

## Managing our environmental impact

As an enabler of global trade, we work closely with our clients to lead and facilitate positive environmental change in shipping. As a business, we are also committed to monitoring and minimising our carbon footprint.

### 2021 environmental performance summary

As a consequence of the COVID-19 pandemic and the advised restricted travel conditions, Clarkson's total greenhouse gas ('GHG') emissions are substantially lower than in 2019, as they were in 2020. Overall, on a location basis, our emissions were 3,014 tCO<sub>2</sub>e, which is down 68% on 2019 and slightly lower than 2020 (10%). Calculated on a market basis, our emissions were 2,952 tCO<sub>2</sub>e. With regards to our carbon emissions intensity, we averaged 1.8 tCO<sub>2</sub>e per employee (1.4 tCO<sub>2</sub>e per employee for scope 1 and scope 2 emissions only) in 2021.

Recognising our commitment to sustainability (covering both environmental and social aspects), we were awarded a silver medal by Ecovadis in 2021, which puts us in the top 15% of our industry for embedding sustainability across our business.

### Our carbon footprint

While some of our offices remained fully open, other offices closed for periods of the year, with our employees working remotely instead. This is reflected in a decrease in the use of electricity (8%). However, natural gas consumption increased by 39% due to a higher demand on heating with longer periods of cold days in 2021 than in 2020. Other emissions associated with office operations such as waste and water also decreased by 56% and 68% respectively. Our emissions associated with business flights decreased by 49% reflecting the year-long restrictions on overseas travel in 2021 whilst rail increased by 35% due to resumption of domestic travel.

### Our energy efficiency initiatives

We recognise that our operations have an environmental impact, and we are committed to monitoring and minimising our emissions year on year. In the period covered by this report, the Company has undertaken the following emissions and energy reduction initiatives:

- Continued replacement of fluorescent strip lighting with LED lighting in our London office.
- Increased use of technology to enable online meetings.

During the year, we also launched an electric vehicle benefit scheme for UK employees, whilst a number of local initiatives which were implemented previously remain in place. These include cycle-to-work schemes and recycling of food waste.

### Outlook

As we anticipate a phased return to our offices across the globe, we expect to see an increase in our GHG emissions. That said, the pandemic has accelerated moves towards new, more agile ways of working, enabled by technology and enhanced networks of collaboration and communication. We will seek to embed these alternative ways of working but, as a global company, there will continue to be a need to undertake travel in order to manage our worldwide operations. We are also committed to better understanding our carbon footprint and have commenced work to understand our full scope 3 emissions. Further information will be provided in the 2022 Annual Report.

### Methodology

We are reporting our GHG emissions and associated energy use as required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the '2018 Regulations') for our global operations.

We have reported the emission sources for which we have operational control for our global estate for the reporting period 1 January 2021 to 31 December 2021.

Our GHG emissions were calculated in accordance with the requirements of the WRI 'GHG Protocol Corporate Standard (revised version)' and Defra's 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance' (March 2019). We have applied the appropriate GHG conversion factors from the UK Department for Business, Energy & Industrial Strategy (BEIS) 2021 and International Energy Agency (2021)<sup>1</sup>.

We have included in scope all the properties where we are directly responsible for the consumption of energy, including our tenanted offices. Our carbon footprint for the 2021 reporting year was calculated from activity data for scope 1 emission sources and electricity consumption in scope 2. This disclosure builds on the minimum requirements for compliance with the 2018 Regulations to include additional material scope 3 emissions from business travel and office operation (waste, water, paper). Our emissions are presented on both a location and market basis. Location-based reporting applies a country-specific factor to electricity consumption whilst market-based reporting takes account of the specific electricity tariff/supplier used.

<sup>1</sup> This work is partially based on the country-specific CO<sub>2</sub> emission factors developed by the International Energy Agency, © OECD/IEA 2021, but the resulting work has been prepared by Clarkson's and Avieco and does not necessarily reflect the views of the International Energy Agency.



### Clarksons' GHG emissions (tCO<sub>2</sub>e) and associated energy consumption (MWh) for 2021

	UK 2019 (tCO <sub>2</sub> e)	Global (excluding UK) 2019 (tCO <sub>2</sub> e)	UK 2020 (tCO <sub>2</sub> e)	Global (excluding UK) 2020 (tCO <sub>2</sub> e)	UK 2021 (tCO <sub>2</sub> e)	Global (excluding UK) 2021 (tCO <sub>2</sub> e)	% change in total emissions (vs 2020)
<b>Scope 1</b>	753	424	588	206	<b>759</b>	<b>234</b>	25
Natural gas	220	95	174	44	<b>237</b>	<b>66</b>	39
Other fuels	264	-	222	-	<b>193</b>	<b>40</b>	5
Company cars	204	265	100	159	<b>155</b>	<b>74</b>	-12
Fleet	64	-	47	-	<b>133</b>	-	183
Refrigerants	-	65	45	3	<b>41</b>	<b>54</b>	98
<b>Scope 2 location-based (electricity)</b>	1,005	674	900	574	<b>815</b>	<b>544</b>	-8
<b>Scope 3</b>	352	6,828	171	904	<b>183</b>	<b>479</b>	-38
<b>Total Scope 1 + 2 (location-based)</b>	1,758	1,098	1,488	780	<b>1,574</b>	<b>778</b>	4
<b>Total Scope 1 + 2 + 3 (location-based)</b>	2,110	7,296	1,659	1,684	<b>1,757</b>	<b>1,257</b>	-10
<b>Total Scope 1 + 2 + 3 (market-based)<sup>1</sup></b>			2,042	1,847	<b>1,741</b>	<b>1,211</b>	-24
<b>Total Energy Usage (MWh)</b>			6,382	2,656	<b>7,140</b>	<b>2,637</b>	8
<b>Total global (including UK) Scope 1 + 2 emissions/FTE</b>		1.9		1.4		<b>1.4</b>	0
<b>Total global (Including UK) emissions/FTE</b>		6.5		2.1		<b>1.8</b>	-14

<sup>1</sup> Location-based factors have been applied where there are no residual mix factors available.

