which can limit the effectiveness of certain emission reduction strategies optimised for longer voyages. This requires innovative solutions that are tailored to the operational constraints of bunker barges to achieve meaningful emission reductions.





Bunker One is therefore utilising its expertise to develop an idea catalogue that will outline operational, technical, and fuel-related measures aimed at reducing emissions for our bunker barges. These measures will either be implemented solely by Bunker One or in corporation with the charterer.

## ISCC registration of all Physical units

The International Sustainability & Carbon Certification (ISCC) is an international certification system covering all kinds of bio-based feedstocks and renewables catering to energy, food, feed, and chemicals sectors. It incorporates sustainability criteria such as reduction of greenhouse gas emissions, sustainable use of land, protection of natural biospheres and social sustainability. ISCC is a member of the UN Global Compact and supports other major international initiatives advocating sustainable supply chains.

Achieving ISCC certification enables delivery of products compliant with the sustainability criteria laid down by the EU's Renewable Energy Directive (RED)<sup>5</sup>

## KEY DELIVERABLES 2023/24

-  We will further develop our catalogue of ideas for operational and technical means with the purpose of reducing emissions from our barges.
-  We will keep streamlining our logistics and fuel efficiency to bring down emissions.
-  We aim to acquire ISCC certification for our remaining physical operations.
-  We will focus efforts on educating our physical supply organisation on low- and zero-carbon fuels and upcoming environmental regulations for the physical delivery of these same fuel types.

<sup>5</sup> ISCC Certification ([wilmar-international.com](http://wilmar-international.com))



# OWN SERVICE OPERATIONS

More than 99% of our global carbon emissions comes from the fuel we sell to our customers. However, that does not mean that the remaining less than 1% is not important. Rather, it represents areas where we can directly create results and contribute to the green transition.

For emissions stemming from our service operations, we commit to becoming net zero emissions by 2040. To get there, we need to take concrete steps to reduce our Scope 1 and 2 emissions and emissions from business travel that fall under our Scope 3.

Within the past year, we have seen a significant rise in our Scope 2 emissions. When COVID-19 lost its grip on society, the activity at our offices increased which led to a rise in consumption of electricity, heating, and especially cooling. The same increase is seen in the activity related to business travel. Following travel restrictions as a result of the

pandemic, we have been catching up with a backlog of internal meetings and physical meetings with clients.

We acknowledge that there is room for improvement, and focus is needed to become net zero by 2040. To be aligned with a 1.5-degree Celsius trajectory, the minimum requirement is to halve our own emissions at least every 10 years<sup>6</sup>, preferably sooner.

To lower our carbon emissions, we are especially reliant on empowering employees across the world to drive climate action through behaviour change in their daily work and life. We will aim to reduce as much as possible. However, to reach net zero, we will look towards opportunities to compensate using high-quality offset solutions verified by third parties. Especially for the more hard-to-abate emissions stemming from business travel.

## TARGETS TOWARDS NET ZERO

**100%**  
ELECTRICAL  
COMPANY  
VEHICLES

We commit to fully transferring to electrical company vehicles from 2025. We have introduced an intermediate step with a limit of 155g CO<sub>2</sub>e/km by 1st May 2023

**100%**  
RENEWABLE  
ENERGY

We commit to operating on 100% renewable energy by 2030

**-50%**  
CO<sub>2</sub>e  
REDUCTION

We commit to a minimum of 50% reduction in CO<sub>2</sub>e by 2030

**0**  
NET ZERO

We aim to reach net zero by 2040

<sup>6</sup> The 1.5-degree Business Playbook – Building a strategy for exponential climate action towards net-zero emissions. Exponential Roadmap initiative (Race to Zero).

## KEY ACHIEVEMENTS 2022/23



We have appointed internal local ESG Ambassadors at our offices globally to help drive change at a local level.



We have increased awareness of energy efficiency improvements to be carried out at our offices.



This year we have gone from spend-based to activity-based reporting, and we have concrete data on the activity related to our business travels. We have installed solar panels at our HQ and encouraged our other office locations to look into opportunities to install/source renewable energy to cover their energy consumption.



We have developed environmental guidelines for company cars.



**IT'S CRITICAL TO GET THE ESG AGENDA WELL ANCHORED IN THE ORGANISATION, ENSURING CLEAR ROLES AND RESPONSIBILITIES – ALSO ENSURING ALL LEVELS IN THE ORGANISATION ARE ON BOARD. OTHERWISE WE CAN'T SUCCEED.**

Mette Østerskov  
Head of ESG

### Building awareness: ESG Ambassadors and internal communication

Committing to a target of becoming net zero by 2040 is one thing. Ensuring we get there is another. It will require us to pull together as an organisation with the support of all our employees.

We have therefore appointed local ESG Ambassadors at our offices to drive change at a local level and ensure we reach our joint 2040 target of net zero. By delegating responsibility to our employees, we believe we will continuously and sustainably improve in the pace locally possible.

So far, our ESG Ambassadors have succeeded in a number of initiatives within these areas, which have resulted in several improvements to our offices. Initiatives include energy

efficiency measures such as installing LED lighting. Findings based on an internal survey indicate that currently, approximately 56% of our offices have installed full LED lighting and an additional 22% have installed partial LED lighting. More than 30% of our offices have installed motion sensors for lighting, and 57% have locked or partially locked temperature degrees for heating and cooling.

To help spread awareness about the benefits and necessity of taking climate action, we have also increased our internal communication and created an intranet site dedicated to ESG and all the topics that fall under the ESG umbrella. The site gathers information related to key ESG activities as well as relevant policies, guidelines, and reports. It will be updated on an ongoing basis to ensure that our employees have access to the latest and most relevant information.





Bunker Holding headquarters in Middelfart, Denmark, powered by solar panels installed in 2022

### Adding more renewables: Solar panels

In accordance with our near-term target of having our service operations powered by 100% renewable energy by 2030, we have recently invested in solar panels at our headquarters in Middelfart, Denmark. The panels can deliver 40,000 kWh annually, which is equivalent to approximately a third of the energy we consume at our headquarters.

In the coming years and towards our 2030 target, we will continue to source or invest in renewable energy sources to power our operations.

### Driving change: Converting company cars to electric vehicles

Although the fuel consumed by our company cars only makes up a small portion of the carbon footprint generated by our service operations, it is, however, within our direct control. We have therefore made the decision to convert all company cars to electric vehicles starting 2025.

We have created a Global Environmental Guideline for Company Cars, and it applies to all employees globally that are eligible for company cars.

## KEY DELIVERABLES 2023/24



We will work towards further improving the data collection for business travel and to draft guidelines for our employees on travel behaviour and frequency.



We will continue to collaborate closely with our ESG Ambassadors to identify further opportunities for minimising our emissions from electricity, heating, and cooling.



We aim to develop an Emissions Reduction Roadmap and to execute on the initiatives listed.



We will work towards improving our internal ESG communication and our guidelines by being more explicit about how our employees can contribute to our decarbonisation journey.



# RESOURCE AND WASTE MANAGEMENT

We have an ambition of cultivating environmental awareness in all our employees across all sites. Our goal is to reduce and recycle all general waste at office sites and where possible.

To help us achieve our goal, we have our network of ESG Ambassadors at our local sites. They are first and foremost responsible for driving the agenda related to resource and waste management and energy efficiency.

The vast majority of our business activities are performed at our offices where we use electronic devices, office supplies, and furniture, among other things, to carry out our daily tasks. Practices for resource and waste management differ from country to country which is why we are working on pulling together one central Group policy to ensure guidance and support for our local managers to meet our environmental ambitions. The policy is expected to be finalised in Q3/Q4 2023.



## Our progress






In 2022, we removed single-use water bottles from several of our office sites. In their place, we have introduced reusable water bottles together with water stations or water dispensers. The initiative has been well received by our colleagues, and we hope to be able to expand the solution to our remaining sites.

During the reporting period 2022/2023, we also developed guidelines for the proper disposal of used and defect IT equipment, more specifically how to dispose of the equipment and how to donate it if it is still functional.

## KEY DELIVERABLES 2023/24

-  We will develop a Group Environmental and Waste Policy.
-  We will continue to collaborate closely with our ESG Ambassadors ongoingly to identify areas of improvement.

## KEY ACHIEVEMENTS 2022/23

-   
We have managed to pull together a consolidated overview of current global efforts based on input from local ESG Ambassadors.
-   
We have improved the internal data collection on waste management from all offices for the 2022/2023 ESG Report through an online survey.
-   
Central guidelines for the handling of used and defect electronics has been developed.
-   
At several offices, we have replaced single-use water bottles with reusable water bottles or water stations and dispensers.
-   
Office waste management has been improved at several locations with new recycling stations.



# AVOIDING OIL SPILLS

Bunker Holding carries out more than 10,500 physical supply operations on average per year, transferring approximately 10 million metric tonnes of oil annually. Oil spills are therefore a major area of concern for us. We are aware that they can have devastating consequences, which is why we are constantly taking proactive measures to prevent oil spills in our operations.

In the reporting period 2022/2023, we have had zero oil spills for operated tanks, terminals, trucks, and time-chartered vessels. Our ambition is to continue this course by adhering to existing controls and processes and ensuring a continuous focus on identifying and remediating gaps.

The vessels we use in our physical operations are not owned by Bunker Holding. We are therefore dependent on our tonnage providers, who play a crucial role in our efforts to prevent oil spills.

