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## Responsible Ship Recycling Policy

NORDEN is committed to conducting business in a legal, ethical and socially responsible manner. NORDEN's business model involves operating a modern fleet, and selling and redelivering vessels long before end-of-life. Should the Company face situations where recycling of a vessel is relevant, the following standards are applicable.

### Overall approach

NORDEN endorses Danish Shipping's Policy paper on Ship Recycling and supports the ratification of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships ("the Hong Kong Convention"), the EU Ship Recycling Regulation ("SRR") and the European Union's Basel Convention, which bans export of hazardous waste from OECD countries to non-OECD countries. NORDEN is also a founding member of the Ship Recycling Transparency Initiative (SRTI).

Safe working conditions and environmental protection are key priorities in NORDEN's operations. NORDEN will act in accordance with the SRR in relation to all European flagged vessels, and the Basel and Hong Kong Conventions for all other vessels to prevent and minimise risk and potential harm to people and the environment caused by ship recycling operations.

NORDEN is committed to respecting the OECD Guidelines for Multinational Enterprises, UN Global Compact and UN Guiding Principles for Business and Human Rights.

### Criteria for recycling of own vessels

In case a NORDEN-owned vessel is to be recycled, NORDEN will select a vetted recycling facility based on thorough reviews and inspections. The facility must hold a statement of compliance in accordance with the Hong Kong Convention and be able to present a statement of compliance with all applicable environmental and social regulations awarded by a competent and independent party.

In areas of environment and health and safety issues, NORDEN's standards must as a minimum comply with the Hong Kong Convention. By committing to the international guidelines set out in the OECD Guidelines for Multinational Enterprises, UN Global Compact and UN Guiding Principles for Business and Human Rights, as well as actively participating in the Maritime Anti-Corruption Network, NORDEN also has high standards in areas of anti-corruption, subcontractor conditions as well as labour and human rights.

NORDEN will arrange to monitor the recycling process, and NORDEN's whistleblower scheme provides safe access for internal and external parties to report existing or potential violations of laws and regulations, NORDEN policies and guidelines, or other serious irregularities.

### Criteria for sale of vessels

In cases where the proposed sales price of a vessel is less than 25% above highest scrap value, a clause must be applied to the contract specifying responsible recycling practices.

The clause must specify that if the buyer wishes to recycle the vessel, this must be done responsibly at a facility in accordance with the Hong Kong Convention.

Furthermore, the clause must specify that the buyer is required to include the same contract clause with its buyer, if the vessel is resold within 6 months from the date of purchase.

The same principles apply for vessels in J/V where NORDEN's ownership is at least 50%.

NORDEN provides an Inventory of Hazardous Materials as well as other relevant documentation to the buyer of such vessels to ensure responsible recycling and compliance with the regulations of the Hong Kong Convention.

NORDEN will monitor the vessel location for 6 months and reserve the right to take legal actions.

### **Criteria for redelivery of chartered vessel**

In certain cases, special considerations must be made, including but not limited to, assessment of vessel value and likelihood of continued operation of the vessel. From the adoption of this policy, a clause will be included in all long-term charters of vessels on charter to NORDEN for more than 5 consecutive years where, upon redelivery to the owners, the vessel is more than 20 years old.

In these cases, NORDEN's clause states that, at the time of redelivery, if the value of the redelivered chartered vessel is estimated to be less than 25% above highest scrap value, and the owner wishes to recycle the vessel within 6 months from redelivery, this must be done at a facility in accordance with the Hong Kong Convention, verified by presenting a statement of compliance with all applicable environmental and social regulations awarded by a competent and independent party. NORDEN will monitor the vessel location for 6 months and reserve the right to take legal actions.

### **Policy review**

This policy is subject to review at least every second year by NORDEN's CSR Executive Body and Executive Management. Next review is planned for December 2020.

*Last review: November 2018*