Whilst we have endeavoured to obtain accurate and complete data wherever possible, where there were data gaps, we have used reasonable estimations such as annualisation of actual data, use of expenditure data as a proxy and typical office consumption benchmarks.

#### Supporting our clients

In addition to our commitment to monitor and minimise our own GHG emissions, Clarkson's is also committed to working with our clients to enable smarter, cleaner global trade.

The shipping industry has set ambitious targets for the decarbonisation of the industry itself, whilst decarbonisation of energy sources in wider society is rapidly becoming a higher priority. As a result, many of our clients are embarking on significant change to combat environmental challenges. In response to this, we launched our Green Transition offering in 2021, to provide a consultative approach to finding bespoke solutions for our clients to devise and execute their decarbonisation strategy.

You can read more about the global and shipping trends within which we are working on pages 50 to 55, and how we are working with our clients on their decarbonisation strategies on pages 30 to 49. Further information on the Green Transition can be found on pages 2 to 21.

### Task Force on Climate-Related Financial Disclosures ('TCFD')

This is our first year of reporting in line with the TCFD recommendations. The Company complied with the TCFD recommendations during the year ended 31 December 2021, with the exception of the recommendations under the Metrics and Targets pillar where we have provided explanations.

Our approach to the governance and risk management pillars of TCFD is integrated into our wider processes, and our reporting in relation to these areas is therefore set out within the relevant sections of the Annual Report.

### Governance

#### Describe the board's oversight of climate-related risks and opportunities



Read more:  
Our governance framework on page 104.

The Board has overall responsibility and accountability for all risks and opportunities, including all climate-related matters. The Audit and Risk Committee monitors the impact of climate change on our principal risks, including their materiality, as part of their ongoing monitoring of actual and emerging business risks.

#### Describe management's role in assessing and managing climate-related risks and opportunities



Read more:  
Our governance framework on page 104.

Our CFO & COO takes overall executive responsibility for ESG matters (including climate change). Our CEO and the Executive Team lead the identification of climate-related opportunities as part of their responsibility for delivering the strategy and identify and manage climate-related risks within their relevant areas.

### Strategy

#### Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term, and their impact on the organisation's business, strategy, and financial planning



Read more:  
Climate scenario analysis on page 73.

Whilst the risks and opportunities for our business are identified through existing business planning and risk management processes, we used our first year of TCFD reporting as an opportunity to engage an external sustainability consultant to assist us with a deeper analysis of climate-related risks and opportunities. Further detail on the review undertaken and the risks and opportunities identified through the review are set out on the next page.

#### Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario



Read more:  
Climate scenario analysis on page 73.

We have undertaken climate scenario analysis to understand how the climate-related risks and opportunities that we face may manifest themselves under two different temperature pathways (including one aligned to the Paris Agreement).

### Risk Management

#### Describe the organisation's processes for identifying, assessing and managing climate-related risks and how those processes are integrated into the organisation's overall risk management



Read more:  
Our risk management framework on page 89.

Our processes for identifying, assessing and managing the impact of climate change on our principal risks are integrated into our existing risk management processes.

### Metrics and Targets

#### Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

We have not yet agreed metrics to assess our identified risks and opportunities. These are under consideration and we will provide a further update in future reporting.

#### Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks



Read more:  
Our environmental performance on pages 70 to 75.

Our scope 1, 2 and limited scope 3 emissions are disclosed on page 71. Work to further understand our scope 3 emissions has commenced, with a view to extending our reporting further from the 2022 reporting year. Based on this work, we expect to deepen our understanding of the actions necessary to reach full compliance, and we will provide a further update in the 2022 Annual Report.

#### Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

We have not yet agreed targets to manage our identified risks and opportunities. These are under consideration and we will provide a further update in future reporting.



### Evaluating climate risks and opportunities

Whilst the risks and opportunities relating to climate change for our business are identified through existing business planning and risk management processes, this year we engaged an external sustainability consultant to assist us with a deeper analysis of this area.

Research was conducted to determine an extensive longlist of transition and physical risks (see below) and opportunities which could affect the shipping industry. These included the introduction of carbon taxes, environmental shipping regulations and security of renewable energy supply. Through a series of workshops with our CFO & COO and business MDs, we considered whether these industry-specific items could impact on the Group and, from those that could, we identified those which were most material to our strategic priorities. The workshops revealed that, due to the nature of our business as a people-based intermediary, transition risks are more material to the Group than physical risks. One risk and two opportunities emerged from these discussions and were assessed in terms of likelihood and impact, in line with our risk management framework. For more details about our risk management framework please see page 89.

Climate change requires thinking that goes beyond typical business planning. As such, the risks and opportunities were assessed from a long-term perspective, in accordance with the climate scenarios described to the right. We have categorised them according to the following timeframes:

- Short: 0-5 years
- Medium: 5-10 years
- Long: more than 10 years

### Climate scenario analysis

Scenario analysis is a valuable tool, used to understand how different climate scenarios may impact the Group, given a consistent financial metric. During the year, we worked with our consultant to understand how the climate-related risks and opportunities that we face may manifest themselves under different climate scenarios.

Our Research division collects, validates, analyses, and manages data on merchant shipping and offshore markets. Research has used this intelligence to develop regularly updated climate and energy transition scenarios as it provides an outlook on the way climate change will impact business activity specific to the maritime industry. Using these internally developed maritime-specific climate scenarios rather than generic frameworks enables us to best understand the impacts of different climate scenarios on the unique business environment that shipbroking offers. These scenarios are aligned to the science behind global environmental change highlighted in the latest report by the Intergovernmental Panel on Climate Change. As per the TCFD recommendations, two climate scenarios were considered, including one (Rapid Decarbonisation) aligned to the Paris Agreement.

