

## Sustainability-Linked Finance Progress Report for the calendar year 2020

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### Executive summary and comment by the Chief Sustainability Officer

We refer to the Sustainability Linked Finance Framework (SLFF) of 21 December 2020.

This report is a status of the KPI under the SLFF, the Average Efficiency Ratio (AER) performance of the Controlled Fleet for the calendar year 2020. This report should be read in conjunction with the ESG report included in our annual report for 2020 published on 19 March 2021 for a complete update on our sustainability strategy and performance<sup>1</sup>. The annual report is available on [www.odfjell.com/investors/reports-and-presentations](http://www.odfjell.com/investors/reports-and-presentations).

The year 2020 has been a remarkable year for most businesses, also for Odfjell, but despite the pandemic, we have had a steady focus on sustainability. The decarbonization of our industry is, and will be, one of the most material events for Odfjell in the years to come. This means that our continued commitment and follow-up of our Fleet Transition Plan will be essential to achieve our climate targets and the Sustainability Performance Target (SPT) Trajectory in the SLFF.

We are pleased to report that our AER is below the SPT Trajectory as of 31 December 2020. The AER for the Controlled Fleet was 8.29 versus a target of 8.56. DNV has verified the AER performance and attested to our Fleet Transition Plan's continued viability to reach a 50% reduction in AER by 2030 from 2008 levels. DNV's verification and Fleet Transition Plan Review are available on [www.odfjell.com/investors/bonds](http://www.odfjell.com/investors/bonds).

Odfjell is ahead of our trajectory and on track towards our goal for 2030. However, it should be mentioned that alignment with the AER trajectory in any given year is also dependent on market conditions beyond Odfjell's control, as the vessels' AER calculation is sensitive to parameters such as weather, congestion in port, and port rotation programs. Trading patterns, which are closely linked with general market developments, will also impact vessels' AER from one year to the next.

### 1. KPI Performance and alignment with the SPT Trajectory

We hereby confirm as follows:

AER for the Controlled Fleet per 31 December 2020	
Period:	1/1/2020 to 31/12/2020
No. of vessels included in the Controlled Fleet:	57
Total carbon emissions:	958 193 tonnes
Total deadweight ton:	2 137 464 DWT
Total distance traveled:	3 036 568 nm
<b>Key Performance Indicator (AER) 2020:</b>	<b>8.29</b>
Exceptions to IMO DCS reporting:	None
<b>Sustainability Performance Target trajectory 2020:</b>	<b>8.56</b>
Trajectory Adjustments:	None
<b>Alignment with the SPT Trajectory:</b>	<b>Yes</b>

<sup>1</sup> AER and EEOI statistics presented in the annual report include all vessels commercially operated by Odfjell, including time-chartered vessels and externally owned pool vessels that are otherwise not part of the SLFF definition of Controlled Fleet

## 2. Fleet composition Controlled Fleet

As of 31 December 2020, a total of 56 vessels were included in the Controlled Fleet. One vessel was sold during 2020, thus the total number of vessels included in the AER calculation for the reporting period was 57.

Please refer to Appendix A for an updated list of the Controlled Fleet.

Odfjell holds valid Statements of Compliances for fuel oil consumption for the Controlled Fleet per submission of this progress report.

## 3. Update to the Fleet Transition Plan

The fleet plan is continuously updated as projects and activities are moved from planned status to decided and implemented status. All these steps are made to achieve 50% reduction in AER by 2030. DNV has been given full access to the plan and updates, which include among others:

- Potential retrofits using wind assistance for ship propulsion such as Fletner rotors or sails. Technological developments within wind are moving fast, and the plan has been updated with new calculations on cost and effects of these devices.
- Updates on various retrofit of energy-saving devices projects. As per submission of this progress report, we have completed seven retrofits of Propeller Boss Cap Fin (PBCF) since the plan was first finalized in 2020.
- Planned retrofit of eight PBCFs and four Mevis Ducts onboard our vessels during 2021

In addition to various energy saving device installations, we are also working on a digital dashboard solution to monitor the progress and performance of our decarbonization efforts.

## 4. Update on Odfjell's sustainability strategy and regulations relevant to the KPI and the SPTs

There has been no material update to Odfjell's sustainability strategy vision or plan related to, and impacting, the KPI and the SPTs. In our annual report for 2020, we have presented our sustainability headlines for 2020, a detailed performance report and our perspectives going forward. A key strategy for Odfjell will be to deliver on the sustainability targets, including the climate targets we set in 2020.

Please refer to our latest ESG report in the annual report for 2020 for further details.

