

LINKING CSR TO THE BOTTOM LINE

Shipping & Offshore CSR
Forum

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NORDEN AT A GLANCE



Dry cargo
- 80% of revenue



Capesize



Post-Panamax



Panamax



Handymax



Handysize

Tanker
- 20% of revenue



MR



Handysize



- ▶ Founded and listed in 1871 – headquartered in Hellerup, global network of offices, in total 1,084 employees on shore and at sea
- ▶ Majority of business in markets with GDP growth rates close to 10%
- ▶ NORDEN operates in total 147 dry cargo vessels and 40 tanker vessels
- ▶ One of the most modern fleets in our industry
- ▶ Pools in dry cargo (Handysize & Post-Panamax) and tankers (MR & Handysize)
- ▶ Within the last ten years: Operated fleet tripled, equity increased twenty fold

A SYSTEMATIC APPROACH

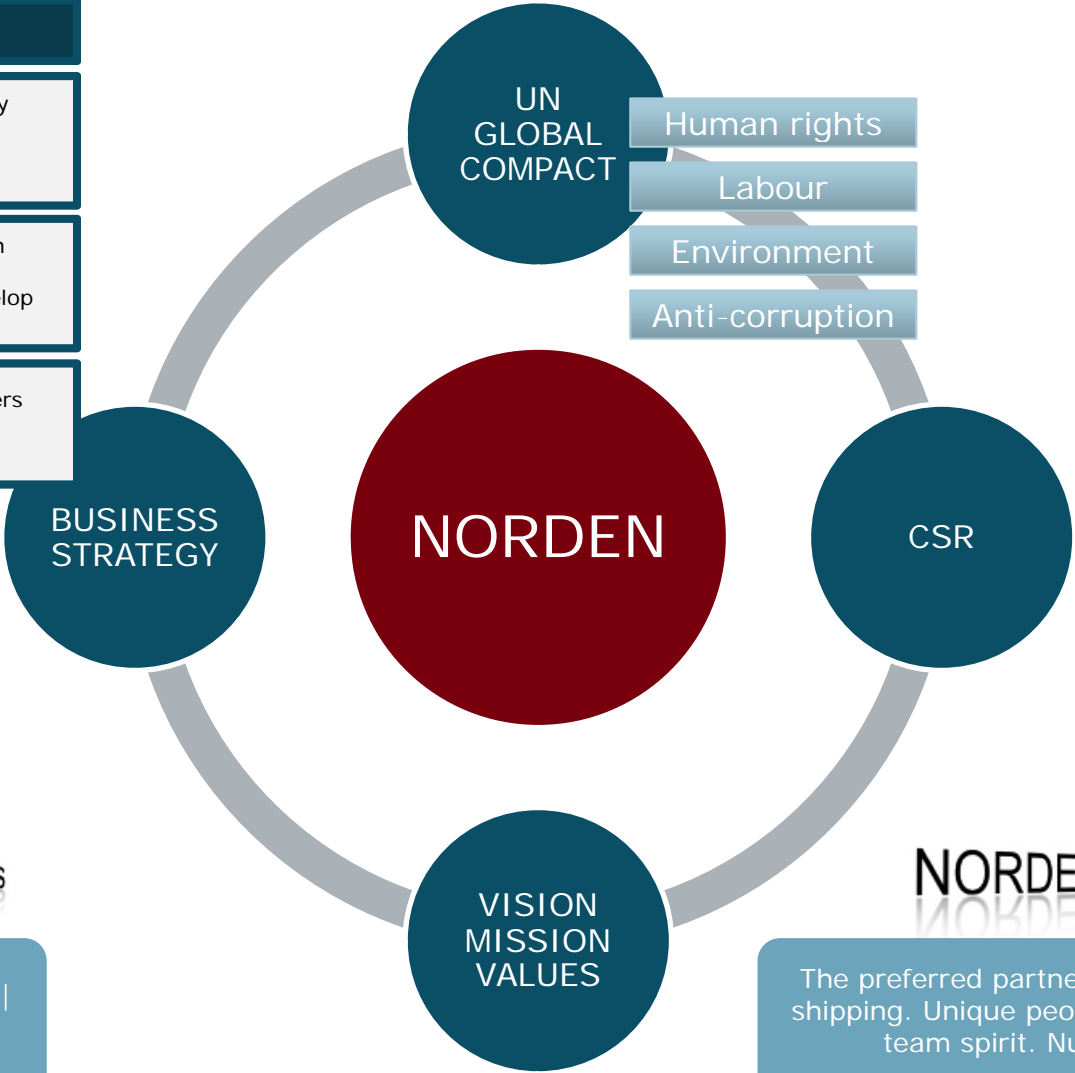


CORE TARGETS OF STRATEGY

- ▶ Grow Dry Cargo volumes and book by 15% p.a.
- ▶ Critical mass in Tankers: 25+ owned vessels