- **The Gradual Transition scenario** tracks to a moderate overshoot of the Paris Agreement 2°C temperature increase by 2100. In this scenario, CO<sub>2</sub> emissions peak in the late 2020s and then gradually decline through a gradual shift away from fossil fuel use and robust growth in solar, wind and other renewable energy sources, alongside some developments in carbon capture.
- **The Rapid Decarbonisation scenario** is compatible with the goals of the Paris Agreement, and requires steep global annual emissions reductions, sustained for decades, to stay within a 1.5-2°C temperature increase. This scenario is characterised by a rapid decline in fossil fuel use, albeit with gas playing a role as a transition fuel, and an exponential growth of renewable energy production, developments in carbon capture and land use changes.

### Climate change risks

Under the TCFD recommendations, climate change risks can be classified into two major categories:

- **Transition risks** – transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying

levels of financial and reputational risk to organisations.

- **Physical risk** – physical risks resulting from climate change can be event-driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for organisations, such as direct damage to assets and indirect impacts from supply chain disruption.



### Climate-related risks and opportunities

Our evaluation identified one relevant risk and two relevant opportunities. The potential impact of these risks and opportunities if they were to occur is outlined here, along with our resilience to these risks and opportunities. However, these are not considered to be material to the Group at this time.

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#### Risk

##### Stakeholder environmental expectations

Timeframe: Short term

Recognising the importance of mitigating climate change, our investors, clients and employees (and in particular our future 'Gen Z' employees) are increasingly aware of the environmental credentials of their investee companies, suppliers and employer respectively. As a result, investors will expect companies to proactively align operations with external environmental frameworks through emission cuts and/or offsetting. We expect this to materialise in the short term, and certainly within the next five years. Stakeholder environmental expectations will continue to develop and grow in the medium and long term as more transparency is required across the value chain.

**Mitigation:** We are committed to proactively engaging with our investors and clients to understand their environmental expectations. We will collaborate with our key stakeholders to help them achieve the shared objective of reducing their impact on the environment. Our purpose statement and the launch of our Green Transition offering demonstrate to our stakeholders our commitment to be part of the solution through leading and facilitating positive change in the shipping industry.

Furthermore, we understand that transparency surrounding our position in the climate crisis is crucial. We disclose our GHG emissions annually and are aligning our reporting to the recommendations of TCFD. As a business we are committed to supporting our stakeholders by providing the information necessary to contribute to the level of transparency required.

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#### Opportunity

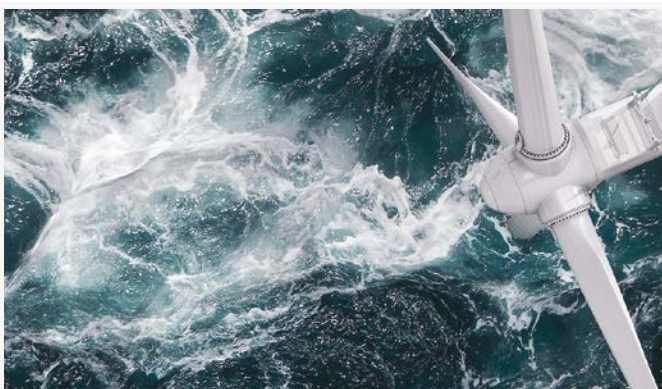
##### Offshore wind energy

Timeframe: Medium term

To meet both global and national climate targets, including the procurement of clean energy, renewables are expected to become an increasingly vital part of the energy mix. Due to higher and more consistent wind speeds, offshore wind farms can create more electricity than their onshore counterparts, whilst minimising noise and visual pollution and land use competition. Offshore wind energy therefore has the potential to significantly contribute to the decarbonisation of the energy mix. As important players in the financing, brokering and provision of research and port services for specialist vessels, this growing offshore wind energy market presents us with a significant opportunity. Although renewable energy sources are already starting to increase, we expect this to grow further in the medium term, within the next 10 years.

There is significant growth in offshore wind energy capacity and associated farms and turbines in both the Rapid Decarbonisation and Gradual Transition scenarios, with greater growth in the Rapid Decarbonisation case. However, the world continues to heavily rely on non-renewable energy sources, even though renewable sources have seen an uptick in recent years. The infrastructure for facilities such as offshore wind is still being developed and is unlikely to overtake consumption of fossil fuels in the short term (less than five years).

**Harnessing this opportunity:** We need to be the way-finder for the industry, best able to provide research, advice, strategic guidance, and broking and financial execution services to support the development of offshore wind energy projects. Our renewables team was established around 20 years ago for this very purpose and has enabled us to hold a market leadership position in offshore wind energy intelligence. We will continue to adapt our policies, strategy, and targets to maintain this position, and we will grow and pivot capacity towards offshore renewables brokerage, port services, banking and research.



Trends in offshore wind energy forecasting do not show a uniform distribution around the world; certain areas are likely to grow more strongly, in part due to their geographical configuration. As such, identifying these at an early stage is crucial for us to consequently build our capacity in the relevant geographical areas. Offshore wind energy is a nascent industry for many areas of the world. Our broking and advisory teams are equipped to support these areas in procuring shipping vessels and infrastructure from more established markets, whilst concurrently supporting them in building a strong supply chain locally for future projects.

Moreover, and increasingly after 2030, a share of global annual investment will be required to replace existing or retired capacities with more advanced technologies. Our renewables team will play a crucial role in developing the intelligence required to best support clients in the replacement and retirement of offshore wind energy capacities.

As we evidence our expertise in these areas, we can gain a competitive advantage over those who do not align to a low-carbon future, ensuring we do not lose market share to new entrants to the market. Through the actions outlined above, we believe that we are in a strong position to capture a significant share of this growing market.

**Opportunity**  
**Newbuilding fleet renewal**

Timeframe: Medium term

Despite the present dominance of oil-powered ships, international commerce and climate change pacts and policies are already starting to impact on the current world fleet and newbuilding order book. Lowering the carbon emissions associated with the shipping industry will require new ships to be built, compatible with clean fuels. As the green transition evolves, older assets will need replacing and chartering strategies will evolve. Further, port and infrastructure investment will be required to accommodate renewed fleet standards. We expect this opportunity to materialise in the medium term, within the next 10 years.

