



# Taxonomy reporting 2023

Supplement to Annual Report 2023

| Bergen, 26.03.2024 |

# Taxonomy Framework

The Taxonomy Regulation was published in the on June 22, 2020 and entered into force on July 12, 2020 and adopted into Norwegian legislation through “Lov om Bærekraftig Finans”

It establishes the basis for the EU taxonomy by outlining the overarching criteria an economic activity must meet to be considered environmentally sustainable.

The Taxonomy Regulation lays out six environmental objectives

Different means can be required for an activity to make a substantial contribution to each objective.

EU have presented the actual list of environmentally sustainable activities by defining technical screening criteria for each environmental objective through delegated acts.

A first delegated act on sustainable activities for climate change adaptation and mitigation objectives was published December 9, 2021 and became effective in January 2022.

In June 2023 The Commission put forward a new package of measures to build on and strengthen the foundations of the EU sustainable finance framework. The Commission approved in principle a new set of EU Taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives.

Odfjell reports on the first two criteria in line with Norwegian regulation

## Overarching criteria

Substantial contribution to the objectives

Do No Significant Harm

Minimum Safeguards

## Environmental objectives



Climate change mitigation



Climate change adaptation



The sustainable use and protection of water and marine resources



The transition to a circular economy



Pollution prevention and control



The protection and restoration of biodiversity and ecosystems

Ref [https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities\\_en](https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en)  
[https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_3192](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3192)

\* However the Platform on Sustainable Finance (POSF) has drafted a report and detailed annex that establishes a detailed blueprint of technical recommendations for the four non-climate environmental objectives

# Inclusion of 4 new criteria

The European Commission has introduced a new set of measures to enhance the EU's sustainable finance framework, aligning with the goal of transitioning to a climate-neutral and sustainable economy by 2050. This initiative seeks to support companies and the financial sector in navigating the sustainability transition, particularly through addressing challenges related to new disclosure and reporting requirements. The core of this package includes the expansion of the EU Taxonomy and the introduction of new regulations for Environmental, Social, and Governance (ESG) rating providers, aiming to improve market transparency and facilitate private investment in sustainable projects and technologies.

The updated EU Taxonomy now encompasses additional four economic activities contributing substantially to non-climate environmental objectives, specifically:

- Sustainable use and protection of water and marine resources,
- Transition to a circular economy,
- Pollution prevention and control,
- Protection and restoration of biodiversity and ecosystems.

In the EU, companies subject to the reporting requirements must include information on whether they have activities covered by the new activities in their 2024 reporting for the fiscal year 2023. Non-financial entities in the EU should report if they have activities that meet the new criteria in 2025, while financial institutions should report if they finance activities that meet the criteria in 2026.

The acts on the new criteria set in June 2023 have not yet been published in the EU Official Journal. The acts has not been incorporated into the EEA Agreement during 2023.

Therefore, Norwegian companies will not be obliged to include information on the new taxonomy activities in their reporting for the fiscal year 2023. Odfjell reports iaw the Norwegian regulation.

New criteria

## Environmental objectives



Climate change mitigation



Climate change adaptation



The sustainable use and protection of water and marine resources



The transition to a circular economy



Pollution prevention and control



The protection and restoration of biodiversity and ecosystems

# Odfjell Approach to Taxonomy reporting in steps

## Steps

- 01 Are we within Reporting Scope?
- 02 Do we perform Taxonomy eligible economic activity?
- 03 Determine the eligibility share
- 04 Does the activity/company meet the criteria?
- 05 Determine share of aligned eligible activity
- 06 Report

## Approach

In Scope of the NFRD (Listed, 500 employees).  
Adopted in Norway for two first objectives  
CSRD Scope from 2025

Check, using EU Taxonomy Compass, relevant NACE codes and eligibility criteria.

Share of Revenue, CAPEX and OPEX of the identified Activity.

Substantial Contribution to Climate Change Mitigation or Adaptation.  
The relevant "Do no significant Harm Criteria".  
The Minimum Safeguards.

Determine the share of the company's revenue, CAPEX and OPEX of the identified aligned economic activity.

Report the share of the Turnover, Capex and Opex.