Our Fleet Policy sets out the requirements towards our tonnage providers, who must report any oil spills to us in a timely fashion. For the sake of good order, we have introduced a double confirmation process, which requires that our chartered vessels are vetted and screened to ensure that they have the necessary contingency plans implemented. In the event of an emergency irregularity, such as oil spills, pollution, and accidents involving authorities, occurring

from our own operations, we have implemented contingency plans.

To ensure that our tonnage providers live up to requirements on oil spill equipment and training, among other things, we check all our tonnage providers to see if they have been vetted by oil majors. In the reporting period 2022/2023 more than 95% of our tonnage was vetted by oil majors. In the coming year, we wish to focus on the remaining providers and assess how we can best ensure that they live up to similar standards.

TARGETS

2023/24

ONGOING

95%  
VETTED  
TONNAGE

This financial year, approximately 95% of our tonnage is vetted by oil majors. In the coming year, we wish to focus on the remaining providers and assess how we can best ensure that they live up to similar standards

0  
OIL SPILLS

We strive to continue our zero oil spill record in own physical operations

## KEY ACHIEVEMENTS 2022/23



We have updated our Fleet Policy for our physical operations with extended vetting procedures to single voyage-chartered vessels, including ensuring the same reporting structure (including for oil spill incidents) is in place for both time- and single voyage chartering.



We have introduced controls on Bunker One's reporting requirements for oil spills. Requirements include surveying vessel operators with the aim of controlling that the number of incidents reported to Bunker One corresponds to the ones registered by the vessel operator. This survey will be performed every 6 months.

## Reinforcing vetting procedures: Updated Fleet Policy

As part of our ongoing efforts to identify and remediate any gaps, we recently updated our Fleet Policy with tighter and more controlled vetting procedures for newcoming vessels and renewals. This includes more consistent and controlled methods of vetting all time-chartered vessels under our operation. Moreover, we have extended vetting procedures to single voyage (spot) charters, which will ensure the same reporting structure is in place for all charters whether it be time charters, single voyage charter parties or bareboat charterparties.

Vessels taken in on time charter must hold a minimum of one approval by an oil major, or as a minimum be approved by our physical division Bunker One. Bunker One's assessment is based on a SIRE (Ship Inspection Report Programme) inspection, which has been completed within the past six months. Regular SIRE inspections are then required to follow every six months.

In addition, we have introduced a filing clause in our policy, which stipulates that each entity must record all their time-charter contracts in Bunker Holding's online legal system. This ensures we obtain the full overview of the financial exposure and that we keep the policy updated with the right clauses.



FROM OPERATED TANKS,  
TERMINALS, TRUCKS,  
AND TIME-CHARTERED  
VESSELS IN 2022/23

## KEY DELIVERABLES 2023/24



We will continue controls and surveying vessel operators on oil spill incidents.



We aim to establish a process and documentation for non oil major vetted tonnage providers in line with SIRE.



We are establishing an Incident Team that will be on the receiving end of all incidents from charters to ensure streamlined and effective reporting and registration of incidents.





**DIVERSITY,  
EQUITY, AND  
INCLUSION**

PAGE 48

**TALENT AND  
CAPABILITIES**

PAGE 50

**HEALTH AND  
SAFETY**

PAGE 52

**LOCAL  
COMMUNITY  
IMPACT**

PAGE 54

# GLOBAL POLICIES

## LEVEL THE PLAYING FIELD

Pernille Græsdal Beck, Executive HR Business Partner

Being a leading supplier of bunker fuel to the shipping industry comes with a profound responsibility. Not just in showing financial responsibility and supplier reliability to the markets. But just as importantly, Bunker Holding wants to ensure that the Group has a positive impact on its clients, colleagues, and the regions it operates in.

At Bunker Holding, decency is at the very centre of everything the company stands for, and likewise at the forefront of the Group's initiatives, beginning at home with its people.

"Lately, we have implemented several new policies to safeguard a proper and decent work environment for our people while also ensuring their well-being is equal to all and second to

none. Launching our Parental Leave Policy in late 2022 was a momentous step forward as a global company, creating equal opportunities for men and women alike as they become parents. In Denmark, ensuring paid parental leave may not seem like much, but to our colleagues in Asia or the US this is unheard of," says Pernille Græsdal Beck, Executive HR Business Partner, and adds:

"We firmly believe in making these policies valid on a global scale. We are creating a more welcoming and inclusive work environment for our employees while simultaneously nudging the working conditions of the markets we are present in towards something better. That is a win-win in my book."



Following the Parental Leave Policy, a Senior Policy was presented in early 2023, ensuring employees with grandchildren across all countries and continents of which Bunker Holding is present the right to six paid days off each year.

“We want to give our senior employees the opportunity to spend more time with their grandchildren and at the same time give them the opportunity to continue their careers at a pace that suits their lifestyle. We believe that our Senior Policy will contribute to a more diverse and inclusive workplace, where all people will feel valued and respected, regardless of their age and which stage in life they are in. It is to everyone’s advantage that employees thrive and are happy to go to work,” says Pernille Græsdal Beck.

Even as global policies create a strong sense of coherence in the Group, a caveat for Bunker Holding is that it needs to stay mindful of its position as a global company with operations in 34 countries. As such, it is crucial that it can balance local laws, systems, and cultures. This is exactly what Bunker Holding intends to do by creating global policies that support staff and staying mindful that all regulations must be followed rightfully while offering equal opportunities to all employees.

Implementing policies to ensure a well-balanced and thriving environment for all employees is crucial to the work being done at Bunker Holding and to safeguard living up to the expectations for a market-leading company. Working towards ensuring the next generation of employees is, however, equally important.

As diverse qualifications are considered beneficial at every level of Bunker Holding, bias awareness training has been rolled out to approximately half of the Group’s managers, with the remaining 56% looking forward to receiving training in late 2023.

“We consider inclusive leadership to be essential in relation to guaranteeing that our leaders within the Group

embrace all the qualifications, which every team already holds. A Gender Balance Policy has been developed, which among other things has the objective of ensuring a fair recruitment process ultimately enabling us to find the right candidate solely based on qualifications,” says Pernille Græsdal Beck.

Moreover, Group HR is in the process of establishing a Harassment Policy with the specific aim of preventing or subsequently handling any type of harassment in an appropriate and decent manner. The next step in the work with diversity, equity, and inclusion will thereby be to focus on facilitating psychological safety for the individual employee; namely awareness that the organisation will act and provide the proper assistance to actively process a given experience of unsafety.

### **Freedom and flexibility to move around**

In addition to the new policies being implemented on a groupwide level, another initiative to retain talents is an updated version of the Internal Mobility Policy.

The policy benefits Bunker Holding but also to a great extent its people by allowing employees to seek out new opportunities beneficial for their personal development through interdepartmental transfers. Leveraging internal mobility has not only created advantageous career opportunities for employees, but it has also enabled Bunker Holding to keep skilled and competent resources in-house. With 31 mobility cases, the Group has seen a record number of relocations within the organisation this past year. Each and every one supporting the Group’s strategy ambition of Moving Closer Together.

“The new Group strategy launched in 2022 inherently focused on growth and in no small part the growth of our people. Strengthening our internal mobility is a way of thinking and looking inward in relation to how we can best utilise the resources and skilled talents that we already have

here at Bunker Holding while also providing our valuable people the opportunity to advance. Another avenue to supporting this and developing our talent pool is our Mentoring Programme,” says Pernille Græsdal Beck.

Bunker Holding Group HR is currently in the process of developing an expanded version of its Employer Handbook and will continue to put focus on how more experienced forces can contribute to the development of young, upcoming talents.

Now and in the future, Bunker Holding will endeavour to be best in class when it comes to business and people, striving to be a force of positive change for its employees, its clients, and the communities of which the Group is a part of.

When you are the world’s leading bunker company, the E for environment in ESG is unavoidably what catches the spotlight amongst many outside observers - but with the scope and ambitions of our initiatives, there is nothing holding back the S.

# IMPLEMENTED POLICIES IN THE PAST REPORTING YEAR

## SENIOR POLICY

A new Senior Policy gives employees in Bunker Holding access to grandparental leave as well as the option to have a dialogue about a gradual reduction in time spent at work. The initiative is aimed at ensuring greater diversity and a better work-life balance, while showing appreciation of our experienced employees.

## GLOBAL PARENTAL LEAVE POLICY

As part of Bunker Holding's commitment to fostering a more diverse, equal, and inclusive, workplace, the Group has extended a 20-week paid parental leave to all employees worldwide across our offices in 34 countries, boosting the time parents can spend with their new-born child.

## GENDER BALANCE POLICY

The global Gender Balance Policy supports our efforts to achieve our ambitions for a more gender balanced workforce. Our efforts cover recruitment, mentoring, ensuring a pipeline, bias awareness, and inclusive leadership behaviour.

## STRESS POLICY

The goal of the Stress Policy is to establish a framework for identifying and managing stress within the workplace and to create a positive and supportive work environment to promote the well-being and overall success of all employees.

## UPDATED WHISTLEBLOWING POLICY AND NEW WEB-BASED PLATFORM

Bunker Holding encourages prompt reporting of wrongdoing, providing assurance of serious investigation and confidentiality. The policy ensures a safe environment for concerns, bolstered by a new web-based whistleblower reporting platform on our intranet and website.



# DIVERSITY, EQUITY, AND INCLUSION

At Bunker Holding, we believe that diversity can help strengthen our organisation by enabling us to better respond to challenges and win top talent.

Moreover, we are confident that by embracing diversity and promoting equity and inclusion, we can

contribute to building a stronger and more innovative industry, which can continue to thrive in an ever-changing world.