Similar to the offshore wind energy opportunity, whilst the newbuilding fleet renewal opportunity is already providing opportunities for our business, there is potential for this opportunity to grow significantly in both the Gradual Transition and Rapid Decarbonisation scenarios. As policies and regulations in international maritime are still being developed, technology is still evolving, and the vast majority of the existing fleet is powered by conventional fuel, it is unlikely that in the next five years (a short-term horizon) demand for oil-powered ships will become obsolete.

**Harnessing this opportunity:** To support this growing area of the business, we have invested in our market-leading teams which provide research, ship renewal expertise, advisory services and the execution and financing of alternate-fuelled newbuilding of vessels. We are focusing efforts on building expertise within newbuilding, sale and purchase, and our chartering brokerage. We remain a major tonnage provider to the key global shipbuilding players. As intermediaries, we are well informed on both demand and supply-driven expectations, concerns and strategies. Our aim is to assist and support both shipowners and commodity interests towards the transition to a low carbon economy. As the industry is becoming more complex, our unique level of understanding of the market and regulatory landscape is ever more important to help clients navigate this fast-changing environment. We remain well placed to capitalise on this next phase of shipbuilding fleet renewal as we progress into 2022.

We are committed to closely monitoring the development of latest trends, regulations and technologies which will affect the need for fleet renewal. Environmental regulations are not rolled out uniformly around the world. We will leverage our position as a global company to use our experience in areas where environmental regulations are most stringent to best prepare for the transition in other areas. This opportunity is likely to be most significant in a scenario where the world undergoes an extensive transformation to a low-carbon economy by 2030.

## Focusing on our people and our communities

### Our people

We believe that everything centres around our excellent people. They are at the heart of the way we engage with each other, our clients, and the products and services we provide. Our people remain the biggest differentiating factor for us, and the diverse range of backgrounds, nationalities, skills and experience within our global teams is representative of the international markets we operate in. This, together with our commitment to continually develop our people and support them in a role and environment where they can thrive and perform at their best, underpins our culture. This is supported by our recently refreshed values that accurately represent what is important to us and our beliefs – act with integrity, dedicated to excellence, and collaborate and challenge.

### COVID-19

During 2021, the management of the COVID-19 pandemic shifted into a new phase. Whilst the pandemic continued to have an impact, our resilient and adaptable people seamlessly managed the continuing changes in circumstances and delivered collective success for our clients and our teams.

Our top priority remained the physical and mental well-being of our people and their families, and all our decisions have been made with them at the centre of our thinking.

We have found that this period has delivered new ways of working with each other and in many ways has brought the Group closer together. Enabled by technology, enhanced networks of collaboration and communication have been a positive outcome for our working environment over the last couple of years and we will look to sustain this once the pandemic is over.

### Health and well-being

The health and well-being of our staff remains our number one priority.

We continue to focus on well-being via physical and mental health guidance and resources, mindfulness practice and access to additional virtual training modules to develop skills for maintaining good physical and mental health.

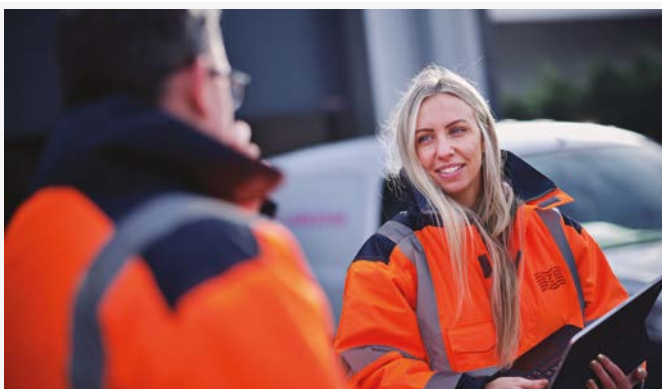
It was already a signature of our culture for our managers to be closely engaged with their teams which has been sustained in periods when we have been working at home. We enjoyed the huge social and business-related benefits of the periods that we were able to be back together in the office. We will work hard to ensure that the lessons we have learnt during this time are not forgotten.

We have focused on leading with compassion and empathy; understanding the fine balance between work and home; and respecting our staff more than ever in the need to work in ways that ensure they feel supported.

### Engagement

We are a relationship business and, as such, the partnerships that we build and maintain with our employees, clients and communities are integral to our success. This comes from engaging meaningfully with them.

The management style of our organisation is to engage directly and personally with our people and our management structures and hierarchies support this. Every line manager maintains open lines of communication with their teams, and this remains the most effective way of ensuring consistent engagement in both directions.



Other specific and targeted forms of engagement with employees have come from:

- Global executive and divisional management forums that meet monthly.
- Employee pulse surveys for certain divisions.
- The Employee Voice Forum with Non-Executive Directors, which is attended by employees from various divisions across the business and provides for and encourages two-way communication between our employees and Non-Executive Directors. The forum is chaired by Dr Tim Miller, our designated Non-Executive Director for employee engagement, who is joined by Non-Executive Director Heike Truol. Discussions over the last year have centred on key topics impacting the industry such as digital transformation and the green transition and the impact this has had on our employees.
- Increased use of our internal communications channel (Voyage) which is updated with news from our 52 offices; education on topics of interest to the industry; information regarding the evolution of products and services provided by the Group; and 'Focus on' and 'Clarksons meet' content to get to know global colleagues.
- Regular communications from senior management updating employees on key matters, and in particular video updates from our CEO and CFO & COO presenting publicly released financial results and updates on the work of the CSR Committee.
- Where permitted, we have ensured that we have brought our people together for team, office or leadership events and offsites which has been a huge boost to morale and reinforced the personal nature of the environment in which we operate.
- Monthly CSR Committee meetings attended by a cross-section of employee Committee members and visiting attendees focusing on the charitable causes that are important to our global community.

We also recognise the benefits of encouraging employee engagement through share ownership. Further detail on the participation of our employees in share plans can be found on page 109.