# Odfjell and Scope of EU Taxonomy

## About Odfjell

- The Odfjell Group is one of the leading players in the global market for seaborne transportation and storage of chemicals and other specialty bulk liquids.
- The Odfjell fleet comprises of approx. 80 ships, which trade both globally and regionally.
- The tank terminal division consists of four tank terminals and is part of a network of another 11 tank terminals partly owned by related parties. The tank terminals are strategically located at selected international shipping hubs.
- The Odfjell Group's headquarters are in Bergen, Norway, and the Group has offices in 14 locations around the world.
- Listed at OSE, and total turnover 1274 MUSD in 2023
- 2303 Employees in 2023

Read more on [Odfjell.com](https://odfjell.com).

## Are we within the Reporting Scope?

| Table 1: Taxonomy Reporting Scope      |  |        |
|--|--|--------|
| Requirements for 2023 reporting        | Comments                               | Status |
| In Scope of NFRD?                      | Yes, and Norwegian Accounting act 3-3C | ✓      |
| Listed                                 | Yes, OSE                               | ✓      |
| > 500 employees                        | Yes 2303 employees                     | ✓      |
| Mandatory to report in Norway for 2023 | Yes                                    | ✓      |
| Requirements for 2024 reporting        |  |        |
| In scope of CSRD                       | Yes                                    | ✓      |
| Listed                                 | Yes, OSE                               | ✓      |
| Turnover > EUR 40 Mill EUR             | Yes                                    | ✓      |
| Balance Sheet > EUR 20                 | Yes                                    | ✓      |
| Employees > 250                        | Yes                                    | ✓      |

# Eligibility

## Do we perform Taxonomy eligible economic activity?

Odfjell's business falls in two sectors:

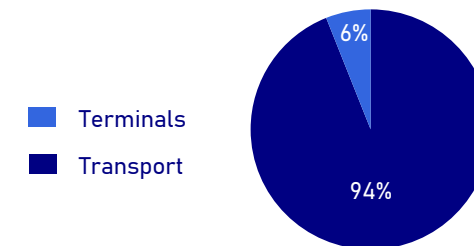
- Transport
- Storage/Terminals

On the Sectors:

- Under Transport, we identified two relevant activities that was categorised as transitional activity (If meeting the criteria) that can be considered "taxonomy eligible" under the EU Taxonomy, as the activity is included in the existing Delegated Act.
- Storage of chemicals is not screened in the EU Taxonomy and not eligible



| Segment   | Revenue 2023  |
|-----------|---------------|
| Shipping  | 1192 Mill USD |
| Terminals | 82 Mill USD   |



| Activity  | Share of revenue of Eligible activities | Taxonomy Eligible Revenue | Taxonomy Eligible CAPEX | Taxonomy Eligible OPEX |
|-----------|---|---------------------------|-------------------------|------------------------|
| Transport | 100%                                    | 100%                      | 100%                    | 100%                   |
| Terminals | 0 %                                     | 0 %                       | 0 %                     | 0 %                    |
| Sum       | 94 %                                    | 94 %                      | 94 %                    | 94 %                   |

Read more on Odfjell.com.

For more detailed information on how to assess the revenue, CAPEX and OPEX, please see Annex I of Commission Delegated Regulation (EU) 2021/2178 ([Publications Office \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2021/2178))



# Relevant Activities identified under Transport in 2023

## 6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities

Purchase, financing, chartering (with or without crew) and operation of vessels designed and equipped for transport of freight or for the combined transport of freight and passengers on sea or coastal waters, whether scheduled or not.

Purchase, financing, renting and operation of vessels required for port operations and auxiliary activities, such as tugboats, mooring vessels, pilot vessels, salvage vessels and ice-breakers.

We regard that our operations of chemical tankers falls under the activities described in 6.10



## 6.12 Retrofitting of sea and coastal freight and passenger water transport

Retrofit and upgrade of vessels designed and equipped for the transport of freight or passengers on sea or coastal waters, and of vessels required for port operations and auxiliary activities, such as tugboats, mooring vessels, pilot vessels, salvage vessels and ice-breakers.