Our industry continues to be characterised by a historic gender imbalance. An imbalance that we must acknowledge to progress, and which

is also reflected in the composition of our organisation. While this picture is gradually changing, we want to increase the pace and introduce concrete initiatives to reach a gender ratio of 40/60 across all management levels in the organisation.

## TARGETS | GENDER COMPOSITION SPLIT

2028

2032

**25/75**  
SPLIT

Tier 1: Executive Management gender composition split by 2028

**32/68**  
SPLIT

Tier 2: Bunker Holding Management Team gender composition split by 2028

**40/60**  
SPLIT

Tier 1: Executive Management gender composition split by 2032

**41/59**  
SPLIT

Tier 2: Bunker Holding Management Team gender composition split by 2032

## Our progress

We recognise that addressing challenges tied to DEI in the shipping industry requires collective action and collaboration. We will continue to partner with stakeholders across the industry to drive change, share best practices, and collectively address systemic inequities. And we are proud of the progress we have made during the past year.

We have worked towards improving our employer proposition to stay attractive to everyone irrespective of their gender, ethnicity, religious beliefs, age, or sexual orientation by meeting people in different life stages and situations.

We wish to continue pursuing ongoing efforts to increase the representation of underrepresented groups at all levels in our organisation. During the next reporting period, we will focus on

implementing concrete efforts from the Gender Balance Policy. Besides including targets for obtaining a more balanced gender composition, the policy also serves as an internal guidance document and outlines processes for integrating gender perspectives throughout the work in all our offices. In connection with any recruitment process, the policy will help to ensure a fair process and enable us to find the right candidate based solely on qualifications.



“THE LESS  
HOMOGENEOUS  
AS A GROUP  
WE ARE, THE  
STRONGER  
WE ARE AS A  
COMPANY

Pernille Græsdal Beck,  
Executive HR Business Partner

### KEY ACHIEVEMENTS 2022/23

Numerous new global policies have been developed and launched such as the Senior Policy, Global Parental Leave Policy, Gender Balance Policy, and Stress Policy to name a few. Each policy outlines concrete actions to implement across the organisation.

44% of managers in the organisation have received bias awareness training. The remaining 56% will receive training in late 2023.

We have secured dedicated resources to drive Corporate Social Responsibility and employee well-being.

### KEY DELIVERABLES 2023/24

- We will continue to further implement global policies.
- Bias awareness training will be rolled out to the remaining 56% of managers in late 2023.
- We are in the process of developing an inclusive leadership model for training of all people managers in the Group.
- We will implement a Mentoring Programme.
- We will launch a Harassment Policy with the specific aim of preventing or subsequently handling any type of harassment in an appropriate and decent manner.

# TALENT AND CAPABILITIES

A prerequisite for our success is attracting, developing, and retaining the right talents. And just as we want to provide our employees with opportunities to grow and develop, we are confident that our employees will likewise be the catalyst to our growth and continued success.

Our ambition is to be an attractive employer who empowers our people to grow and succeed by setting ambitious performance targets and providing continuous development opportunities. Using our role as a global market leader, we offer our people the opportunity to seek career

opportunities across geographies, functions, and positions within the Group to retain our people and let them grow.

## TARGETS

2023

ONGOING

### LEARNING ACTIVITIES

To finalise a business plan and roadmap for learning activities across the organisation by 2023

### +2.5% MOBILITY THRESHOLD

To foster mobility in the organisation and maintain a threshold of at least 2.5%

### STRENGTHEN EMPLOYEE RETENTION

We aim to continuously strengthen employee retention

### Empowering employees' growth and development

At Bunker Holding we are aware that empowering our employees and helping them to navigate confidently in their job entails providing them with the right and adequate tools, development opportunities, and ensuring they feel welcome from the moment they join our Group.

#### Global Onboarding Programme

Onboarding is the initial step towards becoming an active member of an organisation's operations and its culture. At Bunker Holding, we place

a high value on the experience of our employees from the moment they join the company. To provide a more extensive introduction, the online Global Onboarding Programme has been introduced as a new step in the onboarding journey.

Through engaging and interactive sessions, newly joined employees have the chance to expand their professional network and develop ties with their fellow colleagues already during the onboarding days.

In addition to providing our new colleagues with the best possible experience upon joining Bunker

Holding, it is also our aim to boost communication and collaboration across departments and functions. The new onboarding programme will contribute to our new employees having a better grasp of each other's tasks and thus attaining an understanding of how to support one another.

### Training and development

As we continue to evolve as an organisation, as technology advances, and as the industries we operate in change, we need to ensure our people are aligned with changes in terms of

## KEY ACHIEVEMENTS 2022/23



We have established an internal Learning Board whose purpose is to ensure relevant and strategic learning activities to the organisation.



We have rolled out a new Global Onboarding Programme to ensure all new employees are well-received when joining our organisation.



Our retention has been strengthened through several initiatives, including our Internal Mobility Programme.

knowledge and skills. By providing our employees with relevant and consistent training, we can enhance their competences and help them heighten their skillsets.

The responsibility for ensuring relevant training and development opportunities sits with our Learning Board whose main purpose is to ensure relevant, strategic, and adequate learning supply is available to the business. The Learning Board also functions as the governance structure for our learning investment and is anchored in the business by representatives from different functional areas.

## Building our competencies to meet future demand

As we are looking into a future with multiple incoming local, regional, and international regulations, we need to equip our people with the necessary knowledge. As shipping will eventually evolve from a simple mono-fuel market to a complex multi-fuel environment, we have developed and launched a brand-new mandatory training programme for our commercial workforce within the Group. 76% have already completed the training. During the coming year, we expect to launch new advanced training modules on the technical, operational, and regulatory aspects of New Fuels and Carbon Markets.

## Strengthening employee satisfaction and retention through our Internal Mobility Programme

We respect and care about our people, and we value all that they contribute with to our organisation. We are always looking into how we can best give back to our employees and ensure they stay motivated.

We aim to offer employees who seek new challenges and development opportunities the chance to transfer to

**WE WANT TO PROVIDE OUR NEW COLLEAGUES WITH THE BEST POSSIBLE EXPERIENCE AND ENSURE THAT THEY FEEL INFORMED AND INVOLVED FROM THE FIRST MOMENT THEY JOIN BUNKER HOLDING**

Pernille Græsdal Beck  
Executive HR Business Partner

other positions within the Group. We refer to this initiative as our Internal Mobility Programme and so far, it has proven to be highly successful. The past reporting period 2022/2023, we reached 31 mobility cases, which is equivalent to 3.2% of our entire employee base. We consider it a great achievement that our employees choose to leverage our Internal Mobility Programme and that they consider the programme a means to develop and advance their careers.

## KEY DELIVERABLES 2023/24



Our main ambition for the coming reporting period is to build a strong learning culture.



We aim to launch new advanced training modules on technical, operational, and regulatory aspects of new fuels and carbon markets.



We will focus on addressing learning gaps in our organisation.



# HEALTH AND SAFETY

At Bunker Holding, we are committed to proactively ensuring safety and well-being across our business and operations. We believe that this is achieved by adhering to high safety standards, monitoring and following up on data, and by creating motivating and engaging jobs for

our people. We require our suppliers and providers to live up to the same standards that we set for ourselves to create a safe environment across our supply chain.

Our Health and Safety Organisation is crucial for promoting the well-being

and safety of our employees. We will achieve this through policies, risk assessments, and collaboration with regulatory bodies. Ultimately, our focus is to create a safe and healthy environment that aims to keep our people safe and secure while they perform their work tasks.

## TARGETS

2028

ONGOING

**+0.5  
POINTS**

To improve our Work-life Balance Score by +0.5 points from 7.0 to 7.5 by 2028

**0  
INCIDENTS**

We aim to continuously keep incidents in own physical operations at 0

## Our progress

During the past reporting period 2022/2023, we have had an increased focus on developing and implementing policies and procedures to constantly ensure we comply with legal requirements and industry best practices.

We want to integrate health and safety into our processes and our ways of working. As such, we have secured dedicated resources to spearhead a central Group Health and Safety Organisation, including a CSR Consultant, who joined Bunker Holding in December 2022.

We have also recently defined and established targets for our health and safety metrics, including specific metrics on employee sickness and stress levels. And to ensure progress on employee motivation and satisfaction, we have set targets which we track through our annual employee engagement survey LEAP.

The scope of our Health and Safety Organisation is to ensure the well-being and safety of our employees with main focus areas being on preventing accidents, injuries, and illnesses by implementing health and safety policies and promoting a safety culture. The Organisation will also collaborate with regulatory bodies

to ensure compliance with safety standards and regulations, especially in our Physical supply business i.e., onboard barges and chartered vessels under our operation.

Our business partners are integral for our operations, and we check all our tonnage providers for whether they have been vetted by oil majors. They assess if providers live up to requirements on safety record, crew management and health, trainings, and safety equipment, among other things. This year 95% of our tonnage is vetted by oil majors.

In the Physical business areas, several of our business units operate based

on a QHSE Management System that meets the requirements of the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 international standards which are certified by DNV GL. 42 CSR. Additionally, we are qualified in the Achilles Joint Qualification System (Achilles JQS) for suppliers to the Oil Industry in Norway and Denmark.

We recently updated our Fleet Policy with tighter and more controlled vetting procedures for newcomers vessels and renewals. Moreover, we have extended vetting procedures to single voyage (spot) charters, and vessels taken in on time charter must hold a minimum of one approval by an oil major, or as a minimum be approved by our physical division Bunker One.

### Suppressing stress

Bunker Holding is committed to the well-being of our employees and recognises the importance of managing and preventing stress in the workplace.