### Talent

#### Management, promotion, recognition and reward

We have continued to invest in developing and retaining the best talent in our markets. Our key objective and focus is to ensure that our people become our future leaders. We create an environment in which our people have a broad experience; collaborate across our business; and participate in the running of their respective business divisions to gain exposure to leadership responsibilities. We achieve this by:

- Global executive and divisional management forums that meet monthly.
- Managing a global promotions process that is conducted bi-annually based on consistent assessment criteria, levelling the playing field.
- Leveraging our competency and behaviours framework, which we use to attract, retain, develop and promote our people based on consistent criteria, and which is designed to be transparent about expectations.
- The engagement activities set out to the left.
- A bespoke management and leadership development programme which will be undertaken by managers and leaders.
- Regular sessions with Maritime Masters in which they present and lead seminars.
- Widening the scope of our development programmes to help employees at all stages of their career take control of their personal development, support retention of our early and mid-level management and facilitate succession planning.

The attraction and development of early careers talent remains a priority for our business as we seek to increasingly diversify our workforce and prepare to meet the needs of the continually evolving global markets in which we operate.





### Recruitment

We remain focused on attracting, engaging and retaining the best talent. Our in-house recruitment model is evolving with direct search capabilities which enable us to hire the best talent and reduce our reliance and spend with recruitment agencies. The model enables a consistent candidate experience, whilst leveraging our employer brand. Our employer brand has evolved to better represent our broad expertise and market specialisms that are underpinned by data and enabled by technology. We are evolving our recruitment channels for greater access to, and engagement with, a diverse and broad spectrum of both active and passive talent, and we are building talent pipelines for future hiring needs. We are developing our recruitment platform to meet the demands of a competitive talent marketplace and we continue to monitor our inclusive recruitment practices on an ongoing basis.

We are also increasingly adopting the use of social media channels to reach a broad section of talent and have seen an increase in direct hires entering the business.

### Learning and development

Our learning and development strategy focuses on the development of our people's capabilities, skills and competencies to remain dedicated to excellence and the trusted advisor of choice to our clients.

We achieve this through a blended model that prioritises professional development via close mentoring, exposure to challenging work assignments and projects, and a flat structure that provides our people with access to world-leading expertise, all underpinned by appropriate education and training.

We have developed a bespoke management and leadership development programme that will deliver learning in a way that reflects the realities of leading within our business. It delivers content that has greatest impact for leaders operating in a fast-paced industry and creates an environment in which targeted leadership skills and behaviours can be acquired, practised and perfected in our live workplace setting.

Our growing commitment to learning is reinforced with global access to online learning programmes with a leading provider, Goodhabit. This enables all our staff to access a broad range of courses to support ongoing personal and professional development. The courses which have proved to be popular include topics such as cultural diversity, strategic thinking and change management.

Our learning and development strategy is also closely aligned with our increasing efforts to recruit new talent into the Group. This is demonstrated by our continuing support for Maritime UK's Maritime Masters programme.

We continue to support employees wishing to study for membership of the Institute of Chartered Shipbrokers or any other relevant professional qualification.

### Diversity and inclusion

We have committed to a progressive and strategic diversity and inclusion approach that comprehensively targets all aspects of the organisation. We have made a commitment to ensure that we use a diversity and inclusion lens at every opportunity. We are honest with ourselves about our current context and some of the challenges we face in our industry.

To help us on this change journey, we are partnering with a strategic diversity and inclusion specialist focusing initially on quantitative data as the bedrock of a strategy to understand the requirements for meaningful change. This will be augmented with qualitative data collection and analysis to support an evidence-based strategy for our short-term, mid-term, and long-term inclusion goals.

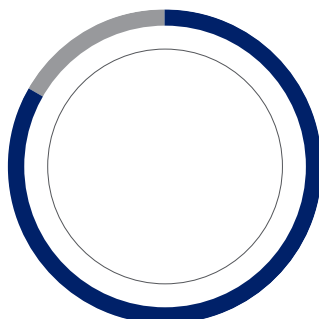
We are continually reviewing our approach, including constant review of our global recruitment processes; the terms and conditions we have in place with the recruitment agencies that we use; the way we hire and engage with potential candidates across the various locations and jurisdictions in which we operate; the language we use in our role vacancies and posts, and our internal policies and materials; and marketing that we use to interact with potential talent. We are seeing the change in practice from the successful implementation of our direct sourcing model and capabilities to reach a much broader pool of candidates and improve our brand outside the traditional network in which we are known. Our newly developed management and leadership development programme has a priority focus on diversity and inclusion.

We are confident that this practical approach will deliver more tangible outcomes for the business and our diversity and inclusion objectives, and ensure we are constantly striving to improve.

## Gender diversity

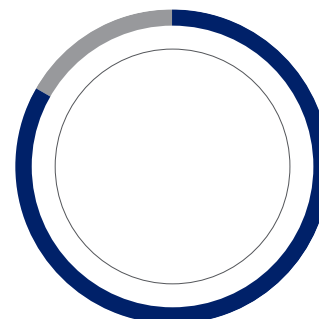
As at 31 December 2021

### Executive Committee



Male	15
Female	3

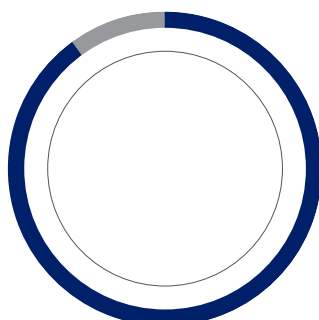
### Executive Committee and direct reports



Male	167
Female	33

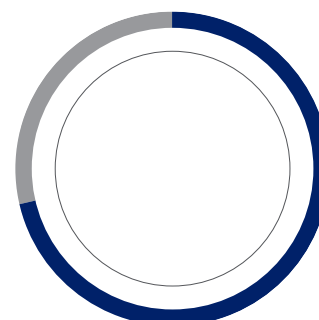
### Senior managers

Employees who have responsibility for planning, directing or controlling the activities of the Group, including all directors of subsidiary companies.