- ▶ Considered preferred employer within shipping community globally
- ▶ The ability to attract, retain and develop talent

- ▶ Beat peers' total return to shareholders
- ▶ Additional value creation from new business



NORDEN's values

Flexibility | Reliability | Empathy | Ambition

NORDEN's vision

The preferred partner in global tramp shipping. Unique people. Open minded team spirit. Number one.

WHY CSR? OUR OVERALL MOTIVATION



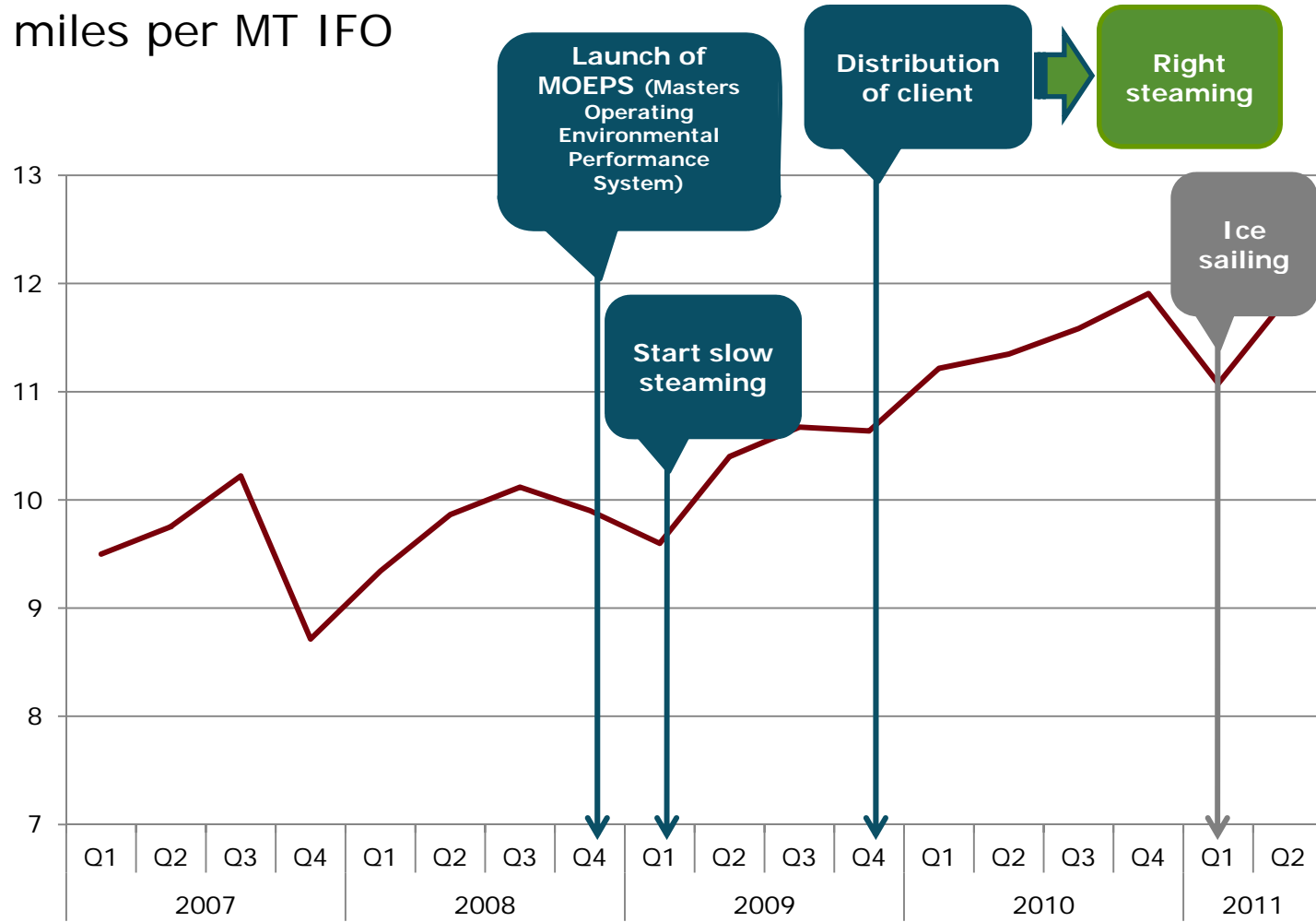
- ▶ We simply think it is good business:
 - ▶ We can save *Money* on fuel
 - ▶ We sharpen our technical *Skills* and thereby eliminate dangers and manage our *Risks* better
 - ▶ We see a match with – and get an extra chance to practice – our *Vision, Mission & Values* and thereby differentiate our *Product offering*
 - ▶ On top of that:
 - ▶ We are – hopefully – perceived a reliable Corporate Citizen
 - ▶ We attract Better People