Earlier this year, we rolled out our new Stress Policy to effectively address and promote a healthy work-life balance for all our people. The policy also functions as a framework for identifying and managing stress within the workplace and provides resources and support for managing stress.

Leaders play a critical role in recognising and addressing stress among their employees. However, many leaders lack the necessary knowledge and skills to identify and manage stress effectively. Therefore, we have launched a Stress Guide to assist leaders in proactively recognising and managing stress among their employees. Moreover, we are hosting an online global Stress Management Course for all leaders, to make sure they are equipped to tackle these issues if they should arise. Early remedial action is crucial for leaders to be able to intervene before the situation worsens, ultimately reducing the risk of employees burning out and absenteeism in the workplace.

### Respectful, fair, and open leadership

At Bunker Holding, we encourage our people leaders to take responsibility for their leadership and to always lead with their employees in mind. Through our annual employee engagement survey LEAP, we collect anonymous feedback from our colleagues on their motivation and satisfaction as employees of Bunker Holding. Having access to good data and insights into our health and safety performance is key to achieving our objectives. This year we achieved a satisfactory participation rate of 85%. We obtained a groupwide engagement score of 8.5 out of 10, which demonstrates our continuous focus on employee well-being.

Through the LEAP survey, employees are also encouraged to provide feedback to their immediate managers. For any manager going below the threshold of 6.5 in their Immediate Manager Evaluations, we will follow up in accordance with an action plan

### KEY DELIVERABLES 2023/24



We will continue to build a strong governance for the Group H&S Organisation, risk assessment and evaluation, and timely reporting.



We plan to launch a consolidated Group Health and Safety Policy embracing guidelines and requirements for all our offices and operations.



Our aim is to improve the Work-life Balance Score to 7.5 from 7.0 by 2028.

### KEY ACHIEVEMENTS 2022/23



We have secured dedicated resources to spearhead a central Group Health and Safety Organisation.



We have established a Health and Safety Committee.



We have defined and established targets for our health and safety metrics, including specific metrics on employee sickness and stress levels.



Our new Stress Policy was implemented in May 2023 along with a Stress Guide.



We have launched a unified Health and Safety Policy covering the working environment at all of our locations.



We have updated our Fleet Policy to include controls on health and safety and clear health and safety requirements in the Chartering Policy.

# LOCAL COMMUNITY IMPACT

## KEY DELIVERABLES 2023/24



We will form a guideline indicating the Group's strategic priorities.



We will continue to make humanitarian efforts on a Group level and consult local colleagues to identify and select local NGOs in urgent efforts.

To us as a family-owned company, supporting local communities goes beyond business transactions. It reflects our dedication to social responsibility, economic growth, and the well-being of the communities we operate in.

Our contribution to making a difference for local communities is a vital part of who we are and lies close to our employees' hearts.

We believe that local impact is best achieved by empowering our local management teams, using their

knowledge of the challenges and opportunities affecting their respective communities. Thus ensuring they support and donate to local charities that are close to their hearts – within strategic guidance and in alignment with the Group's activities.

The Group navigates within three Key Impact Categories:



## OCEAN & ENVIRONMENT

Activities that conserve natural resources and the existing natural environment, and, where possible, mitigate negative impact from our business.



## COMMUNITY DEVELOPMENT

Activities that generate solutions to social and economic needs, and/or contribute to betterment of education and knowledge building.



## PEOPLE & HEALTH

Activities where the purpose is to promote well-being (such as sport and culture) or activities to mitigate, ease or prevent diseases and save lives.

### Our commitment to integrity

We uphold our values and company policies by selecting initiatives, projects, and groups that align with our values, while steering clear of controversial entities and religious and political organisations.

### Community-Led Relief

During the past year, amidst the challenges posed by global conflicts and natural disasters, we remained

committed to making a positive difference in the lives of those affected.

Our approach was simple yet powerful: we leveraged the expertise and dedication of our local employees to identify and collaborate with the most effective local organisations. By tapping into their firsthand knowledge of the communities' needs, we were able to channel our resources toward initiatives that truly mattered.

Through a collective effort, we have been able to extend a helping hand to those impacted by adversity.

### Local Community Impact highlights

We are proud to have supported many great initiatives across our key impact categories. These are just a handful of the numerous efforts carried out by Bunker Holding employees around the world.



### 50 for 50

At KPI OceanConnect, the core values of passion and inclusivity are reflected in their 50 for 50 campaign. For 50 days annually, USD 50 are donated to a charity of their choice for every deal closed.

KPI OceanConnect's head office in Denmark donated their raised sum to the Growing Trees Network, an organisation that makes an active effort to contribute to increased biodiversity and to counteract global warming by planting trees in Denmark and Africa. The donation was made for 6,000 trees to be planted for a new 1.55-acre public forest – the equivalent of just over two football pitches.



### Improving well-being through sports

We believe the power of sports can not only improve one's well-being but also bring common hope and pride to an entire community. Dan-Bunkering supports the South African Hout Bay United Football Community (HBUFC), a non-profit trust established to encourage communities to come together to get kids off the street and develop them through mentorship and coaching, thereby improving their life skills, school work, and football skills.



### Upcycling discarded equipment



Bunker One is in its final stage of a new upcycling project, in which discarded personal protective equipment (PPE) is transformed by local seamstresses into unique eco bags and pencil cases. Partnering up with the local Brazilian NGO, Mulheres do Sul Global, who generates income for refugee seamstresses from different Latin American countries, the heart of this project is to combine reducing textile waste from uniforms while also impacting the school community as products are also donated to local public schools.

### Supporting an orphanage in Kenya



Joining forces, UniOil and Bunker One contributed to the construction of new sleeping quarters for an orphanage in Kenya. The orphanage, which is run by a retired schoolteacher, is home to approx. 20 disabled children.

### Party with a Purpose Business Card Challenge



IE Week in London is a fantastic opportunity to network with customers and peers across the industry. Many business cards with contact information change hands during the week, which led Bunker One to drum up the Business Card Challenge.

For every business card collected at a party hosted by Bunker One for all its business partners, Bunker One donated USD 20 to The Ocean.

### Celebrating Art and Environmental Awareness



Baseblue were proud to sponsor an award ceremony, recognising students for their participation in the art competition "I Love the Environment, Through the Eyes of Children". Collaborating with the Municipality of Mesa Yeitonia (Limassol, Cyprus) and local schools, Baseblue raised awareness of environmental protection and recycling through a captivating campaign. The students' inspiring artworks were displayed at Linear Park Vathkia in Limassol, encouraging visitors to protect the environment.



# GOVERNANCE



**CORPORATE  
GOVERNANCE**

PAGE 60

**COMPLIANCE**

PAGE 62

**HANDLING AND  
REPORTING ON  
MISCONDUCT**

PAGE 66

**RESPONSIBLE  
TAX POLICY**

PAGE 67

**CYBER  
SECURITY**

PAGE 68

**TRANSPARENCY  
AND REPORTING OF  
PERFORMANCE**

PAGE 70

# STRONG FRAMEWORKS PROVIDE GUIDANCE AND OPPORTUNITIES

At every level in Bunker Holding, a strong understanding of the Group's guiding principles, business acumen, leadership, and decency, is present. And to connect it all, a framework of governance and compliance keeps the super tanker, that is Bunker Holding, moving forward and agile on its journey.

As the Group navigates the ongoing legislative and indeed moral changes to the markets, a sense of responsibility and desire to progress and further excel in compliance is not only expected but a necessity to operate.

Compliance is a top priority for Bunker Holding. And as new regulations and legislation constantly emerge, the Group is eager to go the extra mile and be a guide and inspiration to the entire industry.

We welcome regulations to move us forward. And we need strong support from governments and strong legal

commitment from around the world to all move forward together.

"For several years, Bunker Holding has built a strong foundation, ready to scale up when it comes to meeting compliance standards and acting on sudden geopolitical changes. We have invested in building strong compliance systems and not least in the people managing these systems. This has stood its test during Russia's invasion of Ukraine, and I am pleased to say, that every employee and system has performed flawlessly in accommodating assessed risks by flagging and blocking any trades deemed questionable," says Michael Krabbe, CFO of Bunker Holding Group, adding:

"We now have an independently reviewed best in class compliance system, and we believe this will become even more central as geopolitical unrest continues to afflict the markets. Compliance will continue to be a crucial part of our business." ►

Showing leadership in the industry entails constantly investing in building internal capacity and reliable internal systems. That is why Bunker Holding continues to invest heavily in IT solutions that support the Group in facing present and future challenges.

### **Governing through openness and trust**

Giving high priority to compliance towards our trades is important, but it also relies heavily on Bunker Holding's ability to show transparency - externally and in equal part internally.

"We have strong systems in place, we have the most skilled people managing them, and we have a sense of urgency in constantly staying ahead of the curve. This also applies to communicating openly to our clients, our employees, our leadership, and our business partners, showing our resolve to be the very best. And we are constantly reminded of the importance of this, as we are rewarded with strong retention of employees and the trust of our bank syndicate," says Michael Krabbe, emphasising:

"Without trust and transparency, we would not be in any business, and that is why we will maintain the highest possible standards to this end."

In working with transparency, the Group has for the past years paid especially close attention to its Tax Policy, securing all rules and regulations are followed in an open manner. The input and sparring with business partners within the industry is pertinent to collect and act on, keeping the business up-to-date and doing the very best to ensure the course of the process.

"In everything we do, the response and feedback from our partners has been positive and reaffirming in how we proceed. Nevertheless, sanctions response, transparency, compliance, and governance will always remain an ongoing discussion. And for each discussion, we find new opportunities and solutions on where and how we can improve. We thrive on change, and we strive for good results," says Michael Krabbe.