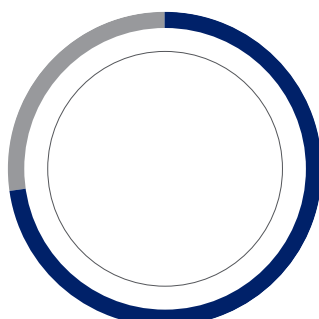
Male	200
Female	22

### New hires



Male	230
Female	92

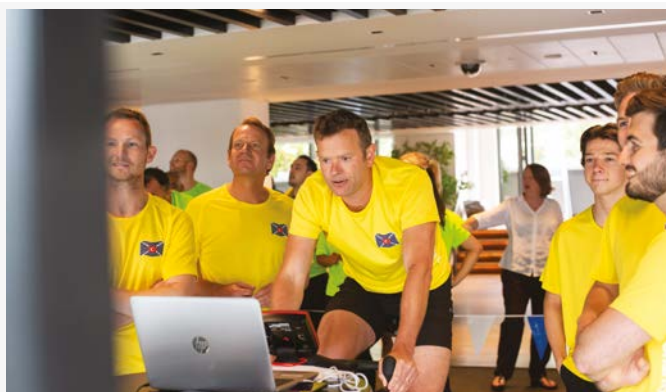
### All employees



Male	1,234
Female	459



Board diversity on page 99.



### Health and safety

It is vital to look after the health, safety and well-being of our people, and we endeavour to provide a safe and secure workplace for all. Our policies and procedures are designed to minimise the risk of injury and ill health of our workforce as well as any other parties attending our premises.

The Board has approved a global health and safety policy statement and the CFO & COO is appointed to oversee health and safety as sponsor on behalf of the Board. The Board receives updates on health and safety matters at each meeting, covering any areas of concern and key updates from operational committees.

Health and safety is managed on a global basis through a decentralised model, where each site is responsible for managing its own health and safety in compliance with local legislation and regulations. With the exception of some higher-risk activities within our Support division such as port agency and freight forwarding, all locations conduct office-based activities only and are therefore considered relatively low risk. Health and safety in the UK is managed through a committee structure, with a committee dedicated to the highest-risk activities in the Support division.

We hope to build on our decentralised model with the implementation of a global framework to set common internal standards and to ensure external regulatory compliance. The framework will determine that the more stringent of either internal standards or local regulatory requirements are met, to benefit from exceeding the minimum standards where possible. We will be finalising and implementing the framework now that occupancy levels at our offices are returning to pre-pandemic levels.

Throughout the pandemic, we continued to follow current government guidelines and restrictions, working from home where possible and implementing appropriate safety measures to protect our people.



### Communities

#### Industry partners

Throughout 2021, we partnered with a number of maritime associations which are paving the way for the future of the maritime industry.

This was demonstrated by our continuing support for Maritime UK's Maritime Masters ('MM') programme. We ran a series of webinars for postgraduate students studying for Master's qualifications at nine leading UK universities and business schools, culminating in the hosting of a virtual finalists reception in October. These webinars proved to be very popular and will be provided again in support of the 2022 MM programme.

Our ongoing involvement with this event supports the significant role we play in encouraging and developing young talent in shipping, and this year we wanted to support students further by increasing their connectivity to the industry. We hosted a webinar series geared specifically to aid students' learning and understanding of the challenges and trends currently faced in maritime. The series culminated in a recruitment masterclass which would help the students to take proactive steps in improving their employability within a competitive marketplace.

Clarksons Research provides over 50 maritime university and research programmes across the world with access to research and data, helping important academic research and supporting the learnings of our clients and colleagues of the future. Many of these relationships are long-standing, involve both undergraduate and postgraduate research and extend to universities based in key maritime centres around the world, including Asia, Europe and the Americas. We also provide data and intelligence to inter-governmental organisations, governments, regulators and various industry and trade bodies, helping frame debate and policy decisions around the development of the shipping industry, including climate change and safety at sea.

#### Charitable donations

As a Group, we are committed to giving back to society through our corporate social responsibility programme. Our aim is to bring about positive social change and have a lasting impact on people and communities.

Activities within our corporate social responsibility programme are overseen by our CSR Committee. In 2021, we supported a number of charities which included initiatives for mental health, maritime and children's health and development. These included Little Lives UK,



a children's charity that helps build stronger futures for children who are disadvantaged. As well as working within our communities to identify the challenges that children are facing, we have also helped by donating IT equipment, including more than 70 computer consoles, laptops and 200 webcams, providing essential connectivity while travel has still been limited.

At a corporate level, we offer Payroll Giving in the UK to allow employees to make regular, tax-free donations straight from their gross pay. We also continue to support individual employee fundraising efforts globally. During the year, our employees took part in cycling challenges inside or out on the road to collectively cycle a total of 4,841km. Through these challenges and other fundraising initiatives, together with additional contributions from Clarksons and a donation of £250,000 from the Group to The Clarkson Foundation, we raised over £550,000 for charity during the year.

This year we continued to participate in the Growth Project, a collaborative project between business leaders and their equivalent charity leaders. This year-long scheme is designed to help both sides understand their role as leaders in their respective organisations. It combines training and close mentoring in monthly meet-ups (virtually and in person). Two leaders joined the scheme from Clarksons and were paired with 'Refugee Community Kitchen', which supports homeless people in London and Edinburgh by providing them with a hot meal and a place to gather and connect, and 'The Lotus Flower', which provides women and girls impacted by conflict and displacement with the tools and opportunities they need to rebuild their lives. The project has been very successful, with all Clarksons participants over the last two years finding the experience impactful from both a personal and a professional perspective. We remain committed to supporting the project, and next year's cohort will see three leaders join from Clarksons.

# £550,000

Employee fundraising initiatives, together with additional contributions from Clarksons, raised over £550,000 for charity during the year.



