



ANNUAL  
REVIEW  
2022





# A strong financial result in an exceptional year

2022 was an exceptional year from a global perspective – and in Wrist. We posted a strong financial result while supporting our customers in a highly volatile market. We expanded our Ship Supply business to Panama, securing a foothold at one of the world's most important maritime crossroads, and developed new digital solutions that are imperative to our customers in the streamlining of their supply chains and their digital transformation.

The war in Ukraine, energy crisis, and financial instability highly impacted our operations and business with customers in 2022. The shipping and ship supply industries were impacted by port congestion, freight rate volatility, and extremely high crude oil prices, impacting commodity prices. Despite these challenges, we managed to significantly increase business volume in Wrist, raising revenue and the underlying operating profit to record levels.

During 2022, we pursued the innovation of digital and integrated solutions to resonate with our customers' need for efficient and resilient supply chains. In acquiring Centralam Panamá, we continued the ambitious M&A strategy in order to serve our customers in new strategic hubs, thereby fueling both organic growth and acquisitions, while reinforcing our global promise.

## Increased revenue and operating profit at record high levels

Our consolidated revenue for 2022 totaled DKK 5.4bn, up 21% from 2021. Gross profit increased to DKK 1,510m from DKK 1,198m in 2021. The 26% increase in gross profit was mainly driven by improved sales volume, some inflationary impact on commodity prices, M&A, and exchange rate fluctuations.

Operating profit (EBITA) arrived at DKK 240.9m, compared to DKK 155.5m in the previous year. A like-for-like comparison of EBITA for 2021 and 2022 revealed an increase of 54.9% or DKK 85.4m, as the result of strategic adjustments, operational optimization, optimized sourcing, and sales strategies, as well as some level of exchange rate fluctuations.

The Group's equity stood at DKK 1,066m at the end of 2022, up DKK 134m compared to 2021.

**Taking partnerships to a new level**

We took global partnerships to a new level, reinforcing customer dialog and negotiation with our global supplier network, to limit the inflationary impact on our customers' supply chains. We reinforced our executive management, appointing Peder Winther, CEO Ship Supply, reporting to Group CEO, Jens Holger Nielsen, with the intent to strategically leverage all parts of the organization and businesses to ensure customer centricity. We continued our momentum in the strategic development of Procurement, Sales, Master Data, IT, and Operations to meet our customers' demand for cost-efficient, compelling solutions and streamlined purchasing processes. We want to make sure we have the ability to help our customers navigate new potential disruptions and complex conditions in the years to come.

**Digital transformation**

The ship supply industry has not been at the forefront of the digital transformation, however, in 2021 and 2022, we launched substantial new digital solutions, with the aim of providing our customers with end-to-end transparency and strong data insights into their supply chains and ordering and maintenance processes.

In our Ship Supply business, we designed the first catalog for the digital marketplace, Source2Sea, launched in 2021. Within Maritime Services (Garrets), we launched Gateway, a digital end-to-end ordering and inventory management platform, to provide our customers with a fast, easy, and transparent ordering process. In Marine

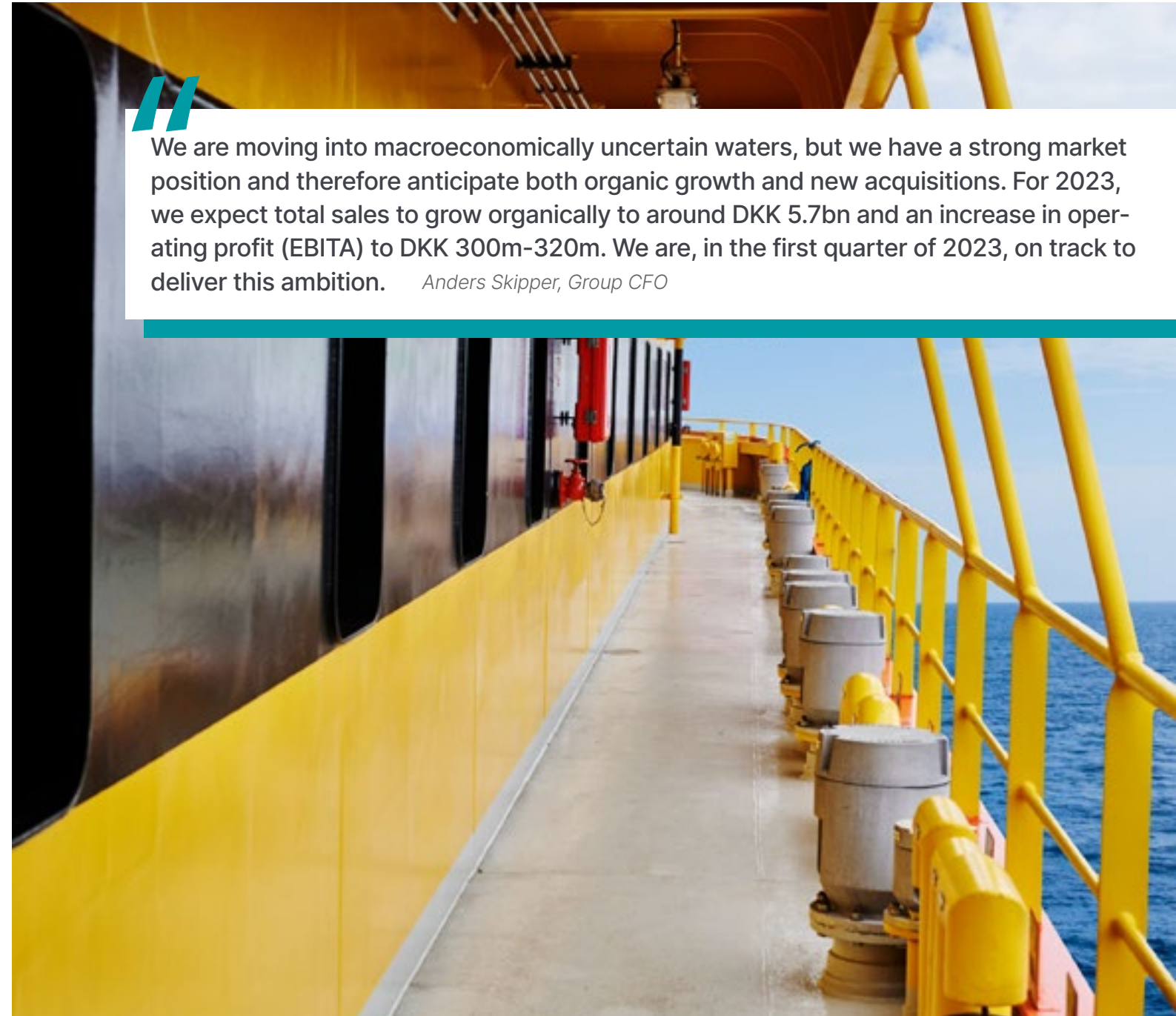
Logistics, we continued the development of our new market leading digital platform, introducing a new CO2 emission calculator. We started an Artificial Intelligence (AI) project to reduce the tender turnaround time. Furthermore, we introduced eSourcing to create market transparency and optimize the way we work with our suppliers.

**Outlook for 2023**

In Q2 2023, we will launch the new Group strategy, Connect 2027. The strategy centers around accelerating our leadership position even further through M&A roll-up, offering integrated and synergetic solutions, and leading the digital evolution of the wider marine supply industry.

In 2022, we set our first ESG targets for sustainable business and partnerships to meet the expectations of our customers, employees, and society. The main objective is decarbonizing our business, and to address this, we have onboarded a Head of Environment, Social & Governance with the intent to accelerate the transition.