### **Steering towards a common goal**

No one company can be an island, and working with partners and competitors in making the industry more sustainable is a common goal. That is why close collaboration with organisations such as IMO becomes an enabler of transition.

"Decency is embedded in everything we do - this applies to business and environment as well. Working together with industry partners to meet the IMO goal of net zero in or around 2050 is an outstanding challenge, and everything Bunker Holding is suited for," says Michael Krabbe, adding:

"We have invested much in partnerships, research, and staff, and we are ready to tackle the challenges of decarbonising the industry. Bunker Holding is not only ready, but we are also eager to prove our worth becoming the preferred partner to the maritime industry."

Staying ahead means costly investments in staff and hours, but as Bunker Holding continues to work on their position, it remains apparent that being the best not only means staying profitable, it also means being an inspiration. And the Group intends to work with this in mind now and for the future.

Bunker Holding Executive Management. From left: Christoffer Berg Lassen, Keld R. Demant, and Michael Krabbe





“DECENCY IS  
EMBEDDED IN  
EVERYTHING  
WE DO – THIS  
APPLIES TO  
BUSINESS AND  
ENVIRONMENT  
AS WELL

Michael Krabbe  
Chief Financial Officer





# CORPORATE GOVERNANCE

Good corporate governance starts at the top of an organisation. In Bunker Holding our goal is to maintain and operate uniform, clear, and transparent processes and procedures maintaining high corporate governance and accountability for our activities. We want to further ensure that our activities and level of governance are aligned across the entire organisation, which will enable us to manage our enterprise risks across our global operations.

Even though Bunker Holding's shares are admitted to trading on a regulated market and thus not directly designated for the Danish Recommendations on Corporate Governance, we strive to organise our governance optimally in accordance with the principles. As such, the recommendations (the relevant parts hereof), incorporating the G20/OECD Principles of Corporate Governance, provide inspiration for Bunker Holding's corporate governance. For Bunker Holding, it is essential that corporate governance rules and guidelines are adapted to the reality in which they will be implemented.

## Board oversight and transparency

It is the responsibility of the Board of Directors to safeguard Bunker Holding and its shareholders' interests with care and with due consideration. The Board of Directors must also determine the division of duties between the Bunker Holding Board of Directors and the Executive Management, determine the duties and the employment terms of the Executive Management, and that clear guidelines concerning

responsibility, planning, follow-up, and risk management are in place. Similarly, it is the responsibility of the Executive Management to safeguard Bunker Holding's subsidiaries and fully controlled affiliates with care and with due consideration. Executive Management must also determine and ensure a clear division of duties and clear guidelines concerning responsibility, planning, follow-up, and risk management in the subsidiaries and fully controlled affiliates of Bunker Holding.

Our Board of Directors are dedicated to upholding the highest standards of governance. They exercise diligent oversight to ensure our Group's strategic decisions align with our ESG ambitions and targets. Regular board evaluations and the presence of independent diverse directors ensure accountability and balanced decision making.

## Ethical conduct and accountability

At the core of our corporate governance is a culture of ethical conduct and strong compliance that permeates every level of our organisation. Our Corporate Compliance Programme uses a combination of policies, procedures, systems, and processes to ensure that we maintain an effective compliance system.

Our Code of Conduct outlines clear expectations for our employees and business partners, emphasising respect, decency, transparency, and integrity. Violations to our Code

of Conduct are taken seriously and subject to investigation. The support, acknowledgement, and accountability from the top of the organisation are underlined in the direct opportunity of reporting dissatisfaction with any handling of whistleblower concerns to the Chair of the Board of Directors.

## KEY ACHIEVEMENTS 2022/23



Our Governance Policy contains a qualitative description of Board compositions, including reference to assessment of Board competencies, diversity etc.



We report on our compliance with and deviations from the Recommendations for Corporate Governance. We are currently in the process of completing this review and will report our performance in coming ESG reports.



Casper Pasgaard Dybdal, Group Head of Legal and Keld Demant, CEO

TARGETS

2027/28



**INCREASE**  
THIRD-PARTY SUSTAINABILITY

We aim to increase third-party sustainability through our Global Business Partner Responsibility Conduct (GBPRC) towards 2027/28

**85%**  
GBPRC RETURN

Maintain answered and returned GBPRC of 85% based on total yearly volume towards 2027/28

# COMPLIANCE

To Bunker Holding, compliance is more than just a ‘tick the box’ exercise to follow rules and regulations. Compliance is founded in our corporate values to act with decency in every aspect of managing our business. At the same time, we operate in a complex regulated environment, where demonstrating a high level of compliance has never been more important and is crucial to maintaining our stakeholders’ trust.

We want to be transparent around compliance, and in doing so serve as trusted advisors and partners to our customers, suppliers, and

other stakeholders. Therefore, our ambition is to operate and promote a compliance culture in our industry and maintain a compliance culture and programme being regarded as best in class.

Bunker Holding has established a Corporate Compliance Programme designed to identify, prevent, and mitigate compliance risks. The programme applies to all offices, directors, and employees of Bunker Holding, our subsidiaries, and our fully controlled affiliates. We have designed the programme as a fine-meshed safety net using a combination of

measures to ensure that we maintain an effective compliance system unparalleled in the bunker industry.

The Compliance Programme is managed by the General Counsel and the Global Head of Compliance (jointly referred to as the Compliance Officers), with day-to-day operations being carried out by a global team of 13 experienced compliance professionals in Denmark, Singapore, Dubai, and the US. In addition, the team cooperates closely with other Group functions to implement the programme as an integrated part of our business.

The scope of Bunker Holding’s Compliance Programme is governed by our Compliance Committee charter, which also outlines the roles and responsibilities for our Executive Management, General Counsel, and the Global Head of Compliance, who manages and oversees the programme. They are collectively responsible for considering and resolving compliance matters brought to their attention, reviewing, and adopting significant new compliance policies and revisions to compliance policies, and periodically reporting to the Board of Directors.

## COMPLIANCE COMMITTEE



### EXECUTIVE MANAGEMENT

The Compliance Committee continuously assesses the Group’s compliance risk capacity and how to best accommodate and risk mitigate these by developing, establishing, and



### GENERAL COUNCIL

implementing tailored policies and procedures. The Compliance Officers are responsible for developing, overseeing, and continuously improving the Corporate Compliance



### GLOBAL HEAD OF COMPLIANCE

Programme, whereas the ultimate decision on how to proceed with proposed changes and additions lies with our Executive Management.

## Our progress

In 2022/23, we worked intensively to enhance our internal compliance processes, systems, and controls. Our efforts included four new hires in our compliance team, new and updated policies, and an increased visibility and accessibility of our whistleblower scheme following training modules.

### A compliant culture

During the reporting period 2022/2023, we have continued building on past years' work to integrate a strong compliance culture within Bunker Holding. Our focus has therefore largely been on fostering a shared mindset that values transparency, accountability, and ethical and responsible business behaviour.

Even with comprehensive system controls being implemented, the creation of a sound compliance culture is paramount to the success of our Corporate Compliance Programme. We need buy-in from all employees who are conducting themselves on an aligned standard. Otherwise, we may risk exposure to corruption, bribery, or other fraudulent and unethical business conduct.

### Investing in risk-based compliance training

We require all our employees to complete annual training on a range of risk and compliance topics related to our policies, processes, and applicable regulation. This year, the completion rate was 77% across the Group. We continue to develop the training courses to ensure that they are targeted and relevant for our employees and overall, we have increased the scope of our training.

During the reporting period 2022/2023, we have carried out an increased amount of customised training, which involves identifying offices, departments, or segment specific areas where we have specific or larger risk exposure. We have managed to conduct the customised specialist training for all offices with an identified high risk exposure.



Michael Krabbe, CFO, and Anja Monrad, board member

### Powering our Compliance Programme through TRACE

Recently Bunker Holding has joined the esteemed TRACE International Inc. Compliance Community, reinforcing our commitment to ethical business practices and transparency. Together, we are navigating and mitigating business bribery risk to create a fair and trustworthy global business environment.

“Our decision to join the TRACE Compliance Community demonstrates our unwavering dedication to fighting corruption and promoting integrity. By leveraging TRACE’s extensive expertise in anti-bribery compliance and due diligence, we gain invaluable resources to effectively navigate and mitigate business bribery risk,” says Wei Yen Yip, Global Head of Compliance at Bunker Holding.



## KEY ACHIEVEMENTS 2022/23



We have enhanced our compliance processes and systems.



