

Sustainability-Linked Finance Progress Report for the calendar year 2021

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 2021. This report should be read in conjunction with the ESG report included in our annual report for 2021 published 28 March 2021 for a complete update on our sustainability strategy and performance¹. The annual report is available on www.odfjell.com/investors/reports-and-presentations.

2021 has been another year of pandemic, with significant challenges for our seafarers. Despite these challenges we have operated safe and had a continued focus on Sustainability and decarbonization of our fleet. In 2021 we have seen many new industry initiatives focusing on zero emission. Odfjell signed in 2021 the Call to Action for Shipping Decarbonization², to call on governments and international regulators to take decisive action in support of shipping decarbonization. The initiative was presented in advance of COP26.

We are pleased to report compliance with the sustainability performance targets as of 31 December 2021. The AER for the Controlled Fleet was 8.03 versus a target of 8.35. DNV has verified the AER performance and attested to our plan's continued viability to reach a 50% reduction in AER by 2030 from 2008 levels (the Fleet Transition Plan). The improvements are related to improved operations, and effects of various retrofittings in our fleet, of which 13 Energy Saving Devices (ESD) projects concluded in 2021. DNV's verification and Fleet Transition Plan Review are available on 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.

The International Maritime Organisation (IMO) held their 76th Maritime Environmental Protection Committee (MEPC) meeting in June 2021. At this meeting, IMO adopted several short-term measures to reduce emissions. IMO also agreed to employ the Carbon Intensity Indicator (CII), a rating system based on a ship's Annual Efficiency Ratio (AER), to evaluate the progress and success of these measures. From 2023, all ships will be subject to a CII rating.

IMO also adopted the guidelines for calculating vessel-specific 2019 baselines, which will require most ships to reduce AER by 21.5%, resulting in an overall reduction of 40% compared to 2008 baselines. IMO regulates ships, not companies, thus it has not established reduction targets or baselines that are directly comparable to the AER for our Controlled Fleet. Nevertheless, by applying an average vessel-specific 2008 baseline, as per the IMO MEPC document 336-338 (76), Odfjell's AER is 46% below the 2008 baseline as per IMO calculations.

¹ AER and EEOI statistics presented in the annual report includes 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 which follows MARPOL regulations.

² www.globalmaritimeforum.org/content/2021/2021-09-24/Report-on-Climate-Commitments-by-Signatories-to-the-Call-to-Action-for-Shipping-Decarbonization.pdf?clen=4992898&chunk=true

1. KPI Performance and alignment with the SPT Trajectory

We hereby confirm as follows:

AER for the Controlled Fleet per 31 December 2021	
Period:	1/1/2021 to 31/12/2021
No. of vessels included in the Controlled Fleet:	56
Total carbon emissions:	969 738 tonnes
Total deadweight ton:	2 121 444 DWT
Total distance traveled:	3 142 402 nm
Key Performance Indicator (AER) 2021:	8.03
Exceptions to IMO DCS reporting:	None
Sustainability Performance Target trajectory 2021:	8.35
Trajectory Adjustments:	None
Alignment with the SPT Trajectory:	Yes

2. Fleet composition Controlled Fleet

As of 31 December 2021, a total of 56 vessels were included in the Controlled Fleet. Two gas carrier vessels, Bow Guardian and Bow Galant, were added to the fleet in March, but subsequently sold in September and October 2021.

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 the SPT in 2030. DNV has been given full access to the plan and updates, which includes among others:

- New calculations, cost, and effects of ESDs
- Updated plan for implementation
- Updates on various retrofit of ESD projects. As per submission of this progress report, we have completed three out of 24 planned ESD projects in 2022

In addition to various device installations, we are continuously improving the data collection and data analysis for the most energy efficient operation of our fleet.

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 2021, we have presented our sustainability headlines for 2021, a detailed performance report and our perspectives going forward. A key strategy for Odfjell will be to deliver on the sustainability targets, including climate targets we set in 2020.

5. Issues under the SLFF

Odfjell have issued one bond and three loans under the SLFF. See 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 2021.

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 ODF11ESG)
Volume: NOK 850 million
Issued: January 2021
Maturing: January 2025
Target observation date: 30 June 2024
SPT: 8.18

Instrument: Sustainability-Linked Loan
Volume: USD 70.2 million
Issued: May 2021
Maturing: May 2026
Target observation date: 31 December 2021, and annually thereafter
SPT: 8.35 (2021), 8.30 (2022), 8.20 (2023), 8.16 (2024), 7.68 (2025)

Instrument: Sustainability-Linked Loan
Volume: USD 12.6 million
Issued: March 2022
Maturing: March 2027
Target observation date: 31 December 2022, and annually thereafter
SPT: 8.30 (2022), 8.20 (2023), 8.16 (2024), 7.68 (2025) and 7.06 (2026)

Instrument: Sustainability-Linked Loan
Volume: USD 95 million
Issued: March 2022
Maturing: March 2026
Target observation date: 31 December 2022, and annually thereafter
SPT: 8.30 (2022), 8.20 (2023), 8.16 (2024), and 7.68 (2025)