WE CAN SAVE *MONEY* ON FUEL



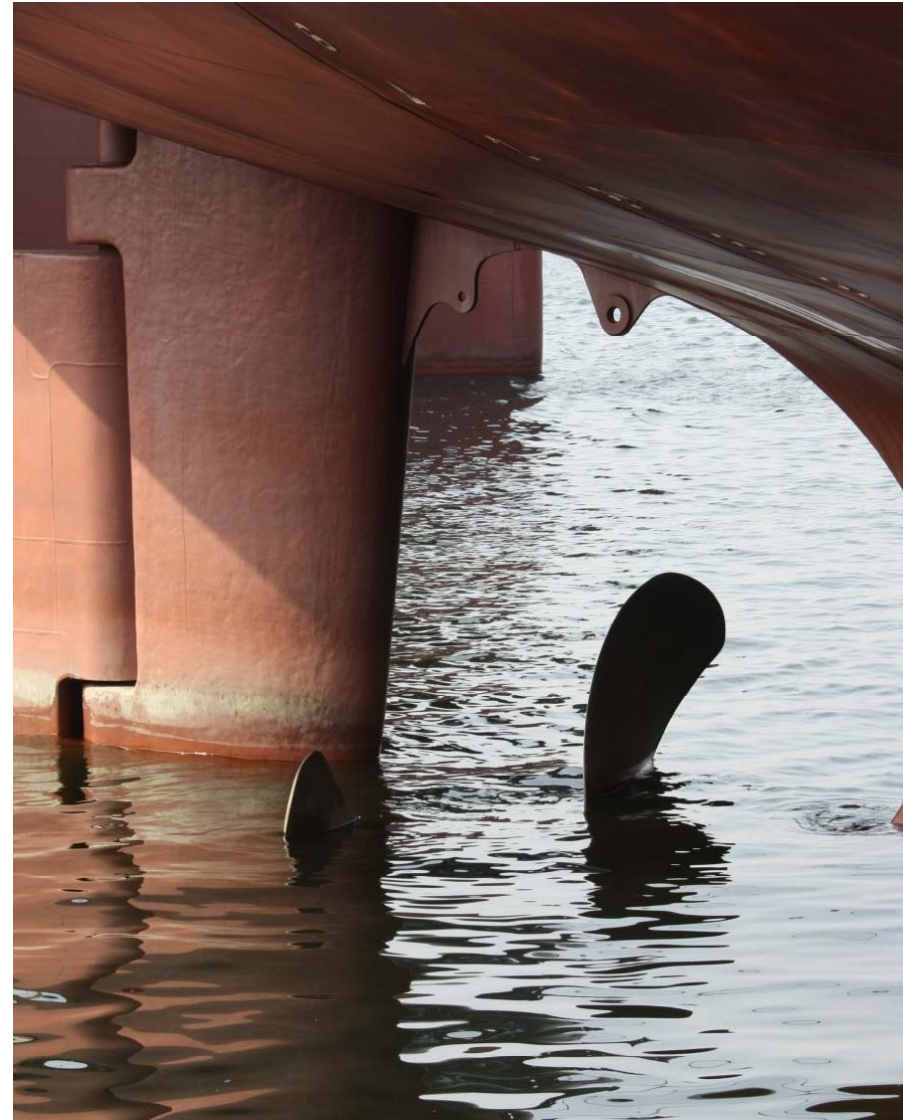
Sailed miles per MT IFO



SHARPEN OUR TECHNICAL SKILLS...



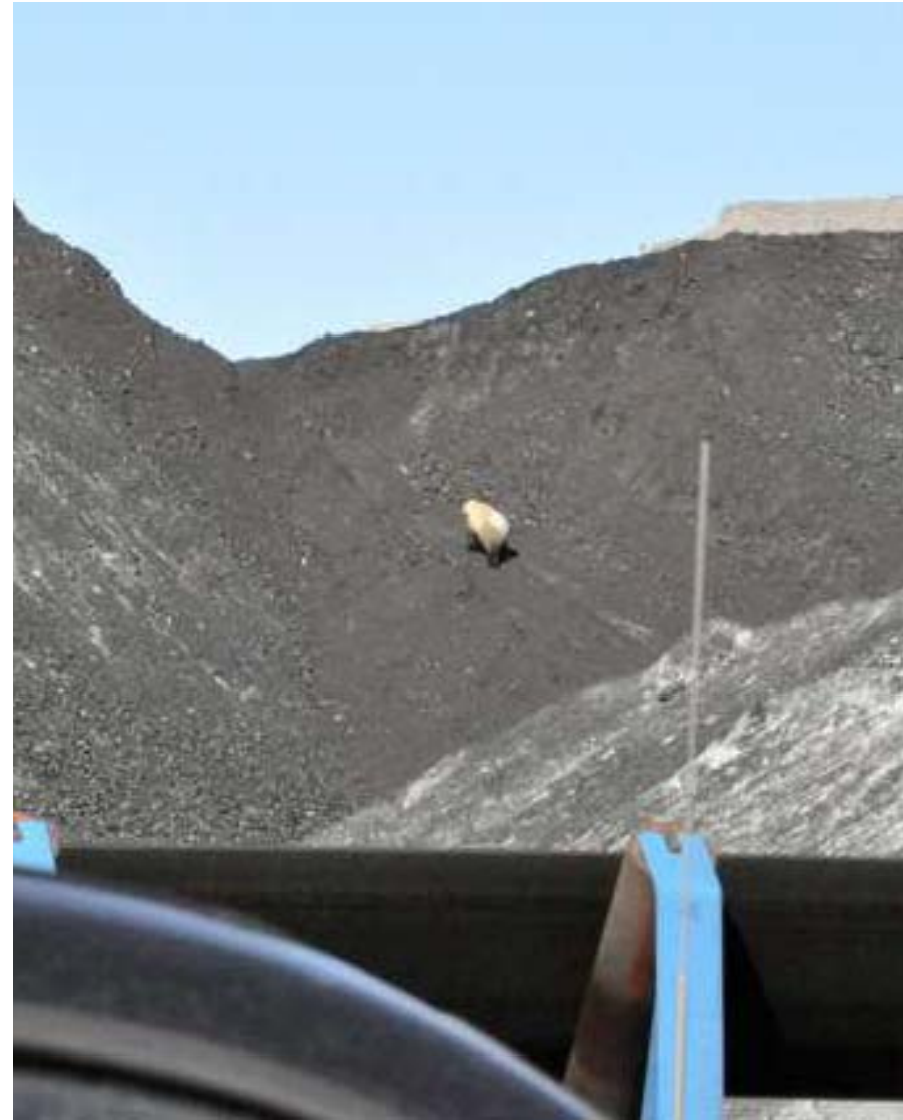
- ▶ Optimisation on existing fleet
 - ▶ Nord Neptune, change of T/C to VTA model in order to "slow steam"
- ▶ New buildings – Eco vessels
 - ▶ Handysize vessels
 - ▶ Larger main engine & propeller
 - ▶ Reduction 11%
- ▶ Action plan
 - ▶ Slide Valves, Propeller Cleaning, etc...
 - ▶ 2010 Fuel oil savings 6,2 %
- ▶ Ready to meet demands when tanker vetting is expanded to include dry cargo vessels.