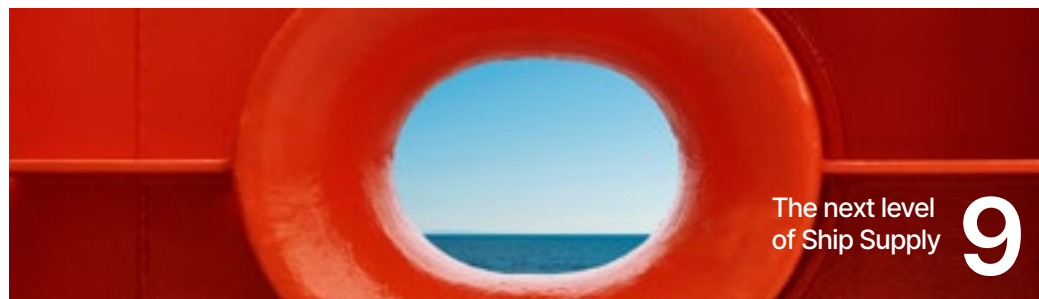
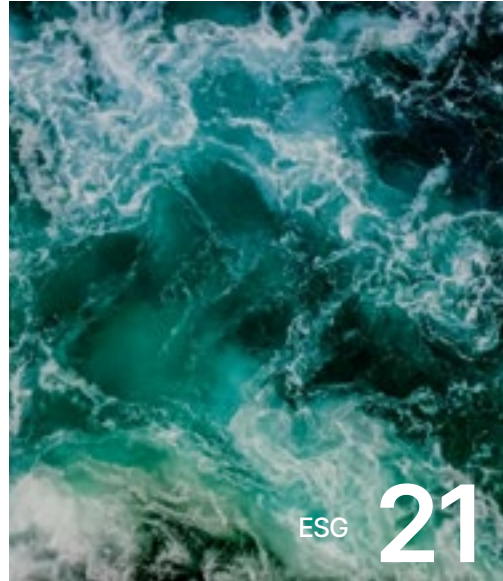
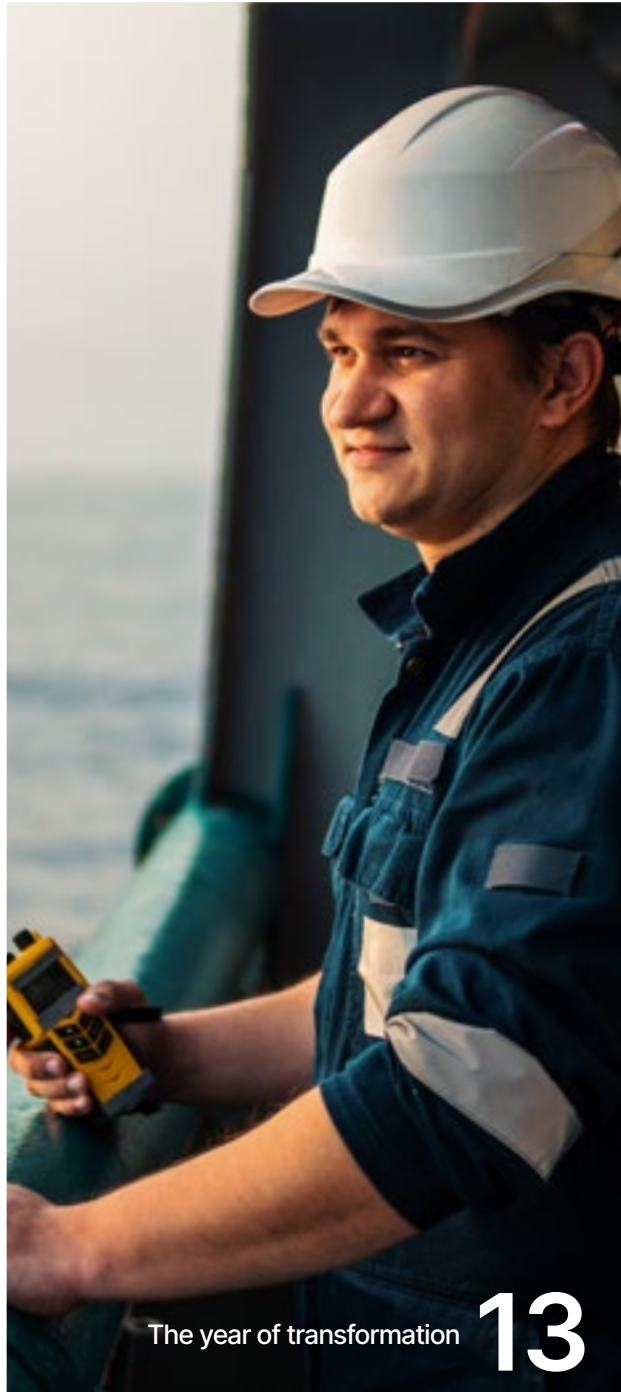
As we are moving into macroeconomically uncertain waters and thereby new, uncertain business conditions for our customers, we are committed to accelerating our digital and sustainable transformation to resonate with our customers' need for resilient supply chains.



**We are moving into macroeconomically uncertain waters, but we have a strong market position and therefore anticipate both organic growth and new acquisitions. For 2023, we expect total sales to grow organically to around DKK 5.7bn and an increase in operating profit (EBITA) to DKK 300m-320m. We are, in the first quarter of 2023, on track to deliver this ambition.** *Anders Skipper, Group CFO*



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# Global coverage



FOUNDED

1953

REVENUE (DKK)

5.4bn

EMPLOYEES

1,800

MISSION

Expert care making our customers' life at sea better and Wrist a great place to work



# Wrist at a glance

Wrist is the world's leading ship and offshore supplier of marine provisions and stores with a market share of approximately 12%. We are the only provisions and stores marine supplier with a global network of supply operations. We also offer services within owners' goods and spare parts logistics, combining provisions and stores deliveries directly to the vessels.

With the launch of the digital marketplace, Source2Sea, Wrist is leading the digital transformation of the marine supply industry. All year round, we offer 24/7 global online sourcing and logistics, providing data transparency, automation, and convenience to our customers.

We continuously work on reducing our climate impact while at the same time proactively addressing our customers' growing demand and need for responsible solutions and services.

From more than 30 locations worldwide, in all major shipping locations, 1,800 Wrist employees take pride in making it easy for our customers to order and receive marine supplies and services.

[wrist.com](http://wrist.com)

## Key differentiators driving value to our industry

Ship owner and manager needs:



## Key differentiators

Global port network

Full-service provider

Global assortment & uniform quality

Key Account Management

Digital marine supply innovation

Environmentally friendly solutions









# Financial highlights

## REVENUE DKK

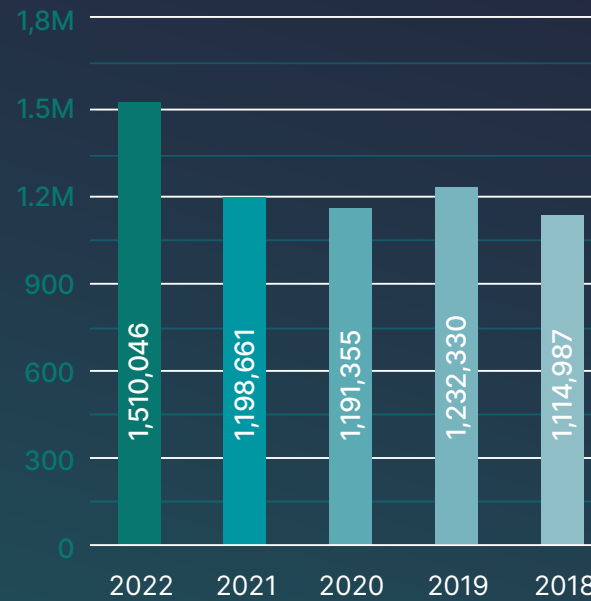


### REVENUE

The volume of supplies to ships and off-shore continued to increase in 2022. The increase in sales is seen throughout most business activities and most significantly in Ship Supply. The sales increase is driven by volume, inflation, and currency fluctuations.

In total, and in the reporting currency, net sales increased 20.9%, amounting to DKK 5,389m compared to DKK 4,458m in 2021. In 2022, positive impact from the acquisition of Centralam Pánama impacted net sales by DKK 70m.

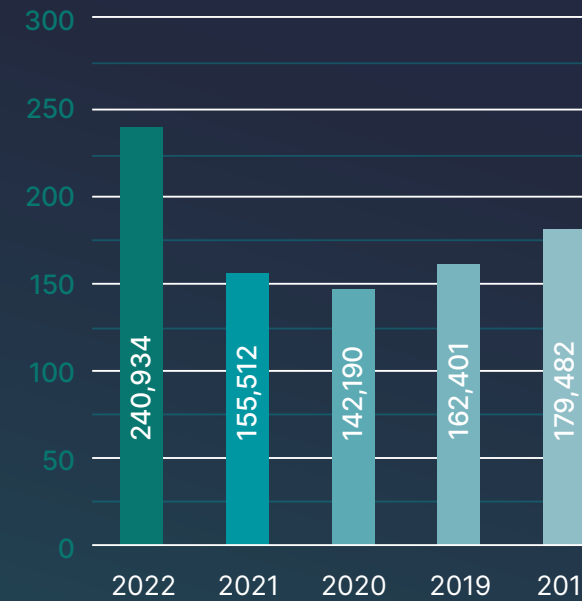
## GROSS PROFIT MARGIN DKK



### GROSS PROFIT MARGIN

Gross profit increased in 2022 to DKK 1,510m from DKK 1,199m in 2021. The gross profit ratio increased to 28% compared to 26.9% in 2021. The primary drivers for the improved ratio are increased focus on our procurement strategy, and change in business mix.

## OPERATING PROFIT (EBITA) DKK

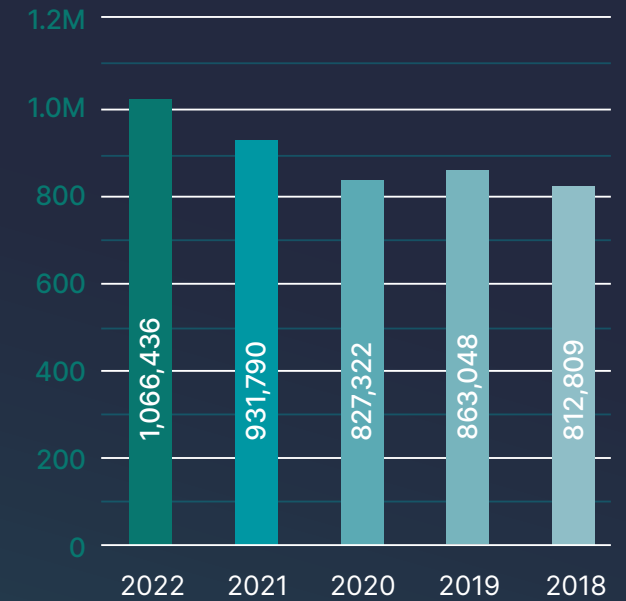


### OPERATING PROFIT (EBITA)

The reported EBITA increased by DKK 85m from DKK 156m in 2021 to DKK 241m in 2022, which is an increase of 54.9%. The operating margin (EBITA) was 4.5% in 2022 compared to 3.5% in 2021.

When comparing the operating profit to the expectations from the annual report for 2021 (EBITA DKK 240-265m), we arrived within this range.

## EQUITY DKK



### EQUITY

The Group's equity stood at DKK 1,066m at the end of 2022, compared to DKK 932m in 2021, while debt inclusive of lease obligations was DKK 830m, compared to DKK 698m the previous year.





# The next level of Ship Supply

In 2022, we saw significant growth in the Ship Supply business, which was the result of a well-implemented and carefully executed operational improvement program enhancing our performance and digital transformation across the business – all led by our dedicated people.