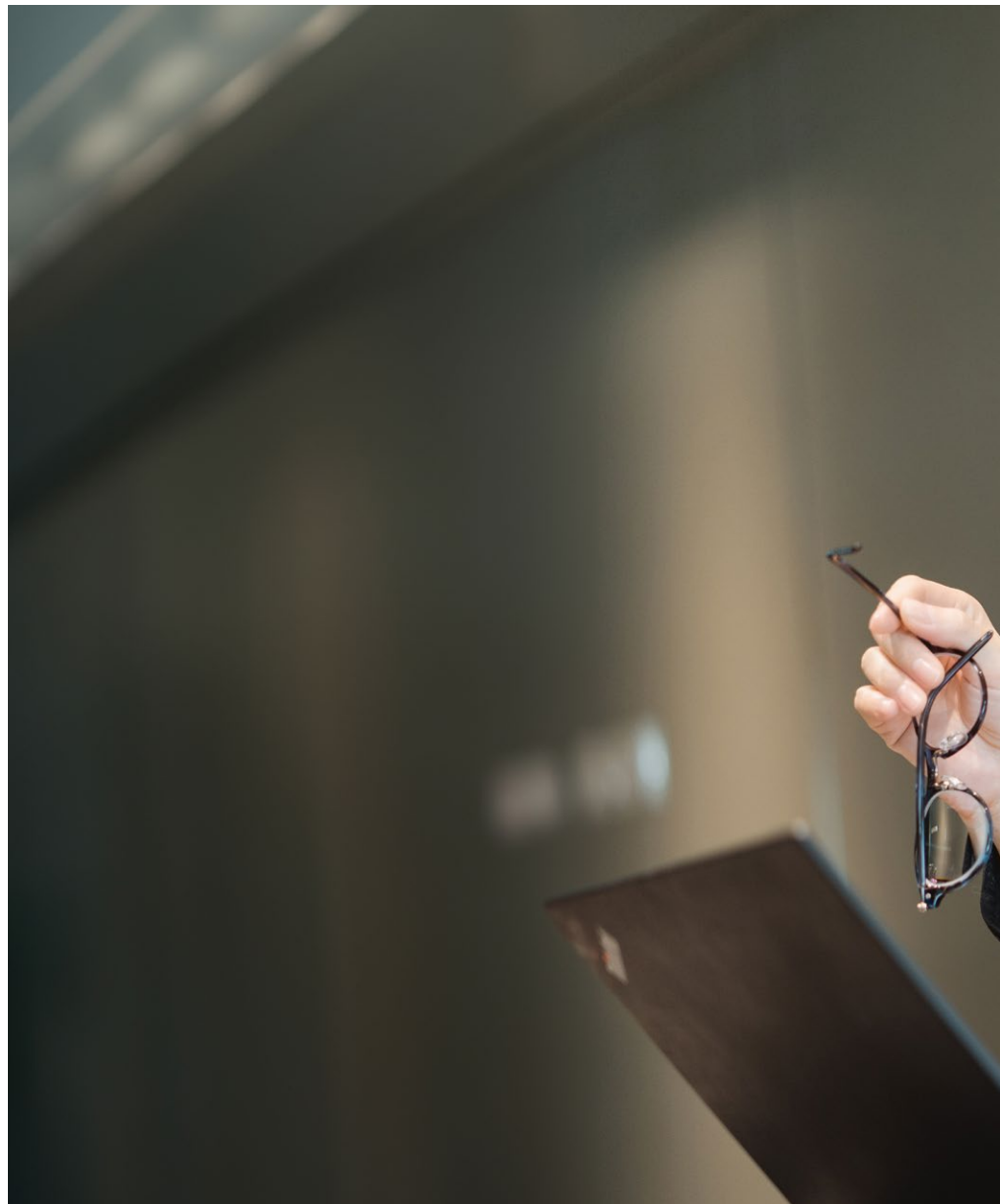
We have invested in internal capacity building through employee training and strengthening our resources.



We have carried out risk-based training and e-learning on compliance, including customised specialist training for high-risk offices.



We have implemented the recommendations raised by an external audit carried out last reporting year 2021/2022, which includes scaling up our training process and increasing the scope of our training.



Wei Yen Yip, Global Head of Compliance

### Supply chain responsibility

The international compliance landscape is constantly evolving, which entails that areas of focus are constantly changing. Companies like Bunker Holding who demonstrate responsibility and oversight in this area must stay up to date with these changes and continuously reassess, modify, and expand their risk assessments. This requires the implementation of comprehensive supply chain responsibility procedures.

Bunker Holding aims to promote a sustainable, inclusive, and compliant business conduct by addressing its supply chain responsibilities. As such, we have launched a new Global Business Partner Responsibility Conduct (GBPRC) that has the purpose of promoting, safeguarding, and assessing the effort that our business partners demonstrate in regard to conducting and managing responsible business conduct in accordance with internationally agreed principles for sustainable development.



Operating in all outskirts of the world, we acknowledge the broad diversity of our business partners and how different international and local laws and principles affect and apply to their businesses. We also acknowledge our own need for understanding how our business partners demonstrate and manage responsible business conduct. We want to move closer together and be responsible with our business partners.

### KEY DELIVERABLES 2023/24



We will continue our ongoing efforts to build internal capacity by training and further certifying our Compliance Officers.



Our focus will be on further strengthening a compliance culture in the organisation.



We aim to implement new gifts, meals, and entertainment procedures.



We aim to increase third-party sustainability through our Global Business Partner Responsibility Conduct (GBPRC) towards 2027/28.

# HANDLING AND REPORTING ON MISCONDUCT

We expect our employees, business partners, and any other person or entity that might deal with Bunker Holding to act with decency, integrity, and respect.

Promoting and safeguarding a compliant culture requires an organisation is equipped with the necessary knowledge of when and how to report any form of unethical behaviour. Corruption, sanctions breach, and other fraudulent behaviour is in direct violation of our corporate values and internal compliance policies. Equally so, unethical and unjust behaviour in the workplace such as racist, sexist, and homophobic behaviour is treated with equal importance.

## Voicing concerns

Communicating openly and sharing concerns with colleagues is key to ensuring a sound business culture, and such behaviour is guided and promoted by our Code of Conduct. We encourage our employees across the Group to speak up about suspected wrongdoing, and our escalation mechanisms are designed to help employees recognise potentially significant issues and take immediate and appropriate action. Concerns from internal employees and external stakeholders can always be directed to our whistleblower scheme,

and we treat all concerns with utmost confidentiality.

During 2022/2023, we have improved the visibility and accessibility of our reporting channels. An online whistleblowing submission form has been created to enable reports to be submitted via our Bunker Holding website or our intranet. In addition, procedures for reporting are clearly described in our Whistleblowing Policy. This is to ensure that reporting is made easy and accessible to all.

## Strengthened Whistleblower Policy

Previously, whistleblowing was addressed in our Code of Conduct, with communication channels provided via email or hard copy letter. Now, a standalone Whistleblowing Policy has been launched to address the importance of this topic. This policy explains what whistleblowing is and provides guidance on when and how to submit a report.

Building a robust culture of internal reporting is crucial towards protecting the business in the long run. Publication of the Whistleblowing Policy and submission form are the first steps in this process, with more training modules and awareness campaigns to follow.

## INTERNAL CAMPAIGN BOOSTS AWARENESS

**90%**  
ONLINE TRAINING  
COMPLETION RATE

**830**  
CAMPAIGN VIDEO  
VIEWS

**200**  
EMPLOYEES IN  
CUSTOMISED TRAINING

## KEY ACHIEVEMENTS 2022/23



We have launched a new Whistleblower Policy.



We have implemented a separate whistleblower reporting opportunity to make reporting easier.



We have initiated regular awareness campaigns on our Group intranet, and other relevant platforms, to raise the level of awareness of topics related to reporting on misconduct.



We have carried out training for all our offices on our new Whistleblower Policy.

## KEY DELIVERABLES 2023/24



We will continuously carry out whistleblowing awareness initiatives.



We will provide further training of our senior management.

# RESPONSIBLE TAX POLICY

The maritime industry has historically been subject to special tax regimes due to the difficulties of applying country-based taxes on income from ocean-going vessels. Bunker Holding is currently subject to increasing compliance and reporting requirements related to dynamics in global and indirect tax legislation. To meet these, we maintain our focus on timely, accurate, and complete reporting to relevant authorities. We are actively monitoring developments to ensure that we are aware and have the capability to adapt our tax setup where needed.

We acknowledge full responsibility of our corporate tax practices and the impact of our contributions to the local economies where we do business.

We are committed to acting with integrity in all tax matters, complying with good practice, and paying taxes as required by law in local jurisdictions. When we implement changes to our corporate setup, we always do so in alignment with this ambition, and we adopt our tax positions based on solid economic and business reasons avoiding abusive tax planning schemes or practices.

Our main tax contributions come from direct taxes in the form of corporate taxes. We make use of external service providers to ensure that we file our direct taxes in accordance with local requirements. We pay our taxes where the value is created within our normal course of commercial activity, and our tax principles are extended to our suppliers and customers. This means that we will not engage in arrangements where the sole purpose is to create tax benefits that are in excess with what is reasonably understood to be intended by relevant tax legislation.

We aim to provide tax transparency, both inside and outside of the organisation, and we provide relevant stakeholders with information about our approach to tax and taxes paid. We also work with tax authorities with a cooperative compliance approach where we provide them with relevant information and business understanding whenever they require this.

## Our progress

A significant part of our activities consists of back-to-back trading where we hold no physical position, which creates a demand for increased monitoring of daily business to minimise the risk of non-compliance in jurisdictions, where we are not physically present. We are therefore taking action to ensure that we meet our commitments.

We have recently expanded our internal tax resources to facilitate our responsible corporate tax practices even further. The Group operates globally which requires both digital resources and increased workforce to secure a sustainable compliance environment. Our digital resources include overviews of our tax contribution and effective tax rates over the year. Additionally, we have implemented a system for compliance and filing of direct and indirect taxes.

In the reporting period 2023/2024, we will continue to monitor changes to tax regulations, including carbon taxes, so we can proactively anticipate and report on upcoming tax obligations and ensure our continued contribution to society.

## KEY ACHIEVEMENTS 2022/23



The Bunker Holding Tax Policy has been updated, reviewed, and approved by the Board of Directors and uploaded to our website.

## KEY DELIVERABLES 2023/24



We will keep ongoing monitoring of changes to tax regulations, including carbon taxes, to proactively anticipate upcoming tax obligations.



We will maintain public disclosure of the tax we pay via country-by-country reporting, supporting our global tax transparency.