CSR MATCHES VISION, MISSION & VALUES



- ▶ Seem soft, but is cool business
- ▶ Price parameter often to be supplemented by CSR parameters
 - ▶ Environment – fuel consumption & emission reduction
 - ▶ Business ethics – transparency, reliability etc.
 - ▶ Human rights, labour etc.
- ▶ E.g. coal contract on Svalbard:
 - ▶ During the selection process Store Norske in particular had focus on
 - ▶ Cost competitive
 - ▶ Environmental aspects
 - ▶ Company's CSR politics
 - ▶ Environmental aspects for the transport



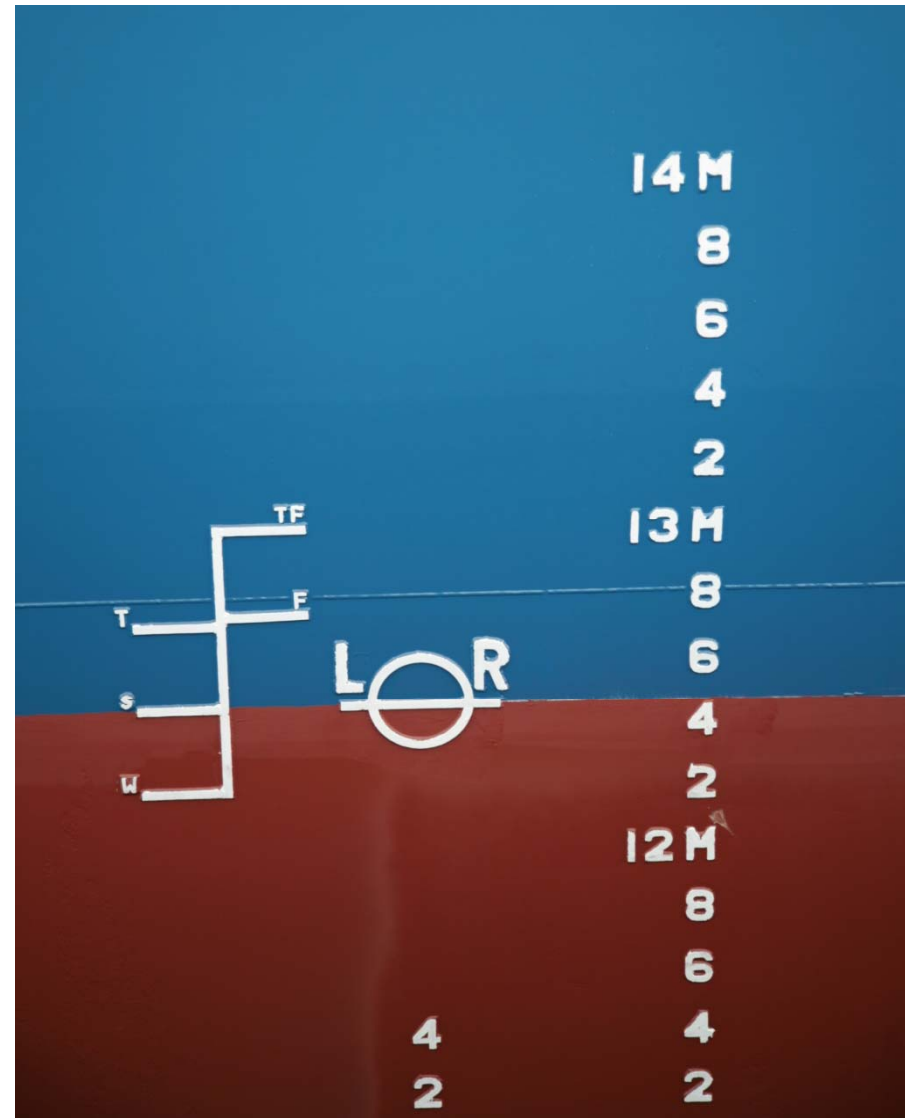
THE GOLDEN RULES OF CSR

To add value to the bottomline all CSR initiatives must be:

- ▶ TANGIBLE
 - ▶ If not tangible, little/no content

- ▶ POSSIBLE TO COMMUNICATE
 - ▶ If it cannot be communicated, no buy in from the organisation

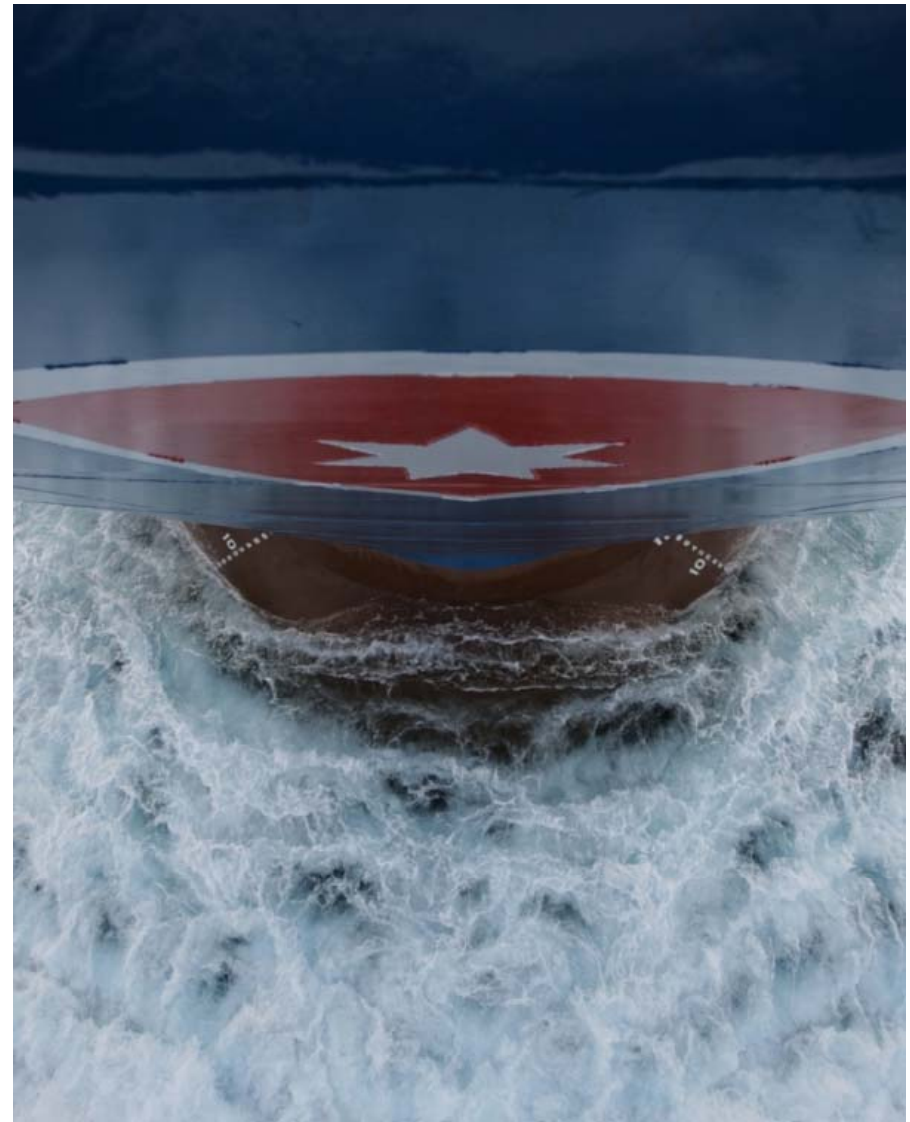
- ▶ MEASURABLE
 - ▶ If not measurable, impact on bottomline diffuse



THE NORDEN SUMMARY



"We know that we are not world champions, but we are on our way and we are moving in the right direction"





THANK YOU FOR YOUR ATTENTION
QUESTIONS ?

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