**Inflation remained an economic market condition throughout 2022. Where cost increases could not be avoided, these unfortunately had to be passed on to customers. However, several initiatives were taken to limit and mitigate the inflationary impact on our customers and to create transparency:**

- Strong negotiations with suppliers to maintain the best possible price and cost levels whilst also trying to create win-win for our competent suppliers
- Close customer dialog and planning of supplies
- Market and business updates based on substantial own research were distributed to our customers every second month, for which we have received significant recognition from our customers
- Launch of the 'Think differently' campaign, encouraging customers to opt for alternative provisions
- Monthly procurement summits to keep our commercial organization well informed about the inflationary impact and market trends

**Significant growth reinforced by extended sales force**

In 2022, we saw a significant revenue growth of 32% among our key account customers, and 37% growth within contracted business. This clearly demonstrates the mutual benefit of fixed agreements and long-term partnerships. The significant growth combined with a new strategic 5-year roadmap called for a reinforcement of our executive and senior commercial management team. Peder Winther, CEO Ship Supply, was onboarded in October, aiming to lead the Ship Supply business to the next level.

**Core business up for a digital transformation**

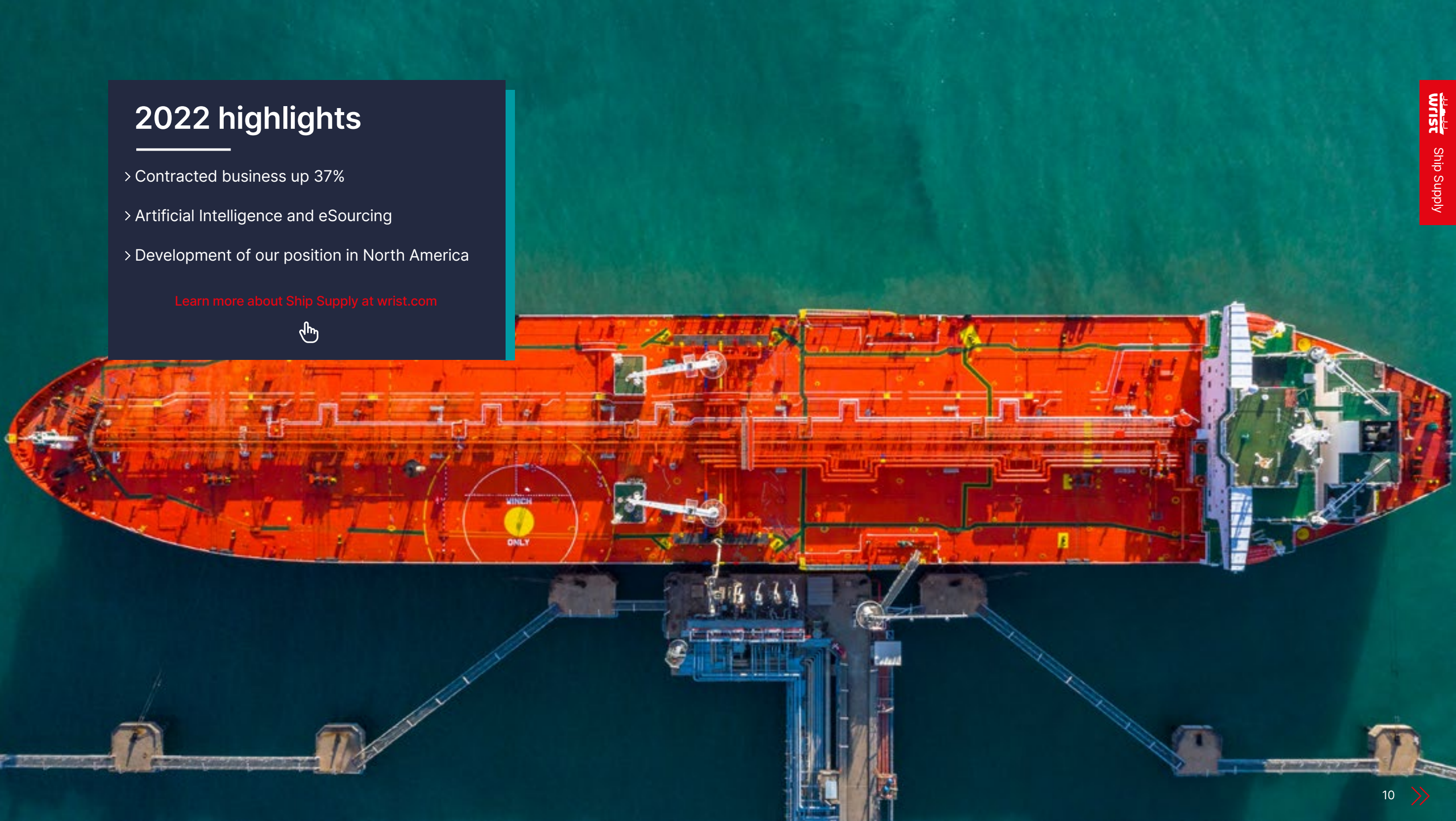
Our Ship Supply business delivered the first catalog of 11,500 items to the Source2Sea digital marketplace. "This is a great achievement performed by an agile and collaborating Ship Supply business supported by a strong Operational Excellence program," says Peder Winther, CEO Ship Supply.



# 2022 highlights

- > Contracted business up 37%
- > Artificial Intelligence and eSourcing
- > Development of our position in North America

[Learn more about Ship Supply at wrist.com](https://www.wrist.com)





**Artificial Intelligence and eSourcing**

Items that are ordered by our customers outside our global assortment range have so far been handled semi-automatically by our specialized code cracking team. To streamline this process, we have initiated a new pilot project, fueled by Artificial Intelligence (AI) with the aim to more quickly select products for our customers and thus reduce our tender turnaround time.

The launch of eSourcing reaffirms our digital approach within Procurement. An eRFQ system and an eAuction system were introduced, aiming to boost financial results and create market transparency and efficiency in the way we work with our global suppliers.

**Newbuilding deliveries boosted by strong entrepreneurship**

With more than 200 newbuilding deliveries in China alone, during 2022, we are proud to say that newbuilding service is one of our core competencies. Our branches in Guangzhou and Shanghai continue in particular to excel in newbuilding service in 2023.

**Strengthened market position in North America**

Wrist North America created new growth opportunities in 2022, especially within cruise vessels – a customer segment that historically has not accounted for a large part of our business.

In August 2022, Wrist began the construction of a combined Distribution and Fulfillment Center in Houston, which was opened in April 2023. The new facility has expanded

our existing 68,000 sq. ft. operation to 165,900 sq. ft. Sustainable solutions have been incorporated into the framework of the new facility, also improving the local work environment.

Mike Liantonio, CEO of Wrist Ship Supply North America, explains: “Our new Houston facility will function as a National Distribution Center and the primary supplier of critical goods for all of Wrist North America.”

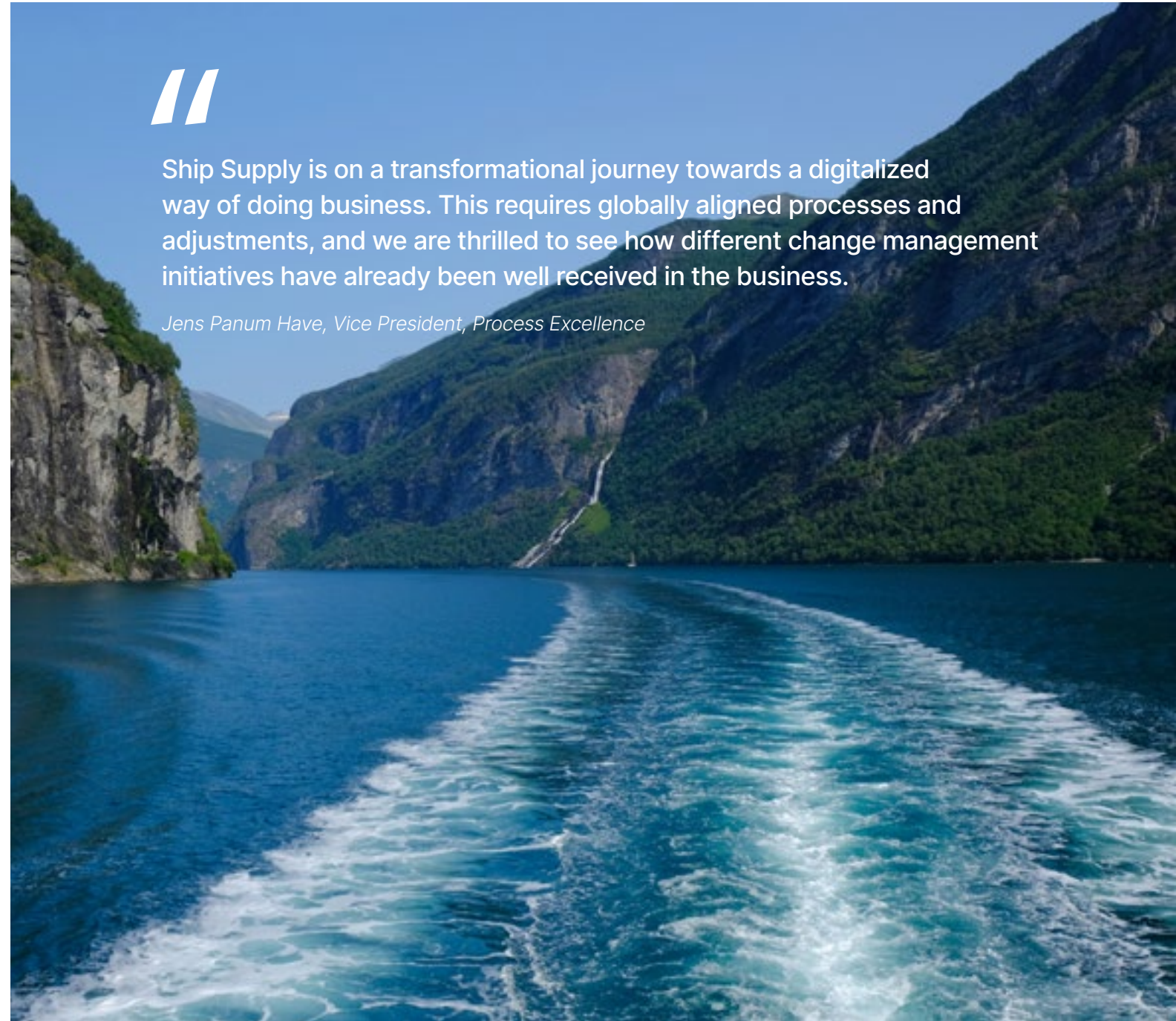
**Acquisition in Panama reinforces global promise**

The integration of Centralam Panamá in Wrist was completed very successfully. With this acquisition, we expanded our global operational, commercial, and procurement network and secured a foothold at a strategically important maritime hub, to the benefit of our global customers.