We regard that retrofits of vessels falls under the activities described in 6.12. In 2023 we did several retrofits of our vessels, but that no single activity could meet the technical screening criteria on substantial contribution to climate change mitigation:

*The retrofitting activity reduces fuel consumption of the vessel by at least 10 % expressed in grams of fuel per deadweight tons per nautical mile*



# Does the activity meet the criteria on Substantial Contribution on Climate Change Mitigation?






| Table 4: Substantial Contribution on Climate Mitigation   |  |         |
|---|--|---------|
| 6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities (Extract)  | Comments and assessment  | Aligned |
| 1. Confirm with either a, b, c or d.<br>(a) the vessels have zero direct (tailpipe) CO <sub>2</sub> emissions;  | Not meeting the criteria   | ✗       |
| (b) until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO <sub>2</sub> emission fuels or plug-in power for their normal operation at sea and in ports;   | Not meeting the criteria   | ✗       |
| (c) where technologically and economically not feasible to comply with the criterion in point (a), until December 31, 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels have direct (tailpipe) CO <sub>2</sub> emissions, calculated using the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI) , 50 % lower than the average reference CO <sub>2</sub> emissions value defined for heavy duty vehicles | Not meeting the criteria – a short sea criteria to enable change from road to sea, so we regard the criteria as not applicable for Odfjell's operations  | ✗       |
| (d) where technologically and economically not feasible to comply with the criterion in point (a), until December 31, 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10% below the EEDI requirements applicable on April 1, 2022, if the vessels are able to run on zero direct (tailpipe) emission fuels or on fuels from renewable sources.   | It is possible to meet the criteria on a ship basis on some vessel in the Odfjell fleet, but not at activity basis<br><br>Question on what is regarded as renewable source.<br>- Ref pt 3.10 Hydrogen<br>- Ref pt 4.13 Manufacturing of Biogas and biofuels (See requirements) | ✗       |
| 2. Vessels are not dedicated to the transport of fossil fuels.  | Meeting the criteria, Odfjell fleet are not dedicated to transport fossil fuel, but to transport organic and inorganic chemicals   | ✓       |

The substantial contribution criteria for each economic activity can be found in the first delegated act on sustainable activities for climate change adaptation and mitigation objectives (first delegated act), which was published in the Official Journal on December 9, 2021.



# Does Odfjell meet the Do No Significant Harm criteria to Climate Change Mitigation?

**Table 5: Criteria – Do no significant harm to climate change Mitigation**

| Criteria, (incl. relevant extracts)  | Comments   | Aligned   |
|--|--|---|
| Climate change adaptation<br>(Activity complies with criteria set out in Appendix A (p 140) to Annex 1) <ul style="list-style-type: none"> <li>Climate Risk Assessments</li> </ul>   | <ul style="list-style-type: none"> <li>Odfjell perform climate risk assessment IAW the criteria described in App A</li> <li>Climate risk assessment is available on our website</li> </ul>   |    |
| Water<br>(Activity complies with criteria set out in Appendix B (p 142) to Annex 1)<br>Identified and addressed environmental degradation risks related to preserving water quality and avoiding water stress. Developed water use and protection management plan, thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders.<br><br>Alternative developed an Environmental Impact Assessment includes an assessment of the impact on water | <ul style="list-style-type: none"> <li>Water is included in Odfjell's Nature Risk assessment IAW TNFD framework</li> </ul>   |    |
| Circular Economy <ul style="list-style-type: none"> <li>Waste management</li> <li>Compliance to inventory of hazardous materials on board</li> <li>Recycled in facilities included on the European List of ship recycling facilities</li> <li>Protection of the marine environment against the negative effects from discharges of waste from ships.</li> <li>Operations in accordance with IMO MARPOL</li> </ul>  | <ul style="list-style-type: none"> <li>Odfjell is in compliance with all applicable regulations and specified criteria in the delegated act</li> <li>Odfjell has not recycled vessels in 2023</li> </ul>   |    |
| Pollution Prevention <ul style="list-style-type: none"> <li>Sulphur, IAW IMO Regulation</li> <li>NoX, Black and Grey water</li> <li>Toxity of anti fouling and biocides</li> </ul>   | <ul style="list-style-type: none"> <li>Odfjell is in compliance with all applicable regulations on pollution prevention</li> </ul>   |  |
| Protection and restoration of biodiversity and ecosystems <ul style="list-style-type: none"> <li>Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM).</li> <li>Prevent the introduction of non-indigenous species by biofouling of hull</li> <li>IMO Guidelines for the Reduction of Underwater Noise</li> </ul>   | <ul style="list-style-type: none"> <li>Odfjell has fitted the fleet with BWTS and in compliance with convention and regulations on BWTS and fouling</li> <li>Odfjell follows the guidelines for the reduction of underwater noise</li> <li>See Odfjell's TNFD report 2023</li> </ul> |  |