We will further align our tax principles with our business strategy Fuelling the Future.



# CYBER SECURITY

At Bunker Holding, our aim is to continuously execute and improve a proactive companywide information and cyber security program based on our strategic business objectives.

We have a well-established cyber security department, led by our Head of Cyber Security, who is the competent authority for information security within the company.

We continuously invest in cybersecurity, setting both short-term and long-term goals to ensure that we can continue to operate our business in a protected manner while staying connected to our clients.

## Our comprehensive approach towards a robust cyber security program

Information security risk assessments are an integral part of our structured approach to risk management. These assessments help identify high-priority business processes and ensure that the proper controls are implemented to reduce risks to acceptable levels. Our approach to risk assessment includes identifying threats, along with their likelihood and impact on the organisation. Preventive, detective, and corrective controls are identified and implemented as needed.

The Head of Cyber Security at Bunker Holding leads the risk management efforts, conducting assessments in consultation with data owners and relevant external advisors. Risks above a defined level are reported to the Executive Board in a structured way. Furthermore, the Executive Board is immediately informed of significant

deviations in the current threat situation and its impact in relation to the focus areas and controls.

This comprehensive approach ensures that our cyber security work is focused and aligned with the organisation's overall goals, maintaining a robust defence against potential threats.

Our employees are an important line of defense, so we invest heavily in

training our employees to protect our systems and networks against cyber attackers. All employees must undergo security training and assessment upon joining. In addition, they are given an average of 10 minutes of awareness training every month. We conducted 12 cyber awareness training courses in the financial year 2022/2023. We have also introduced cyber security awareness training for specifically targeted employees, and implemented phishing simulation tests where e-mails are sent to employees monthly. In the financial year 2022/2023, we conducted 12 phishing simulation tests. In addition, pen testing is performed by a selected and qualified service provider a minimum of once a year, and it is our aim to conduct a cyber awareness training session every month.

Our internal policies and procedures are aligned with the NIST Cybersecurity Framework (NIST CSF) and the Center for Internet Security's CIS Controls Version 8 (CIS v8). These frameworks guide our efforts to maintain a high level of security that aligns with recognised industry best practices. We are committed to continuously evaluating our security landscape and considering future certification opportunities that may support our overall business objectives and risk management strategy.

## Our ongoing commitment to excellence

As part of our ongoing commitment to excellence and adherence to recognised industry best practices, Bunker Holding has engaged PwC in an annual finance audit of our

### KEY ACHIEVEMENTS 2022/23



Over 90% of our employee base has undergone cyber awareness training and phishing simulation tests, equivalent to 2,097 hours of awareness training.



Additional resources have been added to the cyber security team, which has led to a doubling of manpower dedicated to strengthening our cyber security program.

critical finance business systems, ensuring robust evaluation and alignment with our proactive companywide information and cyber security program.

### Cyber Security Policy

We adhere to a comprehensive Information and Cyber Security Policy that sets the framework for all our cyber security efforts, reflecting our commitment to best practices and robust protection; this policy has been thoroughly reviewed and approved by our senior management.

### Safeguarding data

In Bunker Holding, we process a great amount of data relying on digital solutions to serve our business partners. In doing so, we are aware of how the rising cyber threat may impact our business and those stakeholders that entrust their data with us every day. Having a robust data governance is a prerequisite for this trust.

The privacy of our employees, customers, suppliers, and other business partners is of crucial importance to Bunker Holding. All personal data is gathered legally with respect to the rights of the data owners, protected from misuse, and handled in accordance with data protection legislation.

#### KEY DELIVERABLES 2023/24



We will continue to execute and improve a proactive companywide information and cyber security program.



We will continuously evaluate our security landscape and consider future certification opportunities.



We will conduct 12 cyber awareness trainings and 12 phishing simulation tests annually.



**WE'RE ALWAYS WORKING TO STAY ONE STEP AHEAD OF CYBER THREATS. OUR GOAL IS TO KEEP OUR BUSINESS SAFE, STAY CONNECTED WITH OUR CUSTOMERS, AND BE READY FOR WHATEVER COMES NEXT**

Kristian Brødøes Gowda  
Head of Cyber Security

### Prioritising Awareness

Over the past year, we have made significant strides in raising awareness and implementing measures to ensure the responsible handling of personal data.

One of the key initiatives was the implementation of an innovative Christmas Advent Calendar enabling our employees to actively participate and learn through practical examples and quizzes that served as a platform for comprehensive awareness training. Throughout December 2022, the calendar covered various topics essential to data security and data privacy.

### Handling data safely

Our appointed GDPR Ambassadors have played a pivotal role in reinforcing our commitment to data protection and compliance. Through regular touchpoints, we have made significant progress in key areas, including data mapping, documentation, and technical security measures, and completed a

comprehensive data mapping exercise which has provided an even deeper understanding of the data we handle, its sources, and how it should be managed to ensure compliance with privacy regulations.

To enhance our data management practices, we have implemented a new documentation system for processing activities. Working closely with the GDPR Ambassadors, we are establishing a robust framework for recording and monitoring our data processing activities.

Moving forward, we will continue to collaborate with employees, stakeholders, and industry experts to stay at the forefront of the practices, changes, and new legislation. Our efforts will remain focused on further enhancing awareness, implementing robust data protection measures, and upholding our data protection framework in practice.

# TRANSPARENCY AND REPORTING OF PERFORMANCE

At Bunker Holding, our reporting has the purpose of ensuring transparency. As such, we want to ensure timely and relevant reporting across all types of reporting and based on strong processes and systems ensuring high quality and accuracy. This implies that data published by Bunker Holding is clear, provides good business understanding, and can be used as a basis for decision-making.

We have a long history of providing accurate and high-quality financial reporting. We operate with a single financial reporting system covering all our global activities. Our system provides the required degree of traceability and insights as needed by our auditors.

## Our progress

### Improving data and systems

Over the past year, our efforts have been directed towards upgrading our current consolidation system; An upgrade needed to also enable the integration of a new ESG module and aiming to centralise all financial and non-financial data in one unified platform. The module allows us to collect, structure, and report ESG data in the same high quality as our financial data with a digital audit trail. It allows for internal management reporting and continuous monitoring as well as the possibility to dive into the underlying data.

In producing our second ESG report, we encountered a valuable chance to conduct numerical comparisons for the first time. This prompted

a review of figures from the initial reporting year, during which errors were identified. The task of reporting non-financial data is complex and relatively novel, presenting numerous avenues for enhancement to guarantee elevated quality and precision. Although challenges persist, our journey of data refinement remains ongoing.

For instance, we have standardised and now use the same templates to gather consumption and activity data within Scope 1 and 2. This standardisation aims to minimise the need for manual intervention, thereby promoting increased automation and overall efficiency, particularly due to the consistent format in which the data is filled in and received.

Furthermore, we have quantified emissions related to business travel using activity-based data instead of spend-based data. Although this placed a substantial workload on our finance managers, the outcome has been more accurate data pinpointing the most significant emitters and guiding us on where to concentrate our efforts.

### Preparing for a new paradigm for ESG reporting

The coming year, our focus will be on preparing for compliance with the Corporate Social Responsibility Directive (CSRD) and to ensuring alignment with the European Sustainability Reporting Standards (ESRS). Our key objective is to reassess our double materiality assessment and perform a thorough gap analysis to start identifying additional data

points that need to be obtained and reported.

The forthcoming CSRD represents a substantial expansion in the extent of ESG reporting obligations for Bunker Holding. It establishes mandates for the governance and presentation of ESG performance and data management practices. Moreover, the CSRD necessitates third-party assurance. Our dedication remains unwavering as we continue to work diligently to meet the reporting requirements. We recognise that while identifying additional data points is one aspect, the challenge lies in locating these points within the organisation and supply chain, and seamlessly integrating them into an ongoing, efficient reporting process and framework. This undertaking is likely to impact multiple facets and functions within our organisation.

## KEY ACHIEVEMENTS 2022/23



We completed our first bi-annual ESG reporting and will maintain this frequency.



We have upgraded IT systems to enable more accurate collection, systematisation, documentation, and reporting on non-financial data points.



We have taken the first steps to prepare for compliance with the Corporate Social Responsibility Directive (CSRD) and ensure alignment with the European Sustainability Reporting Standards (ESRS).

## KEY DELIVERABLES 2023/24



Our focus area for the coming year is to complete an analysis that identifies how our current ESG data setup meets the future CSRD reporting requirements and ESRS, to ensure we are well-prepared for the new future standards within this area.



We will continue integrating our ESG reporting with our financial reporting systems with the aim of having one singular reporting framework that captures all financial and non-financial data.





# ACCOUNTING PRINCIPLES

The following accounting practice lays the foundation for the figures presented in this report. The report covers Bunker Holding's financial year from 1 May 2022 to 30 April 2023. The performance figures include consolidated data from the parent company, Bunker Holding A/S, and subsidiaries controlled by Bunker Holding A/S.

The choice of reporting principles and disclosures have been informed by established reporting standards and frameworks, but this report is not fully aligned with any specific framework. The overall reasoning is to ensure that this report provides as full a picture of our business as possible, while still following good practice. The reporting standards and guidance for Bunker Holding's industry is still evolving, so future reporting is expected to be more fully aligned with standards going forward.

## ENVIRONMENTAL PERFORMANCE

### I. CARBON ACCOUNTS

Bunker Holding's carbon accounts have been set up based on the standards as set out by the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol covers the accounting and reporting of seven greenhouse gases that are covered by the Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>). All GHG emissions are reported in metric tonnes of CO<sub>2</sub> equivalents (CO<sub>2</sub>e).