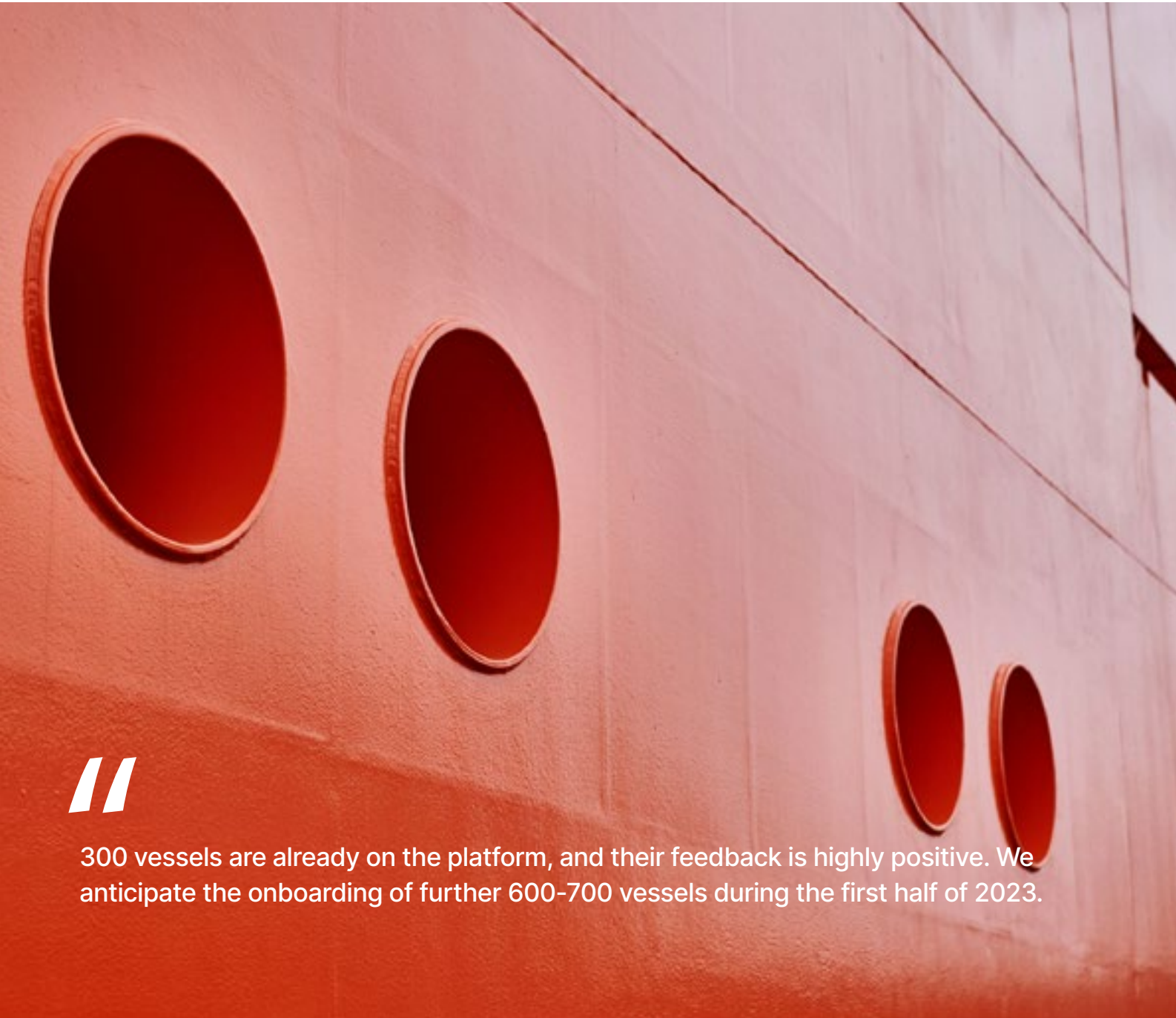
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Ship Supply is on a transformational journey towards a digitalized way of doing business. This requires globally aligned processes and adjustments, and we are thrilled to see how different change management initiatives have already been well received in the business.

*Jens Panum Have, Vice President, Process Excellence*







300 vessels are already on the platform, and their feedback is highly positive. We anticipate the onboarding of further 600-700 vessels during the first half of 2023.

# The year of transformation

2022 was focused on turning a downtrend in revenue into an uptrend with increasing revenue. New digital solutions and Go-To-Market strategies were launched, and a new senior management team was brought on board with the aim of boosting customer services and organic growth. During the year, we succeeded in stabilizing revenue and we now again see growth.

During 2022, we welcomed many new customers, and extensive initiatives were launched to strengthen our Maritime Services business and to advance the digital transformation.

In response to high food inflation, we undertook a systematic review of customer budget rates, analyzed alternative supplies, and agreed changes to budget rates across all customers. The process of regularly reviewing rates with customers will continue throughout 2023 due to the volatile environment. We also worked with key suppliers to limit price increases to protect the food on the plate for crews as much as possible.

## Launch of Gateway

In order to assist the rejuvenation of our revenue growth, we launched a cutting-edge digital platform, Gateway, to support the digitalization of our customers' business. Gateway is a digital end-to-end ordering and inventory management platform. It represents an entirely new way of interacting with our customers and vessels. Gateway adds a fast, easy, and transparent ordering

process to our customers' budget management, coverage, and stock. It provides vessels with access to valuable data including prices, basket value, and nutritional information empowering masters and cooks to make informed decisions about what to order and where. During 2023, we will through Gateway introduce a new inventory management system, CO2 calculator, and other features as an integrated part of the platform. Our aim is to make Gateway the leading app of its kind and a source of sustained competitive advantage. We are very well on our way to achieve this.

We invested heavily in analytics and customer self-service in the form of Garrets Insights providing our customers with access to reports on budget management, virtualizing performance, coverage, consumption, and stock in real time.

## New visual identity

The launch of Gateway accelerated the need for a new straightforward design and expression – a new visual identity that resonates with the digitalized business.



Our digital progress and the rebranding were received positively by customers. In addition, this development is also an important asset for us as an employer – to retain and attract talent.

#### Boosting the business for growth

To grow our business and keep our close relationships with customers, we established a new training and support service team. This team is responsible for conducting customer training activities as well as ensuring we visit most of our vessels frequently. The improved offerings within this increasingly important service area has been well received by our customers.

The organization was strengthened even further with the recruitment of a Human Resources Business Partner. Increased focus on change management and staff development had a positive influence on culture and employee satisfaction. We also strengthened our organization with a new Asia Pacific Commercial team based out of Singapore. This has led to better customer satisfaction and additional business from the Asia Pacific region.