# Does the activity meet the criteria on Substantial Contribution to climate change Adaptation?

| Table 6: Criteria – Substantial Contribution to climate change Adaptation   |  |         |
|---|--|---------|
| Substantial Contribution Criteria (Extract)   | Odfjell activity (See also Sustainability Reporting 2023 on Odfjell.com)   | Aligned |
| Implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity.  | <ul style="list-style-type: none"> <li>Climate Risk and Nature risk assessment with mitigation actions available on our website</li> <li>Fleet transition plan to decarbonize the fleet</li> </ul>   | ✓       |
| The physical climate risks that are material to the activity have been by performing a robust climate risk and vulnerability assessment. (Screening, assessment, adaptation solutions)  | <ul style="list-style-type: none"> <li>Climate risk assessment IAW TCFD available on our website</li> <li>Odfjell has also conducted a LCA assessment of emissions</li> </ul>  | ✓       |
| The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications and open source or paying models.  | <ul style="list-style-type: none"> <li>IAW TCFD Framework available on our website</li> <li>Used 1.5, 2.0 and 4.0 degree scenarios IPCC Synthesis report</li> </ul>  | ✓       |
| The adaptation solutions implemented: <ul style="list-style-type: none"> <li>do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities;</li> <li>favour nature-based solutions or rely on blue or green infrastructure to the extent possible;</li> <li>are consistent with local, sectoral, regional or national adaptation plans and strategies;</li> <li>the solution complies with the do no significant harm technical screening criteria for that activity.</li> </ul> | <ul style="list-style-type: none"> <li>Climate Risk and Nature risk assessment with mitigation actions available on our website</li> <li>See Odfjell's double materiality assessment on our website</li> <li>Adaptation solutions are integrated in the business, that is assessed against these criteria</li> </ul> | ✓       |



# Does the activity meet the Do no significant harm criteria to climate change Adaptation?

**Table 7: Criteria - Do no significant harm criteria to climate change Adaptation**

| Criteria, (incl relevant extracts)   | Comments  | Aligned   |
|--|---|---|
| Climate Mitigation <ul style="list-style-type: none"> <li>The vessels are not dedicated to the transport of fossil fuels</li> </ul>  | Not dedicated to transport fossil fuel  |    |
| Water (Activity complies with criteria set out in Appendix B (p 347 ) to Annex 2)<br>Identified and addressed environmental degradation risks related to preserving water quality and avoiding water stress. Developed water use and protection management plan, thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders.<br><br>Alternative developed an Environmental Impact Assessment includes an assessment of the impact on water | <ul style="list-style-type: none"> <li>Water is included in Odfjell's Nature Risk assessment IAW TNFD framework</li> <li>Water impact is also assessed in Double Materiality assessment available in the Sustainability Reporting 2023</li> </ul> |    |
| Circular Economy <ul style="list-style-type: none"> <li>Waste management</li> <li>Compliance to inventory of hazardous materials on board</li> <li>Recycled in facilities included on the European List of ship recycling facilities</li> <li>Protection of the marine environment against the negative effects from discharges of waste from ships.</li> <li>Operations in accordance with IMO MARPOL</li> </ul>  | <ul style="list-style-type: none"> <li>Odfjell is in compliance with all applicable regulations.</li> <li>Odfjell has not recycled any vessels in 2023</li> </ul>   |    |
| Pollution Prevention <ul style="list-style-type: none"> <li>Sulphur, IAW IMO Regulation</li> <li>NoX</li> <li>Black and Grey water</li> <li>Toxity of anti fouling and biocides</li> </ul>   | <ul style="list-style-type: none"> <li>Odfjell is in compliance with all applicable regulations on pollution prevention</li> </ul>  |  |
| Protection and restoration of biodiversity and ecosystems <ul style="list-style-type: none"> <li>Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM).</li> <li>Prevent the introduction of non-indigenous species by biofouling of hull</li> <li>IMO Guidelines for the Reduction of Underwater Noise</li> </ul>   | <ul style="list-style-type: none"> <li>Odfjell has fitted the fleet with BWTS and in compliance with convention and regulations on BWTS and fouling</li> <li>Odfjell follows the guidelines for the reduction of underwater noise</li> </ul>      |  |