The following section describes the applied accounting principles for each of the categories within Bunker Holding's carbon accounts.

#### Stationary combustion (Scope 1)

GHG emissions related to the combustion of marine gas oil (MGO), natural gas, and petrol used for the heating at terminals. The GHG emissions are calculated based on the annual consumption of these fuels and the

most recent emission factor published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA) for natural gas and petrol, and the most recent emission factor published by the International Maritime Organisation (IMO) for MGO.

#### Fuel combustion by company cars (Scope 1)

GHG emissions related to the combustion of petrol and diesel used in company cars owned or controlled by the Group. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

#### Vessels (Scope 1)

GHG emissions related to combustion of heavy fuel oil (HF), very low sulphur fuel oil (VLSFO), marine gas oil (MGO) and diesel used in all vessels chartered for longer than three months by BHG as part of the Bunker One fleet. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA) for diesel, the most recent emission factor published by the International Maritime Organisation (IMO) for HFO and MGO, or the most recent emission factor published by the International Council on Clean Transportation (ICCT) for VLSFO.

#### Purchased electricity (Scope 2) (location-based approach)

GHG emissions related to purchased electricity at all offices, calculated using the location-based approach. The GHG emissions are calculated based on the annual electricity consumption and the respective country's average grid GHG emission factor published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA), United States Environmental Protection Agency (EPA), or the International Energy Agency (IEA).

A few office locations are shared with various entities and at these locations, the electricity consumption at that office location is distributed among the various entities based on the number of FTEs per entity.

#### Purchased electricity (Scope 2) (market-based approach)

GHG emissions related to purchased electricity at all offices, calculated using the market-based approach. The GHG emissions are calculated based on the annual electricity consumption and the respective country's average grid GHG emission factor published by the Association of Issuing Bodies (AIB, European Residual Mix), United States Environmental Protection Agency (EPA), UK Government Department for Environment, Food & Rural Affairs (DEFRA), the International Energy Agency (IEA), or the local electricity supplier.

#### Purchased heating (Scope 2)

GHG emissions related to purchased district heating at all offices. The GHG emissions are calculated based on the annual heating consumption and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA).

#### Purchased cooling (Scope 2)

GHG emissions related to purchased district cooling at all offices. The GHG emissions are calculated based on the annual heating consumption and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA).

#### Purchased Goods and Services (Scope 3, category 1)

The upstream GHG emissions related to purchased goods and services by all BHG entities, including the purchased fuel products resold to customers, as well as purchased electricity and heating at locations where its consumption is not directly paid for.

The GHG emissions are calculated based on the spend data on different goods and services categories and product category emission factors published by the World Input-Output Database (WIOD).

For the fuel products specifically, the GHG emissions are calculated based on the quantities of externally traded and external cargo fuels and the fuel-specific upstream emission factors published by the International Council on Clean Transportation (ICCT).

For the purchased electricity and heating, the GHG emissions are calculated based on the surface area

(for offices) or the quantity of fuel handled (for terminals) and the lifecycle emission factors published by the International Energy Agency (IEA) for electricity and the lifecycle emission factors published by the International Maritime Organization (IMO) and the International Council on Clean Transportation (ICCT).

#### **Purchased Capital Goods (Scope 3, category 2)**

The upstream GHG emissions related to purchased capital goods by all applicable entities. The GHG emissions are calculated based on the spend data on different capital goods categories and product category emission factors published by the World Input-Output Database (WIOD).

#### **Fuel and Energy-related activities (Scope 3, category 3)**

The upstream GHG emissions related to purchased fuels and energy by all applicable entities. This includes all fuels covered in Scope 1 and all energy (electricity, heating, and cooling) reported in Scope 2. The GHG emissions are calculated based on the consumption data on the different types of fuel and energy and the respective upstream emission factors published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA), the International Energy Agency (IEA), and International Council on Clean Transport (ICCT).

#### **Upstream Transportation and Distribution (Scope 3, category 4)**

The lifecycle GHG emissions related to the transportation and distribution of purchased products from tier-one suppliers in vehicles not owned or operated by Bunker Holding Group, as well as third-party transportation and distribution services purchased by the Group.

This includes all third-party, non-controlled sourcing and supply logistics in vessels, barges, trains, and trucks. Furthermore, electricity and heating consumption at terminals not directly paid for by the Group are included as well.

#### **Business Travel (Scope 3, category 6)**

The GHG emissions are calculated based on the different types of business travels km / passenger km. The GHG emissions are calculated based on the kms travelled, passenger.km, or number of hotel nights and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

#### **Upstream Leased Assets (Scope 3, category 8)**

GHG emissions related to the combustion of heavy fuel oil (HFO), very low sulphur fuel oil (VLSFO), marine gas oil (MGO) and diesel used in spot charter, short term charter and single voyager vessels. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA) for diesel, or the most recent emission factor published by the International Maritime Organisation (IMO) and International Council on Clean Transport (ICCT) for HFO, VLSFO and MGO.

#### **Downstream Transportation and Distribution (Scope 3, category 9)**

The lifecycle GHG emissions related to the transportation and distribution of sold products to customers in transport vehicles not owned or operated by BHG. This includes all third-party delivery logistics in the trading operations as well as in the physical operations of products after the point of sale.

The GHG emissions are calculated based on activity data on quantities of fuel transported and distance travelled per mode of transport, to calculate a t-km value, which is multiplied by the respective lifecycle emission factor published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA). Where it is not possible to calculate a t-km value, an estimate of the fuel consumption of the vessel is made based on the quantity of fuel delivered.

#### **Use of Sold Products (Scope 3, category 11)**

GHG emissions related to the combustion of fuel products sold by Bunker Holding Group, including heavy fuel oil (HFO), low sulphur fuel oil (LSFO) and marine gas oil (MGO). The GHG emissions are calculated based on the annual quantities of sold fuels and the most recent emission factor published by the International Maritime Organisation (IMO) for HFO and MGO. For LSFO, the most recent emission factor for VLSFO as published by the International Council on Clean Transportation (ICCT) is applied.

## **2. RENEWABLE ENERGY CONSUMPTION**

The percentage of total electricity consumption that is covered by renewable energy certificates.

## **3. OIL SPILLS**

The number of oil spills recorded at operated tanks, terminals, trucks, and time-chartered vessels.

# **SOCIAL PERFORMANCE**

## **4. GENDER COMPOSITION**

The proportion of women in a given cohort calculated by headcount.

## **5. EMPLOYEE ENGAGEMENT SCORE**

Average score in Bunker Holding's annual employee engagement score, as scored on a scale from 1 to 10.

## **6. EMPLOYEE ENGAGEMENT SURVEY PARTICIPATION RATE**

The number of employees having completed the annual employee engagement survey as a share of the total number of employees.

## **7. PERSONAL DEVELOPMENT REVIEW COMPLETION RATE**

The number of employees having fully completed the annual Personal Development Review process as a share of the total number of employees. The figure does not include partially completed processes.

# **GOVERNANCE PERFORMANCE**

## **8. EFFECTIVE TAX RATE**

The effective tax rate calculated as total tax as a share of Earnings before tax (EBT). See the annual report for further information.

## **9. COMPLIANCE PERFORMANCE METRICS**

Several performance metrics are provided and described in relation to the compliance topic. All figures are extracted directly from our compliance systems.

# STATEMENT BY THE MANAGEMENT REGARDING THE FY 2021/2022 GREENHOUSE GAS INVENTORY

Management has today considered and approved the Greenhouse Gas Inventory FY 2022/2023.

The Greenhouse Gas Inventory FY 2022/2023 has been prepared in accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (revised edition). The Greenhouse Gas Statement comprises the Scope 1-3 emissions inventory of Bunker Holding A/S and its subsidiaries, as defined in the Management's Accounting Principles for its Greenhouse Gas Inventory.

In my opinion, the Greenhouse Gas Inventory FY 2022/2023 is in accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (revised edition) and Management's Accounting Principles for its Greenhouse Gas Inventory, and is free from material misstatement and omissions, whether due to fraud or error, including the accuracy and completeness of the data, sources and assumptions used.

Middelfart, 11 September 2023

On behalf of Management



**Michael Krabbe**  
Group CFO

# INDEPENDENT AUDITOR'S COMPILATION STATEMENT

We have compiled the Greenhouse Gas Inventory of Bunker Holding A/S for FY 2022/2023, based on the information we have received from Management.

The Greenhouse Gas Inventory comprises the Scope 1-3 emissions inventory of Bunker Holding A/S, and its subsidiaries as defined in the Management's Accounting Principles for its Greenhouse Gas Inventory. The Accounting Principles and summary of results are found in the Appendix of this Compilation Statement.

We performed this work in accordance with ISRS 4410 Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of the Greenhouse Gas Inventory in accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (revised edition).

We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

The Greenhouse Gas Inventory and the accuracy and completeness of the assumptions used to prepare the statement are the sole responsibility of Management.

Since a Compilation Engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile this Greenhouse Gas Inventory. Accordingly, we do not express an audit opinion or a review conclusion about the Greenhouse Gas Statement.

Copenhagen, 11 September 2023

Deloitte Statsautoriseret Revisionspartnerselskab  
Business Registration No. 33 96 35 56



**Thomas Rosquist Andersen**

State-Authorised Public Accountant  
Identification No (MNE) mne31482



**Helena Barton**

Partner



**Bunker Holding A/S**

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CVR No: 75 26 63 16  
Financial year: 1 May – 30 April  
Municipality of reg. office: Middelfart, Denmark