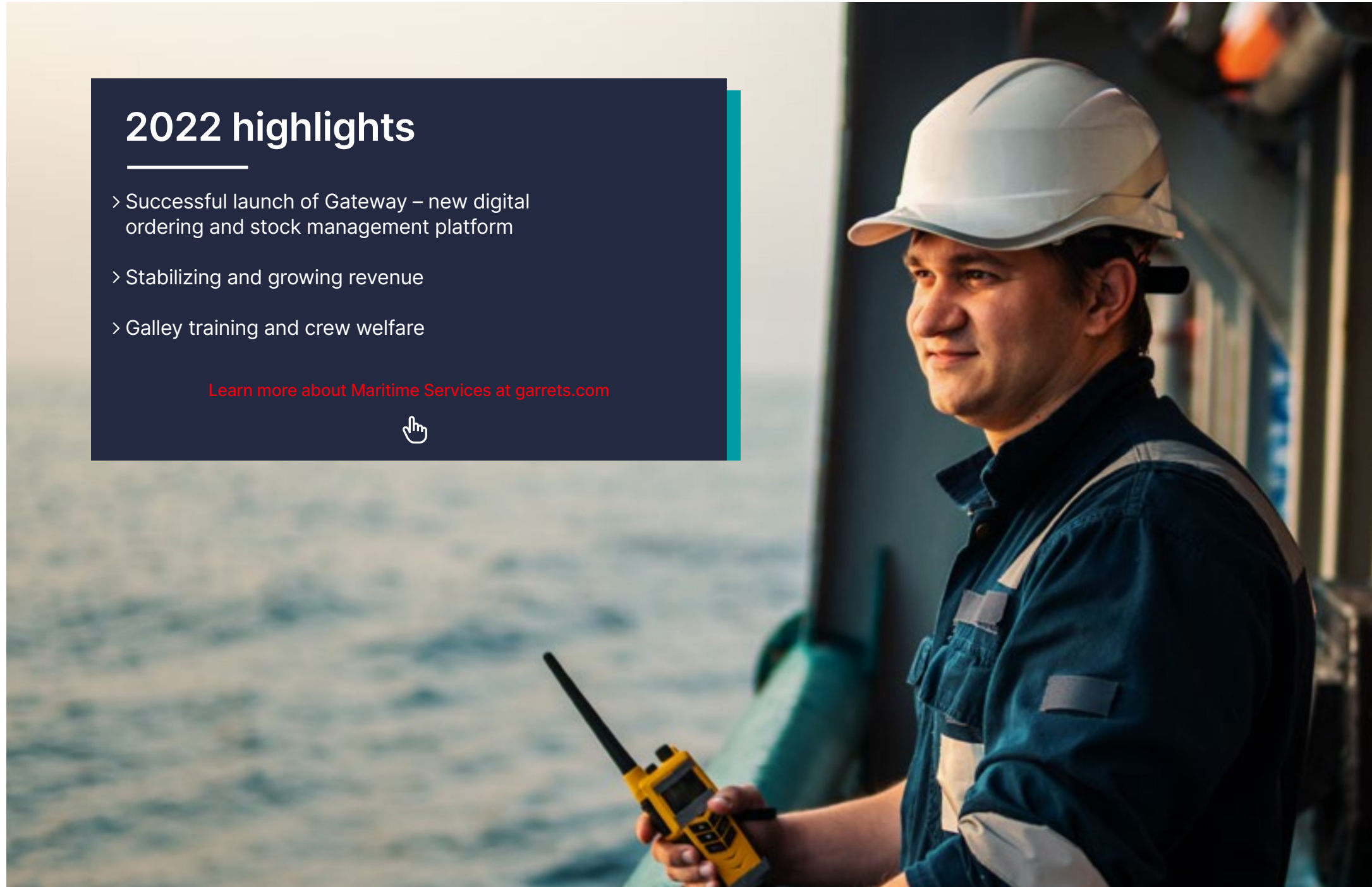
#### Improving social welfare on board

Ship owners and managers are increasingly demanding solutions that improve the social welfare of seafarers. As a Maritime Services provider, we provide nutritious food, galley crew training, and social activities on board. We see a great potential for additional services to improve health and crew welfare and we have therefore started exploring new, personalized services to support this.

## 2022 highlights

- > Successful launch of Gateway – new digital ordering and stock management platform
- > Stabilizing and growing revenue
- > Galley training and crew welfare

[Learn more about Maritime Services at garrets.com](https://garrets.com)



# Renewables taking off

2022 was a very positive year for our Offshore Supply business, supported by a significant increase in offshore wind and renewables activity in the North Sea.

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During 2022, our facilities in Den Helder, the Netherlands, were installed with solar panels which combined with the heat source pumps generates enough energy to meet the depot's power requirements.

The market development around wind and renewables grew far quicker than expected with the sector accounting for 3.5% of our Offshore related turnover. The segment is expected to contribute up to 10% of turnover by 2025 as activity levels in the sector continuously increase. Many customers have started to reduce their dependency on traditional oil and gas business and are migrating towards renewables where we are also, as for oil and gas, well placed to support them.

#### Significant increase in sales volume

In total, sales performance was up in excess of 30% year-over-year. This stellar performance was driven by the uplift in the offshore wind and renewables market, increased drilling activity, and a buoyant marine sector.

Inflation was a major challenge for the business both from a product sourcing and operating cost perspective. Though there was an inflation contribution to sales, this was largely offset to support rising transport, utility, and wage escalations.

The UK oil and gas sector benefited from a rising oil price during 2022, but the newly introduced windfall tax combined with the falling price of oil are leading to some operators considering their UK expenditure strategies. However, at present, we are seeing a positive upturn in drilling activity for oil and gas as a result of the war in Ukraine. We also see an increase in some repair and maintenance work following a reduction in activity during the COVID-19 pandemic leading to a generally positive short-term outlook for the sector.

To reduce our dependency on oil and gas, we will in 2023 continue to develop our renewables offering, but also look to attract new sales by developing the traditional marine business and extending our service to a wider range of ports across the UK.

#### Responsible approach towards net-zero

We are committed to minimizing the environmental impact of our operations and this has become a focus area for the business.





## 2022 highlights

- > Sales up 30% year-on-year
- > Renewables account for 3.5%
- > Moving towards carbon neutrality

Learn more about Offshore Supply at [strachans.co.uk](https://strachans.co.uk)



# Driving growth in logistics

In 2022, the online logistics portal was expanded with in-depth transport reports and CO2 emissions calculation. The online portal, combined with the effective door-to-deck solutions for complex logistics operations, enhanced logistics efficiency, providing our customers with data transparency, CO2 footprint information, and cost-efficient logistics solutions. Despite a highly competitive and inflationary market, we gained market share.

Freight rates remained elevated during 2022 due to rising fuel prices and congestion in supply chains. However, we started seeing a decrease in Q3 and Q4, although freight rates remained significantly higher than the 5-year average. One would therefore expect a reduced number of shipments, but despite the inflationary impact and a competitive market, we experienced that customers were confident working with us, and that we understand and know their business and always find the most cost-efficient logistics solutions.

## Reliable door-to-deck solutions created growth

2022 saw a growing intake of new customers, as well as an increase in business with existing customers due to our ability to solve highly complex logistics challenges.

We have a significant network of contracted agents and external warehouse facilities to secure global coverage – complementary to the Wrist branches. This enables us to provide door-to-deck solutions even in complex ports, from orders being placed

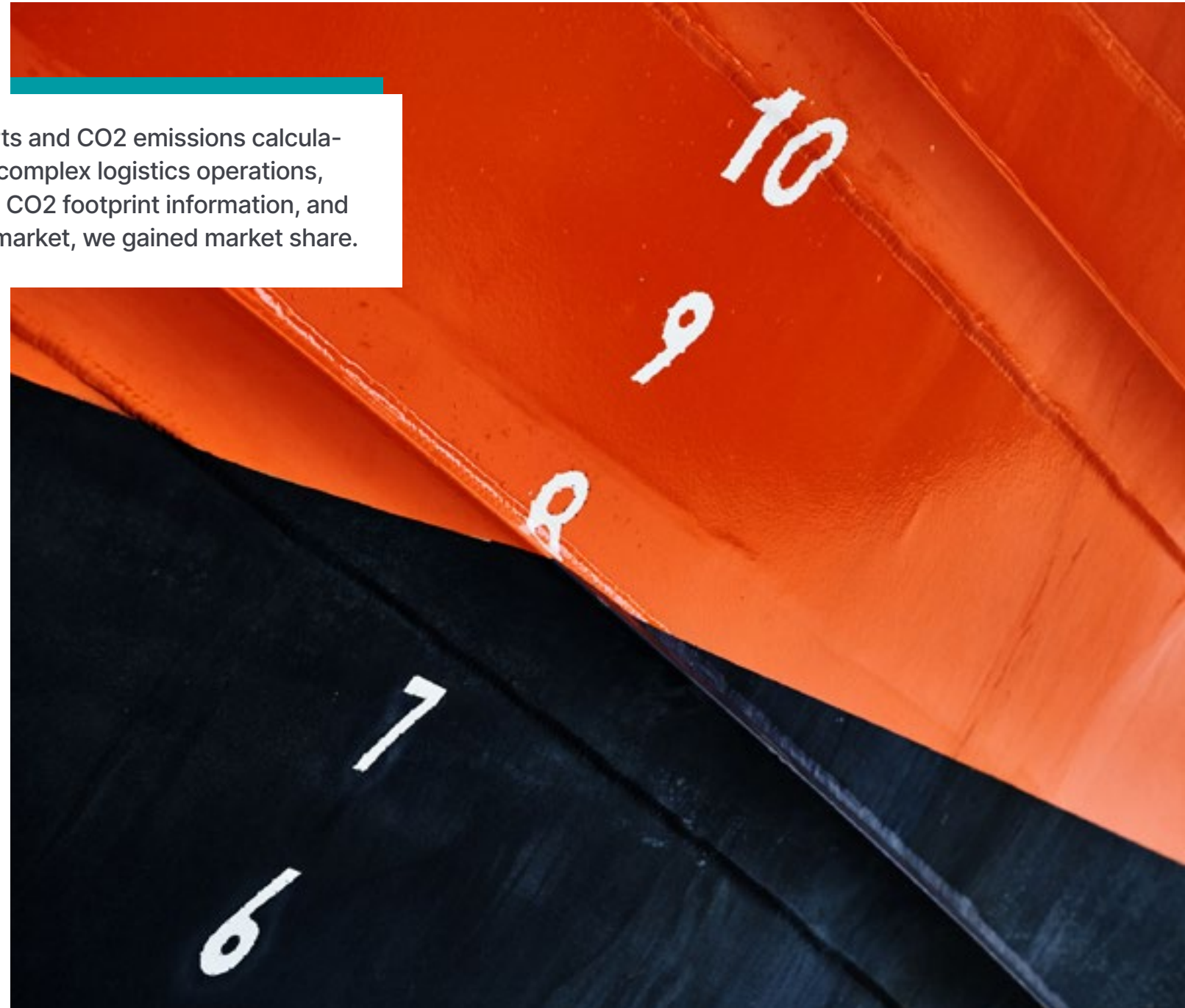
with third party suppliers to delivery on board the vessel – including global track & trace and last mile delivery.

## Extension of last mile setup

Last autumn, we established a new last mile setup with an external warehouse facility in Rio De Janeiro, Brazil, to meet customer demand. Brazil is strategically important to our customers in the offshore segment, and we are confident that this new warehouse facility and extended global coverage will be attractive to more offshore customers going forward.

## Online logistics portal with CO2 emissions calculation and customer integrations

In 2022, we launched a new module for our online logistics portal, enabling the calculation of CO2 emissions for our customers' entire freight, per order and per vessel. We also refined the quote module to provide in-depth analyses of our customers' third-party supplies.





Customers are keen to integrate our online portal into their own Fleet Management System (FMS), thus achieving data sharing and insights. The first integrations have already been made and more are planned. We also expect that this will pave the way for new partnerships with customers that are reliant on integrations.