Some of the cycling challenges that our Clarksons teams took part in during 2021:

The Aberdeen office, comprising offshore and port services teams, donated to the Scottish Association for Mental Health by completing a 500-mile virtual triathlon challenge. The team swam, ran and cycled the equivalent of the distance between Aberdeen and Paris over 18 days.

The Tour de Clarksons saw 23 teams across 11 global offices participate in a three-hour virtual endurance cycle challenge. A live stream across global time zones and a live leader board created a competitive environment to maximise donations for The Clarkson Foundation.

The Honeypot Children's Charity is a UK-based charity raising money for young carers. Two Clarksons representatives entered the Honeypot cycle challenge to support this worthy cause.

Clarksons supported and participated in the Graig100 bike ride in aid of Velindre Cancer Centre and Mission to Seafarers, completing a 100km bike ride through the Welsh valleys.

# 4,800km

Employees participated in cycling challenges during the year to collectively cycle over 4,800km to raise money for charity.



## We established The Clarkson Foundation to make a tangible difference.

Jeff Woyda  
Chair of the Board of Trustees  
The Clarkson Foundation

Operating as an independent registered charity, The Clarkson Foundation is managed by a Board of Trustees comprised of Clarksons employees from across the business.

Board of Trustees	Business area
Jeff Woyda (Chair)	CFO & COO
Leo Askaroff	Sale and purchase
Lily Bagshaw	Events
Alex Gray	Futures
Richard Haines	Dry cargo
Bob Knight	Tankers
Dharani Sridharan	Finance
Kate Thompson	HR
Tilly Harvey (Secretary)	Company Secretariat

Funds are raised for the charity by donations from Clarkson PLC and through a broad range of activities such as the Annual Charity Giving Day, which saw the global Clarksons offices take part in a strenuous and competitive cycling challenge.

Since its formation in 2020, The Clarkson Foundation has provided grants to a variety of charities operating in the UK and overseas. The Trustees select initiatives to support by focusing on projects which can achieve the biggest impact. The charities supported during the year tackle issues including mental health, children's health, maritime, poverty and homelessness. Clarksons employees are encouraged to put forward charities meaningful to them, and during the year over £85,000 was donated to support these, some of which are set out below.

### The Wave Project

A grant was provided to The Wave Project for a new minibus for their Northern Ireland location to support the 'surf therapy' course, which helps young people improve their emotional and physical well-being.

### Street Child

Street Child was provided a grant to build a new school within one of Liberia's most remote and rural communities. The two-year project will support the implementation of a local educational programme for over 100 children in the area and establish an income-generating initiative for the continued financial viability of the school.

### Greyhope Bay

Inspired by the fundraising efforts of the port services and Aberdeen offshore teams, a donation was made to support Greyhope Bay and its marine conservation community project in Aberdeen.

### East of England Ambulance Service NHS Trust Charitable Funds

A donation was made to the East of England Ambulance Service charity on the request of a Clarksons employee who volunteers as a community first responder. The donation funded the price of a full kit for a volunteer, including a defibrillator, pulse oximeter and various first aid items.

### Samaritans

Samaritans was provided a donation to recruit and train ten volunteers to support their Freecall helpline, which helps to support those in need and aims to prevent suicide.

### The Valley Hospital Charity

The Valley Hospital Charity received a donation to purchase eight Neopuffs, which are cot side resuscitation devices. The purchase helped ensure there was a Neopuff at every cot side in the hospital's Special Care Baby Unit.

### The Willow Foundation

A donation was made to the Willow Foundation, a charity that provides memorable experiences for seriously ill young adults at difficult times. The donation provided a memorable experience for two adults with their loved ones.

### The Whitechapel Mission

A donation was made to the Whitechapel Mission for the provision of hot meals during the Christmas period, and 80 'survival kits' which included essential items that a person experiencing homelessness may need.



For more information  
[www.theclarksonfoundation.com](http://www.theclarksonfoundation.com)

Welcome to

# The Clarkson Foundation



The Wave Project and the new minibus.



Workers building the Street Child school in Liberia.



## Local focus, global reach

We strive to make a tangible difference by supporting causes with a localised focus, anywhere in the world.

## Maintaining robust governance

### How we do business

#### Business conduct

Clarksons is founded on a commitment to provide the highest quality of service for our clients whilst maintaining the highest level of integrity. Our staff share our common values: act with integrity, dedicated to excellence, and collaborate and challenge. We aspire to conduct our business in an ethical, honest and professional manner wherever we operate, and in particular we undertake to:

- Act fairly, honestly and with integrity at all times and in everything we do, and to comply with all applicable laws.
- To treat our employees, clients, contractors, suppliers and other stakeholders fairly and with respect.
- To create a high-quality, equal opportunity working environment for all our employees, based on merit and free from discrimination, bullying and harassment.
- To respect human rights.

#### Compliance Code

In order to support our employees' understanding of the standards of conduct and ethics expected of them, the Board has approved a Compliance Code. This contains a suite of policies that mitigate ethics and compliance risks, and covers areas including insider dealing, sanctions, anti-bribery and corruption and market abuse. In addition, the Group's regulated businesses are subject to further compliance requirements which are set out in local compliance manuals.

All employees and contractors must comply with the Compliance Code. It is reissued to all employees and contractors on an annual basis, and they are required to confirm that they have read and will comply with it. The Compliance Code is kept under regular review, and was updated during the year.

Mandatory online training modules are issued regularly to all relevant employees covering areas including anti-bribery and corruption, market abuse, sanctions and cyber security.

Embedding of policies and processes is supported by a global compliance team who have the necessary skills and experience to fulfil their duties.

### Whistleblowing

We have created an environment in which our workforce can speak up and highlight concerns on any matters through our whistleblowing arrangements. This includes a helpline through which concerns can be raised in confidence (and anonymously), which is operated by an independent third-party provider.