## 5. Issues under the SLFF

Odfjell have issued one bond and two loans under the SLFF. Se Appendix B for details.

Best regards,

for ODFJELL SE



Øistein H. Jensen  
Chief Sustainability Officer

## Appendix A

List of vessels in the Controlled Fleet as per 31 December 2020.

Vessel	Built	IMO No.	Coating
Bow Excellence	2020-10-20	9828223	STST
Bow Explorer	2020-08-12	9828211	STST
Bow Persistent	2020-04-24	9866782	STST
Bow Optima	2020-04-22	9818541	STST
Bow Prosper	2020-02-19	9866770	STST
Bow Odyssey	2020-01-09	9818539	STST
Bow Olympus	2019-11-01	9818527	STST
Bow Orion	2019-08-26	9818515	STST
Bow Tungsten	2018-05-31	9777400	STST
Bow Titanium	2018-03-15	9777395	STST
Bow Platinum	2018-01-05	9777383	STST
Bow Palladium	2017-08-30	9777371	STST
Bow Hercules	2017-07-19	9752046	STST
Bow Neon	2017-07-14	9777369	STST
Bow Gemini	2017-01-17	9752034	STST
Bow Capricorn	2016-10-19	9752010	STST
Bow Aquarius	2016-06-27	9753791	STST
Bow Triumph	2015-01-21	9669902	EPX/Zinc
Bow Trident	2014-10-02	9669897	EPX/Zinc
Bow Tribute	2014-06-10	9669885	EPX/Zinc
Bow Trajectory	2014-04-09	9669873	EPX/Zinc
Bow Pioneer	2013-06-05	9595632	Epoxy
Bow Nangang	2013-03-20	9504217	STST
Bow Dalian	2012-11-20	9504205	STST
Bow Fuling	2012-06-29	9504190	STST
Bow Lind	2011-05-13	9388314	EPX/Zinc
Bow Elm	2011-03-11	9388302	EPX/Zinc
Flumar Brasil	2010-04-28	9416836	Epoxy
Bow Compass	2009-11-04	9412737	STST
Bow Harmony	2008-07-17	9379909	STST
Bow Saga	2007-06-22	9215309	STST
Bow Sirius	2006-12-15	9215294	STST
Bow Sea	2006-04-24	9215282	STST
Bow Engineer	2006-03-31	9317860	STST
Flumar Maceio	2006-01-12	9345893	STST
Bow Summer	2005-10-17	9215270	STST
Bow Architect	2005-06-22	9319480	STST
Bow Sky	2005-04-18	9215268	STST
Bow Santos	2004-11-05	9303651	STST
Bow Spring	2004-08-31	9215256	STST
Bow Star	2004-02-20	9197296	STST
Bow Firda	2003-11-28	9250751	STST
Bow Sun	2003-07-31	9197284	STST
Bow Chain	2002-06-28	9214317	STST
Bow Condor	2000-06-29	9214032	STST
Bow Fortune	1999-05-12	9168635	STST
Bow Cecil	1998-10-23	9143219	STST/Zinc
Bow Flora	1998-04-23	9143207	STST/Zinc
Bow Cardinal	1997-10-03	9114244	STST/Zinc
Bow Oceanic	1997-07-11	9143221	STST
Bow Faith	1997-04-17	9114232	STST/Zinc
Bow Cedar	1996-04-26	9087013	STST/Zinc
Bow Fagus	1995-11-01	9047764	STST/Zinc
Bow Clipper	1995-07-13	9047518	STST/Zinc
Bow Atlantic	1995-07-07	9102928	STST
Bow Flower	1994-07-03	9047491	STST/Zinc

## Appendix B

**Instrument:** Sustainability-Linked Bond (NO0010918048)

**Volume:** NOK 850 million

**Issued:** 21 January 2021

**Maturing:** 21 January 2025

**Target observation date:** 30 June 2024

**SPT:** 8.18

**Instrument:** Sustainability-Linked Loan

**Volume:** USD 23.4 million

**Issued:** March 2021

**Maturing:** October 2025

**Target observation dates:** 31 December 2021, and annually thereafter

**SPT:** 8.35 (2021), 8.30 (2022), 8.20 (2023) and 8.16 (2024)

**Instrument:** Sustainability-Linked Loan

**Volume:** USD 21 million

**Issued:** March 2021

**Maturing:** March 2026

**Target observation dates:** 31 December 2021, and annually thereafter

**SPT:** 8.35 (2021), 8.30 (2022), 8.20 (2023), 8.16 (2024) and 7.68 (2025)