We receive positive customer feedback to the online portal, supporting the demand for a higher level of digitalization, efficiency, and transparency within marine logistics

*Frank Hjorth, General Manager  
Wrist Marine Logistics.*

## 2022 highlights

- > Best-in-industry digital capabilities providing transparency and information
- > Effective door-to-deck solutions and last mile setup extended to Brazil
- > Online portal with CO2 emissions calculator and customer integrations

[Learn more about Marine Logistics at wrist.com](https://www.wrist.com)





# Building a digital venture

The Source2Sea digital marketplace reinforced its position as the driver of digital transformation in the marine supply industry. The digital marketplace accelerated greatly in 2022 with substantial investments and a strong organization in place. A significant number of pilot customers confirmed the great potential of the digital venture, and we are currently scaling up the platform with a significant Wrist customer – one of the largest shipping companies in the world.

The ship supply industry has only recently started adopting solutions driven by data and digitalization, and manual, analog, inefficient, and resource draining ship procurement is still predominant. So far, the industry has seen different traditional transaction platforms simplifying the RFQ process, however, these only serve to support the RFQ process, not to remove it.

Wrist has founded and funded Source2Sea, and we are developing a revolutionary digital marketplace for the marine industry. We are removing the RFQ process and facilitating a data-driven global marketplace that connects buyers and suppliers, empowering trade through reduced costs and increased convenience. The basic idea is to help customer focus on their core business of running vessels and transporting cargo.

#### User involvement is crucial

Our strong Source2Sea organization is made up of experienced people from the marine and digital industry, providing us with a solid

foundation for product development and market approach. As each customer operates differently, we spend time understanding their processes and pain points – all the way from the vessel and its crew to the shipping company ashore and its suppliers.

Throughout the building and development of the digital platform, we are involving our users, asking questions, iterating, and testing our ideas against real users from different shipping segments and functions within our customers, with various needs in real time, to ensure we build the solution in the right direction.

#### Building on relationships and taking the lead

The digitalization of marine supply and procurement will remove inefficient processes, not relationships. Since the launch of Source2Sea, we have received very positive and constructive feedback, allowing us to make the right adjustments. Strong relationships are essential to ensure we continuously develop what is already today the leading-edge digital marketplace in the marine industry.





### Taking cost out

Our close dialog with purchasers confirms that due to inefficient manual processes, a disproportionate part of their time is spent on sourcing. The categories of provisions and stores represent 8% of the spend but consume, inefficiently, 50% of the time of the purchasing organization. In addition, products received onboard vessels are, in the analog process, often not what is expected leading to further cost, frustration, and inefficiency. This is all solved through Source2Sea.

For crews and buyers, we are building an unprecedented catalog based on their precise needs and requirements. What they click is what they get at the right time and right cost. This also provides an opportunity for the supplier to anticipate the needs of the vessels, making it easier to plan with sub-suppliers – and potentially achieve more attractive prices, to the benefit of both buyers and suppliers.



**When we empower crews and buyers and incentivize suppliers, we reduce costs and increase convenience, transparency, and automation throughout the ecosystem – we take cost out.**



## 2022 highlights

- > Leading-edge digital marketplace solution
- > Taking cost, inefficiency, and frustration out
- > Strong cooperation with buyer and supplier customers

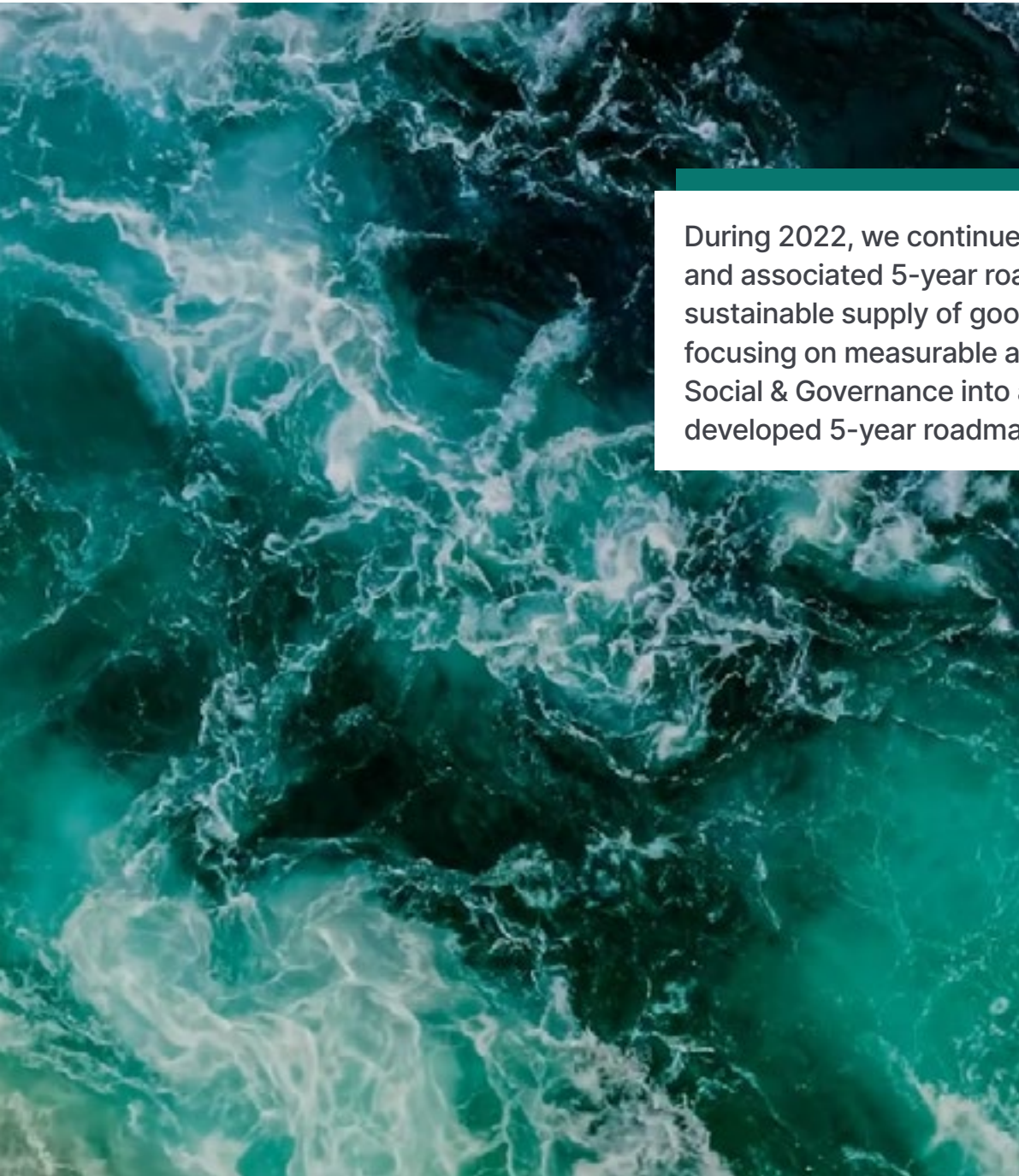
Learn more about our Digital Marketplace at [source2sea.com](https://source2sea.com)











# Environmental, social, and governance

During 2022, we continued the development of a new Environmental, Social, and Governance (ESG) strategy and associated 5-year roadmap to proactively drive and meet our customers' current and future needs for a sustainable supply of goods and services. We engaged with an external advisory firm to help us in this process focusing on measurable and actionable solutions. As from March 2023, we recruited a Head of Environment, Social & Governance into a new position with the aim of launching the new global ESG strategy and the newly developed 5-year roadmap in Q2 2023.

To be able to start measuring our ESG initiatives, we defined a range of objectives in 2022 in alignment with four prioritized UN Sustainable Development Goals.

### ESG objectives

1. We acknowledge our role as part of the ship supply industry, driving world trade at sea, and as a key enabler for the sustainable growth and development of our customers, suppliers, employees, and societies.
2. We have a strong focus on the impact we leave behind in terms of the environment, social responsibility, and governance.
3. We ensure that our own business operations, buildings, and vehicles gradually reduce their climate impact by 70% towards 2030, culminating in all greenhouse gas emissions being net zero by 2045.

In 2022, we especially prioritized four of the UN Sustainable Development Goals:



### GOAL 5

#### Gender equality:

To actively work towards gender equality on manager levels



### GOAL 8

#### Decent work and economic growth:

To create growth and apply high standards of health and safety



### GOAL 13

#### Climate action:

To minimize the ocean impact we leave behind



### GOAL 16

#### Peace, justice, and strong institutions:

To maintain high standards of business ethics



## Our ESG ambition

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As a global company and market leader, we have the obligation – and the ambition – to act and contribute to the sustainability transition.

We are dedicated to being a socially responsible employer and global citizen. Through our solutions and products, we want to contribute to a responsible marine supply industry.



# Environmental

At Wrist, we continuously work on reducing our own climate impact, while looking to meet our customers' demand for responsible solutions and services.

We are aware that our operations constitute a risk to the environment and climate. Environmental goals have been defined, and we have committed ourselves to reducing energy and waste in our own operations and expect our suppliers and business partners to also take this approach.

With our global footprint, we endeavour to:

- > Reduce GHG emissions of company cars (scope 1)
- > Reduce GHG emissions of electricity for offices and warehouse facilities (scope 2)
- > Prioritize circularity of resources within packaging, wrapping, and waste separation and minimize food waste (scope 3 emissions will be included in our new global ESG strategy)

## Time to be aware

Aware is our co-brand aimed at offering our customers high quality eco-friendly products. With the aware product range, we provide responsible alternatives to the conventional products used in the maritime industry.

Aware is our customer's choice for:

- > Eco-friendly solutions and services
- > Quality products in cooperation with recognized trademarks
- > A product line that meets the increasing need for reducing our carbon footprint and other environmental hazards in the maritime industry

Our aware products will not save the seas overnight, but are a responsible choice to conserve and use the oceans while caring for seafarers.