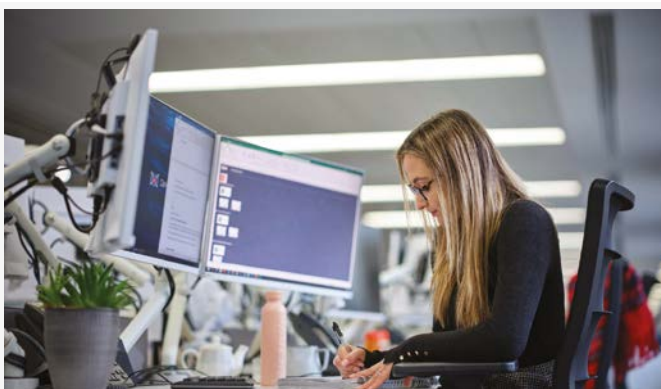
Whistleblowing arrangements and reports arising from its operation are overseen by the Board in line with the UK Corporate Governance Code. The whistleblowing arrangements are formalised into an overarching Whistleblowing Policy. Where relevant, local mandatory whistleblowing policies also exist.

#### Anti-bribery and corruption

To prevent bribery and corruption, the Group has an approved policy which all employees and contractors must follow. It also applies to any third party who is undertaking business for or on behalf of the Group. Under the policy, all employees, contractors and other parties must not:

- Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that an improper business advantage will be received, or to reward an improper advantage already given.
- Accept a payment, gift or hospitality from a third party that they know or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return.
- Give or accept a gift or hospitality during any commercial negotiations or tender process if this could be perceived as intended or likely to influence the outcome.
- Offer or accept a gift to or from government officials or representatives, politicians or political parties.
- Offer or accept gifts or hospitality which are unduly lavish or go beyond the normal standards in the industry.

All employees have been trained in person and/or completed online training modules in anti-bribery and corruption to ensure awareness of their obligations in this area.



### Anti-money laundering

The Group has continued to build and establish effective and proportionate mechanisms and controls to prevent money laundering. These include anti-money laundering ('AML') policies and procedures for all businesses. During the year, we have continued to enhance AML procedures and specifically 'Know your Client' processes for our unregulated businesses, resulting in additional headcount and modified procedures.

### Sanctions

The Group has deployed significant resources to manage sanctions risk and build an effective and proportionate system to prevent sanctions breaches. These include sanctions policies and procedures for all businesses; sanctions screening of prospective clients (including vessels) using our proprietary online sanctions checking tool; and monitoring existing clients against sanctions lists. The Group also provides annual custom-built online and in-person sanctions training to all relevant staff; maintains sanctions screening records for audit purposes; and has established clear internal audit and escalation mechanisms.

### Human rights

We believe that the respect of human rights is integral to being a responsible company and we are committed to treating individuals with respect and dignity.

Clarksons places value on difference and believes that diversity of people, skills and abilities is a strength that helps us to achieve our best. Any discrimination based on race, religion, nationality, gender, age, marital status, disability, sexual orientation or political affiliation is prohibited within the business.

We have a Supplier Charter in which we ask our suppliers, amongst other things, to commit to respecting human rights, diversity, inclusion and the environment.

We are committed to providing a workplace free of any form of harassment or discrimination and expect our suppliers to do the same. Read more about our approach to diversity and inclusion on page 78.



For more information  
[www.clarksons.com/modern-slavery-act/](http://www.clarksons.com/modern-slavery-act/)



### Modern slavery

Slavery, servitude, forced labour and human trafficking ('modern slavery') is a global and growing issue, and no sector or industry can be considered immune. We are committed to ensuring that there are no forms of modern slavery within our operations or supply chains.

Our supply chain comprises global providers of a wide range of support functions and products including catering, maintenance, information technology, cleaning and security.

In our material supplier contracts in the UK, we request that our suppliers commit to ensuring that their supply chain complies with legislation with regard to modern slavery. Our General Terms and Conditions also include client obligations to comply with modern slavery legislation.

Our procurement procedures seek to ensure that our suppliers, contractors and service providers act ethically and with integrity, and have in place effective systems and controls so that modern slavery is not taking place within their own businesses.

In the UK, our key IT suppliers are asked to provide details of their modern slavery arrangements as part of both onboarding and ongoing due diligence exercises to confirm that appropriate arrangements are in place in relation to their supply chain. Key IT suppliers which do not meet the standards we expect are not engaged to provide goods or services.

We remain committed to building and strengthening our existing policies and practices to eliminate modern slavery and human rights violations in our supply chain. We therefore continue to review the effectiveness of our current arrangements and, where necessary, implement additional safeguards and procedures.

In line with the Modern Slavery Act 2015, we publish an annual Modern Slavery and Human Trafficking Statement on our website.









### Suppliers

Whilst we do not consider suppliers to be a significant stakeholder in our business, we are committed to treating our suppliers fairly. You can read more about how the Board takes account of suppliers in its decision-making on page 66.



## Non-financial information statement

The table below constitutes the Company's non-financial information statement, in compliance with sections 414CA and 414CB of the Companies Act 2006.

Reporting requirement	Key policies and standards, and more information
<b>Environmental matters</b>	<p> Read more: Environment – pages 70 to 75.</p>
<b>Our employees</b>	<p>Global Staff Handbook Global Diversity and Inclusion Policy Compliance Code Global Privacy Statement and Policy Health and Safety Policy Statement Whistleblowing Policy</p> <p> Read more: Our people – pages 76 to 79. How we do business – pages 84 and 85.</p>
<b>Social matters</b>	<p>CSR Committee</p> <p> Read more: Communities – pages 80 and 81.</p>
<b>Human rights</b>	<p>Ethics Policy Statement Modern Slavery and Human Trafficking Statement Global Privacy Statement and Policy</p> <p> Read more: Our people – pages 76 to 79. How we do business – pages 84 and 85.</p>
<b>Anti-corruption and anti-bribery</b>	<p>Anti-Bribery and Corruption Policy</p> <p> Read more: How we do business – page 84.</p>
<b>Business model</b>	<p> Read more: Our business model – pages 58 to 63.</p>
<b>Principal risks</b>	<p> Read more: Risk management – pages 87 to 95.</p>
<b>Non-financial key performance indicators</b>	<p> Read more: Key performance indicators – pages 28 and 29.</p>