

Sustainability-Linked Finance Progress Report for the calendar year 2022

Executive summary and comment by the Chief Sustainability Officer

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

This report provides an update on the KPI under the SLFF, the Controlled Fleet's Average Efficiency Ratio (AER) performance¹ for the calendar year 2022. Please see our annual report and 2022 (available on March 27th) and our website for a complete update on our sustainability strategy and performance. The annual report is available on www.odfjell.com/investors/reports-and-presentations.

2022 has been an eventful year. We came out of COVID, Russia went to war on Ukraine, we recorded new temperature records all over the world due to climate change, and we experienced an improved market for chemical transports. COVID-19 has still put a strain on operations due to restrictions and lockdowns in Asia, which have hampered operations and drydocking options in 2022. Most countries have now relaxed restrictions, and we can rotate crew and operate more efficiently.

Many operators implemented speed restrictions in the wake of rapidly increasing bunkers prices in the first half of 2022, positively impacting fuel consumption and emissions, but we saw a part reversal of this trend in the second half of the year as operators, including Odfjell, were responding to a tight market. Going forward, we expect limited speed increases due to new EEXI and CII regulations.

We are pleased to report that the sustainability performance targets were met as of December 31, 2022. The Controlled Fleet's AER was 7.57, compared to a target of 8.30. DNV has confirmed the AER performance and attested to our plan's continued viability to achieve a 50% reduction in AER from 2008 levels by 2030. The enhancements are related to better operations, and the effects of continuous retrofitting projects and energy saving initiatives in our fleet. The DNV verification and the Fleet Transition Plan Review can be found at www.odfjell.com/investors/bonds

Odfjell is ahead of schedule and on track to meet our 2030 target. It should be noted that alignment with the AER trajectory in any given year is also dependent on market conditions outside Odfjell's control, as the vessels' AER calculation is sensitive to weather, port congestion, and port rotation programs. Trading patterns, which are closely linked to general market developments, will also have an impact on vessel AER from year to year. Odfjell has AER performance as a KPI in the incentive system for all shore-based employees from 2022.

The International Maritime Organization (IMO) has agreed to use the Carbon Intensity Indicator (CII), a rating system based on a ship's AER, to assess the progress and success of these measures. All ships will be subject to a CII rating beginning in 2023.

In 2022, IMO adopted the guidelines for calculating vessel-specific 2019 baselines, aligned with the overall 40% reduction targets compared to 2008. As IMO regulates ships and not companies, there are no 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 in 2022 is 49% below the baseline.

¹ AER statistics for operated fleet 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.

1. KPI Performance and alignment with the SPT Trajectory

We hereby confirm as follows:

AER for the Controlled Fleet per 31 December 2022	
Period:	1/1/2022 to 31/12/2022
No. of vessels included in the Controlled Fleet:	52
Total carbon emissions:	878 024 tonnes
Total deadweight ton:	2 058 155 DWT
Total distance traveled:	2 915 007 nm
Key Performance Indicator (AER) 2022:	7.57
Exceptions to IMO DCS reporting:	None
Sustainability Performance Target trajectory 2022:	8.30
Trajectory Adjustments:	None
Alignment with the SPT Trajectory:	Yes

2. Fleet composition Controlled Fleet

As of 31 December 2022, 52 vessels were included in the Controlled Fleet. Four vessels were sold during the year and no new vessels were added.

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 retrofits of ESD projects

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

The IMO regulation regarding CII and EXII will be implemented in 2023. Calculation methods, reference values, and correction factors were first available in 2022. The regulation will be essential for Odfjell, and we will use this industry standard for external reporting. The new rules do not affect the SLF Framework.

There has been no material update to Odfjell's sustainability strategy, vision, or plan related to and impacting the framework's KPI and SPTs. In our annual report for 2022, we have presented our sustainability headlines for 2022, a detailed performance report and our perspectives going forward. We have also included more comprehensive information on climate risk and taxonomy alignment on our website. A key strategy for Odfjell will be to deliver on the sustainability targets, including the climate targets we set in 2020.

5. Issues under the SLFF

Odfjell have issued one bond and five 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 2022.

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 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

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)

Instrument: Sustainability-Linked Loan
Volume: USD 31 million
Issued: May 2022
Maturing: May 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 134.4 million
Issued: December 2022
Maturing: December 2027
Target observation date: 31 December 2023, and annually thereafter
SPT: 8.20 (2023), 8.16 (2024), 7.68 (2025), and 7.06 (2026)