Environmental goals

Status 2022

<p><b>GHG emissions reduction (scope 1): Company cars</b></p> <ul style="list-style-type: none"> <li>&gt; In 2027, 50% of all new, European company cars must be hybrid and/or electric powered</li> </ul>	<ul style="list-style-type: none"> <li>&gt; In Europe, 22% of all company cars were hybrid or electrically powered cars</li> </ul>
<p><b>GHG emissions reduction (scope 2): Electricity</b></p> <ul style="list-style-type: none"> <li>&gt; Denmark: increase the share of electricity from renewable sources to 90% in 2025</li> <li>&gt; At Group level: increase the share of electricity from renewable sources to 50% in 2025</li> </ul>	<ul style="list-style-type: none"> <li>&gt; In May 2022, solar panels were installed and put into operation at our facility at the Skaw (SAGA Shipping), Denmark, increasing the renewable share to 30% on a full year basis</li> <li>&gt; All electricity in Aalborg, Denmark is certified green electricity from wind turbines</li> <li>&gt; In Denmark, the renewable share was 81% in 2022 compared to our target of 90% in 2025</li> <li>&gt; In Wrist, the renewable share was 27% in 2022 compared to our target of 50% in 2025</li> </ul>
<p><b>Circularity of resources: Stretch film</b></p> <ul style="list-style-type: none"> <li>&gt; Stretch film used for inbound deliveries must be handled more sustainably</li> <li>&gt; Implementation in full by December 2025</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Biodegradable and nano stretch film was tested in 2022 in Aalborg, Singapore, and Rotterdam, but it breaks – no suitable alternative has been identified so far</li> <li>&gt; In most warehouses, stretch film is sold, remelted, and recycled</li> </ul>
<p><b>Circularity of resources: Cardboard boxes</b></p> <ul style="list-style-type: none"> <li>&gt; Cardboard boxes for packing and shipping for inbound deliveries must be handled sustainably</li> <li>&gt; Implementation in full by December 2025</li> </ul>	<ul style="list-style-type: none"> <li>&gt; In 2022, we started implementing RFIs (Requests for Information) from our suppliers, to be able to select vendors who give priority to sustainable cardboard and packaging alternatives</li> <li>&gt; In most branches, cardboard boxes are reused if their condition is suitable – if not, they are sent for recycling</li> </ul>

<p><b>Circularity of resources: Food waste</b></p> <ul style="list-style-type: none"> <li>&gt; Implementation in full by December 2025</li> </ul>	<ul style="list-style-type: none"> <li>&gt; China and Singapore: foods close to expiry date are donated or given to staff</li> <li>&gt; Europe: foods close to expiry date are distributed to employees and/or charity. Aalborg donated 16 tonnes of foods to charity in 2022</li> <li>&gt; Dubai: foods are given to staff to minimize waste</li> <li>&gt; Maldives: foods close to expiry date are handled through an agreement with government waste management</li> </ul>
<p><b>Sustainable products and solutions: Outbound plastics</b></p> <ul style="list-style-type: none"> <li>&gt; Outbound product packaging, plastics, and wrapping must be replaced by alternative material or there must be a plan for replacement/reduction by all suppliers that are global assortment vendors</li> <li>&gt; Must be available by December 2025</li> </ul>	<ul style="list-style-type: none"> <li>&gt; In 2022, we started implementing RFIs (Requests for Information) from our suppliers, to be able to select vendors that give priority to alternative outbound product packaging, plastics, and wrapping</li> </ul>



We have committed ourselves to reducing energy and waste in our own operations, and expect our suppliers and business partners to also take this approach.







# Social

We promote and encourage gender equality and diversity. We support and enforce health and safety of all employees to prevent health damage and avoid accidents and near miss incidents. We encourage training and education to leverage our digital skills and performance, supporting and improving job satisfaction and retention.

With our social footprint, we endeavour to:

- › Promote gender diversity at manager level (managers leading a team of one or more)
- › Enforce the health and safety of all employees to fully prevent accidents and near miss incidents
- › Ensure continuous learning by mapping skills gaps and providing digital learning
- › Support employees through employee performance reviews, employee engagement, and job satisfaction surveys

## Sponsorships for seafarers' welfare

At Wrist, we support maritime organizations and seafarers' welfare projects. We strive for diversity in our sponsorships, supporting primarily international organizations, such as Danish Seamen Churches, Day of the Seafarer, International Seafarers' Welfare and Assistance Network (ISWAN), Massachusetts Maritime Academy, and Mercy Ships. We also support local maritime organizations, such as Seaman-Aalborg, Aalborg Maritime Network, and Springerren (a local maritime museum in Aalborg). Finally, we support selected humanitarian aid programs, extending our maritime Expert Care to temporarily embrace people in need onshore.

## Employees and social initiatives

Throughout Wrist, we feel positively obligated to contribute to growth, create new jobs in our locations – and give something back to the communities in which we operate.

As an attractive place to work, we want to be able to retain and develop our existing employees. Moreover, we help meet the demand for apprenticeships, traineeships, and internships, and offer work experience arrangements for citizens who are unemployed.

## Diversity and talent management

We are committed to achieving a sound and balanced gender composition across the company, and the Board of Directors has approved a policy aimed at increasing the share of the underrepresented gender at all management levels. Training, development, and promotional opportunities are available to prepare colleagues for management positions.

This policy will be monitored and reviewed annually by the Board of Directors, and progress compared to the stated intention is reported to the Board.





**Wrist defines “Management” as:**

- > The Executive Board
- > Directors and Managers reporting directly to the Executive Board
- > Directors and Managers leading a team of one or more team members
- > Specialists with company-wide impact

At the end of 2022, the share of male and female managers was 70% and 30%, respectively. This is above the aim for 2022 of 28% female managers. Wrist will continue to work towards a higher level of managerial diversity, and the 2023 target is a proportion of 68% and 32%, respectively.

**In support of our 2022 target, we will continue our range of initiatives to help managers embrace the target:**

**Talent acquisition and internal promotions**  
Ensure candidate lists for job interviews at all levels have an equal representation of qualified candidates from both genders, and when top candidates are equally qualified, to select a candidate of the underrepresented gender.

The overarching principle, however, remains to be the selection of the best-qualified person, irrespective of gender, race, age, or religious beliefs.

**Talent development**  
Ensure that talents of the underrepresented gender are supported by training, develop-

ment, and mentoring opportunities that will assist them in their professional growth. This includes specifically defining managerial development opportunities during the annual performance reviews.

At Wrist, we have a long tradition of graduate and trainee programs, and we endeavor to have diversity at an entry-level here as well.

**Board of Directors**  
In 2022, the gender composition at the Board of Directors level remained unchanged from previous years (0% female/100% male). This means that we did not meet the target for 2022, and the current representation of females in our Board of Directors is at 0%.

The target is to achieve at least an 80/20 distribution between men and women before the end of 2024. The target is related to the owner’s representatives and does not include employee representatives (if any).

**Health and Safety**  
We endeavor to ensure hazard-free workplaces for our colleagues, contractors, and others working in various locations by applying high standards of occupational health and safety. We strive to ensure the safety of products and services through efficient control systems in accordance with requirements from local safety organizations.

Our Health and Safety policy is implemented by creating awareness around our safety instructions and providing training for our colleagues in safety. Protecting the health and safety of our colleagues is of highest priority.





**Safety training**

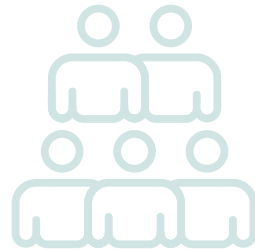
We prioritize the safety education and training of our colleagues. The type of training is dependent on the job content. The focus and priority are adapted across all our branches, so that we ensure that all colleagues get safely through the working day. All colleagues in our warehouses are required to complete training before operating machinery or being involved in the handling of hazardous materials.

Any accidents are reported, and an evaluation is done to identify key training areas to improve the health and safety across the organization.

**Anti-harassment**

We have implemented an anti-harassment policy covering the entire Group to ensure a safe and welcoming work environment. The policy includes tools to report a breach and how such reports are handled. We have a zero-tolerance policy towards discrimination, the use of offensive language, bullying, excluding, or isolating, sexual harassment, and the like.

In 2022, no incidents of discrimination were reported.



We promote and encourage gender equality and diversity.

We support and enforce health and safety of all employees, to prevent health damage and avoid accidents and near miss incidents.

We encourage training and education to leverage our digital skills and performance, supporting and improving job satisfaction and retention.

**Social goals**

**Status 2022**

<p><b>Gender diversity</b></p> <ul style="list-style-type: none"> <li>&gt; Manager level:             <ul style="list-style-type: none"> <li>- 2022: Minimum 28% female</li> <li>- 2023: Minimum 32% female</li> <li>- 2024: Minimum 36% female</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>&gt; 2022: 30% of managers were female</li> </ul>
<p><b>Health and safety</b></p> <ul style="list-style-type: none"> <li>&gt; 100% registration of accidents and near misses</li> </ul>	<ul style="list-style-type: none"> <li>&gt; No update until end 2023 – other than the US has introduced online Health and Safety training sessions for all employees working in the warehouse</li> </ul>
<p><b>Continuous learning</b></p> <ul style="list-style-type: none"> <li>&gt; Mapping skills gap</li> <li>&gt; At least one digital training event for each major location in 2023</li> </ul>	<ul style="list-style-type: none"> <li>&gt; No update available until end 2023</li> </ul>
<p><b>Employee development and job satisfaction</b></p> <ul style="list-style-type: none"> <li>&gt; % of employees with at least two annual talks with their manager regarding performance and career development (warehouse employees and drivers exempted):             <ul style="list-style-type: none"> <li>- 2022: 75%</li> <li>- 2023: 85%</li> <li>- 2024: 95%</li> </ul> </li> <li>&gt; 2023: Conduct employee engagement and job satisfaction survey and create baseline for employee engagement</li> <li>&gt; 2024: Minimum 10% employee engagement and job satisfaction improvement (baseline 2023)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 2022: 75% of employees had at least two annual talks with their manager regarding performance and career development (warehouse employees and drivers exempted)</li> </ul>







# Governance

To promote the long-term interests of Wrist and our stakeholders, we maintain the highest legal and ethical standards in all business practices.

Wrist's ethical standards are rooted in the Group's culture, and every day we strive to fulfill the objectives to:

- > Prioritize supply chain cooperation to ensure our suppliers adhere to our Supplier Code of Conduct
- > Continuously run our business according to the Wrist Business Principles, ensuring our ethical standards
- > Provide easy access to Wrist policies to ensure employees adhere to our global policies

## Business Principles

At Wrist, we have a set of Business Principles providing guidelines to increase transparency and describe the way we act while pursuing our business objectives.

The Business Principles are incorporated in Wrist's general business practices when living out our mission of 'Expert care making our customers' life at sea better and Wrist a great place to work', and they reflect the UN Global Compact as well as relevant regulations on anti-corruption, competition law, and international trade sanction regulations.

The Business Principles guide and direct team members and managers in essential matters such as:

- > Relationships with authorities
- > Transparency
- > Anti-trust
- > Anti-corruption
- > Trade sanctions
- > Anti-fraud and accuracy of accounting records
- > Respect for generally recognized (internationally and locally) human and labour rights
- > Employment practices

The Business Principles represent the codification of the ethical standards we live by and promote in Wrist, and they are important cornerstones for the formulation and communication of Wrist's ethical position and policies.





## Compliance Program

The overall Business Principles are further detailed in Wrist's Compliance Program, which covers the topics of:

- > International trade sanctions
- > Anti-bribery rules and principles
- > Anti-trust rules/competition law
- > General Data Protection (EU)
- > Whistleblowing

During 2022, no incidents have been reported in any of the above areas.

The program complies with applicable rules and regulations and is tailored to Wrist and our industry, based on identified risk factors. Within each of these areas, the program comprises detailed written policies and procedures, as well as a training program and internal controls.

The implementation of the Business Principles and the Compliance Program has generated an increased awareness among team members and managers of the importance of avoiding violations.

### International trade sanctions

It is the policy of Wrist that all employees, managers, and companies must comply with applicable Export and Import Controls and Economic Sanctions of the US, the EU, and the UN, as well as with the regulations of respective countries in which Wrist operates. Colleagues are receiving training in international trade sanctions.

### Anti-bribery rules and principles

Wrist operates worldwide, and from time to time in areas identified as high risk regarding corrupt practices. Furthermore, cash is still a means of payment used by vessels travelling at sea. Such risk factors, among others, have led us to pay special attention to the anti-bribery program. Colleagues receive training in anti-bribery rules and principles and are evaluated on a yearly basis.

### Anti-trust rules/competition law

Wrist believes in vigorous, yet fair competition. Colleagues must never engage in any anti-competition actions, and each employee must comply with this principle. Colleagues are receiving anti-trust/competition law training.

### General Data Protection (EU)

Directions on the EU General Data Protection Regulation in relation to business activities in Wrist are included in our online compliance training. Colleagues are receiving training in data protection rules.

### Whistleblowing

A Group whistleblowing system specifically tailored to the requirements of Wrist enables colleagues, management, and the Board of Directors to report suspected breaches of the Business Principles, fraud, bribery, or other breaches of law anonymously with no risk of retaliation. The Whistleblowing Policy ensures that colleagues know how to react and how to report in the case of suspicion of a breach.

In 2022, one incident was reported to our whistleblowing system. Investigations showed no indications of fraud, nor infringement of company policies.

### Data Ethics

A Group policy for Data Ethics is aimed at colleagues as well as current and potential business partners. The policy for Data Ethics covers use of all data types and is thus not limited to the use and protection of personal data. The policy complements the principles of transparency and data minimization of the Data Protection Regulation, as well as rules on integrity and confidentiality. The policy also supplements policies on the handling of personal data, use of cookies, etc.

### Statement regarding the company's Policy for Data Ethics

The Policy for Data Ethics includes the type of data being used, how the data is provided, and how we use the data. The policy also includes information on artificial intelligence and machine learning as well as how we take in new technologies at a Group level.

In 2022, we streamlined data in general, ensuring that data about customers, suppliers, products, etc. are correct. We also worked to enhance the services provided to vessels by developing a product selection tool powered by Artificial Intelligence (AI). With this new tool, we will be able to more quickly select products for our customers, thus reducing the processing time even further. Due to Wrist's unique market position, it is possible to accrue a significant amount of historic

data to feed the AI tool, providing a great foundation for this and/or other AI deployments.

### Human rights, labor rights, suppliers, and supply chain

All Wrist's business activities are performed with respect for human and labor rights – for instance fair employment, dissociation from forced or compulsory labor and the use of child labor, freedom of association, the right to collective bargaining and freedom from discrimination.

Colleagues must act accordingly, and Wrist's Business Principles constitute an essential reference in dealing with external stakeholders.

At Wrist, we strive to ensure that our suppliers comply with our ethics and standards as expressed in our Business Principles. We operate in many regulatory environments and expect our suppliers to act ethically and comply with applicable rules in all countries where business is conducted.

With a significant number of global suppliers from many different countries, there is a risk that Wrist cannot ensure completeness regarding the awareness and understanding of our Business Principles, but the efforts and initiatives will continue to be a natural part of the development of our supply chain.



### Governance goals

### Status 2022

#### Supply chain cooperation

- › 25 largest suppliers to adhere to Supplier Code of Conduct by the end of 2022
- › Remaining suppliers to adhere to Supplier Code of Conduct by the end of 2023

- › Target achieved: 128 of 141 global suppliers have signed the Code of Conduct (COC), including the 25 largest suppliers
- › Whenever we are running tenders, we attach the COC and ask every supplier (new and current) to comply with our COC

#### Wrist Business Principles and ESG policies

- › 0 incidents of breach of social, economic, or environmental laws/regulations, every year
- › 0 legal, yearly actions regarding anti-competitive behaviour
- › 0 incidents of corruption, yearly

- › In 2022, we reported no incidents of breach of social, economic, or environmental laws/regulations
- › Target achieved



[Download Wrist Business Principles right here](#)





# ESG initiatives (highlights)



Several climate improvements actions have been launched and/or completed to improve digital decarbonization, reduce food waste, achieve deforestation-free supply chains, and support seafarers' welfare as well as other activities.

The online customer portal made available to our Marine Logistics customers in 2021 was highly successful in 2022, providing our customers with CO2 emissions calculation for the entire freight per vessel and per order.

use provisions through guidance on food preparation, cooking techniques, portion size controls, and stock management – to avoid food waste.

The digital marketplace for marine supply and procurement started adding transparency to maritime procurement for efficient and easier work processes on board – reducing food waste on board the vessels.

**Deforestation-free supply chains**  
In Q4 2022, we initiated the process of achieving a deforestation-free supply chain, extending our supply chain policy and Supplier Code of Conduct. Through our suppliers, we are collecting transparent tracking reports and mitigation plans that include measurable actions to eliminate deforestation in our assortment. We are taking this action to identify the deforestation policies of our suppliers as we want to achieve a deforestation-free supply chain.

Gateway – the digital universe for an easy ordering process and stock and budget management, was launched in 2022 with smart recommendations for what, when, and where to order next – to streamline sourcing and avoid waste.

**Reduction of food waste**  
With best-before tracking systems, 90% of all foods in Denmark close to expiry date were collected, providing food for people in need. In Vancouver, Long Beach, Las Palmas, and New Orleans, we have similar food waste programs, donating food to people in need.

In 2022, 205 cooks were trained in waste management, including learning how to

[Download Wrist Supplier Code of Conduct right here](#)





# Our financial performance

## DKK'000 AND RATIOS

	2022	2021	2020	2019	2018
Net sales	5,389,028	4,457,695	4,369,787	4,657,974	4,276,499
Gross profit	1,510,046	1,198,661	1,191,355	1,232,330	1,114,987
Operating profit (EBITA)	240,934	155,512	142,190	162,401	179,482
Earnings before interest and tax (EBIT)	196,457	122,813	98,893	122,493	149,957
Profit from financial items	-59,301	-48,785	-78,046	-76,112	-52,887
Net profit	112,854	57,918	16,913	38,787	68,868

Inventories	370,335	304,053	237,721	254,471	241,400
Trade receivables	933,786	812,568	659,736	799,041	787,370
Total assets	3,131,997	2,776,182	2,583,048	2,768,880	2,356,589
Equity	1,066,436	931,790	827,322	863,048	812,809
Invested capital including goodwill	1,866,005	1,581,828	1,451,286	1,627,946	1,278,558
Net interest-bearing debt (NIBD)	830,374	698,068	666,276	814,112	409,273

Cash flow from operating activities (CFFO)	193,493	79,467	248,158	148,144	229,972
Cash flow from investing activities (CFFI)	-118,186	-74,035	-36,868	-59,137	-225,276
Investments excl business acquisition (CAPEX)	-93,902	-75,996	-37,690	-28,791	-33,186
Acquisition of property, plant and equipment	-36,667	-9,413	-10,304	-19,674	-12,500
Number of employees, average	1,517	1,397	1,467	1,472	1,361

## PERFORMANCE RATIOS (%)

Gross margin	28.0	26.9	27.3	26.5	26.1
Operating margin (EBITA)	4.5	3.5	3.3	3.5	4.2
Return on invested capital	14.0	10.3	9.2	11.2	14.6
Return on equity	11.3	6.6	2.0	4.6	10.2