# Does Odfjell meet the Minimum Safeguards Criteria?

**Table 8: Criteria – Minimum Safeguard**

| Criteria  |  | Aligned   |
|---|--|---|
| Alignment with: <ul style="list-style-type: none"> <li>• OECD Guidelines for Multinational Enterprises and the</li> <li>• UN Guiding Principles on Business and Human Rights,</li> <li>• Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work</li> <li>• International Bill of Human Rights</li> </ul> | <ul style="list-style-type: none"> <li>• We operate in compliance with the regulation and expectations</li> <li>• Compliance to Norwegian Transparency act</li> <li>• Dedicated report on Human Rights Due Diligence available on our website</li> </ul> |  |
| Adhere to the principle of ‘do no significant harm’ iaw definition<br><br>Ref Article 2, point (17), of Regulation (EU) 2019/2088   | We operate in compliance with the regulation   |  |

Ref Article 2, point (17), of Regulation (EU) 2019/2088

‘sustainable investment’ means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;



# Minimum Safeguards

**Table 9: Criteria – Minimum safeguard Ref: Final Report on Minimum Safeguards PLATFORM ON SUSTAINABLE FINANCE OCTOBER 2022\***

| Core topics                             | Indication of non-compliance* with minimum Safeguards   |   |
|---|---|---|
| Human rights, including workers' rights | <ol style="list-style-type: none"> <li>1. The company has not established adequate human rights due diligence processes, as outlined in the UNGPs and OECD Guidelines for MNE.</li> <li>2. There are clear indications that the company does not adequately implement HRDD resulting in human rights abuses. Data on breaches should be generated from sources with a high level of independence and impartiality.</li> </ol> | ✗ |
| Bribery/ corruption                     | <ol style="list-style-type: none"> <li>1. The company has not developed and adopted adequate internal controls, ethics and compliance programmes, or measures for preventing and detecting bribery.</li> <li>2. The undertaking or senior management, including the senior management of its subsidiaries, has been finally convicted on corruption or bribery.</li> </ol>  | ✗ |
| Taxation                                | <ol style="list-style-type: none"> <li>1. The company does not treat tax governance and compliance as important elements of oversight, and there exists no adequate tax risk management strategies and processes as outlined in OECD MNE Guidelines covering tax.</li> <li>2. The company has been found guilty of tax evasion. In the future it might be necessary to further qualify the kind of court cases.</li> </ol>    | ✗ |
| Fair competition                        | <ol style="list-style-type: none"> <li>1. The company does not promote employee awareness of the importance of compliance with all applicable competition laws and regulations and does not train senior management in relation to competition issues.</li> <li>2. The company or its senior management, including the senior management of its subsidiaries, has been found in breach of competition laws.</li> </ol>        | ✗ |

As Odfjell exhibits no indication of non-compliance with minimum Safeguard (demonstrated in table above), Odfjell is in compliance\* with "Minimum safeguards" criteria



- Note that the criteria are opposite of other criteria, and that the criteria indicates non-compliance. In total Odfjell is compliant with Meeting Minimum Safeguards
- \* [https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards\\_en.pdf](https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf)

# Financial KPIs and EU Taxonomy accounting policy

**Table 10: Turnover KPI**

| Turnover    | Specification  | Numbers in USD million |
|-------------|--|------------------------|
| Numerator   | Odfjell has zero net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities, as Odfjell do not have such aligned activities yet.  | 0                      |
| Denominator | Amounts derived from the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover iaw ref c. Turnover is the gross revenue from shipping activity (1192 MUSD) and Gross revenue (Odfjell share) from Odfjell terminals (82 MUSD). | 1274                   |

ref to directives:

- a) EU DELEGATED REGULATION (EU) 2021/2178 of 6 July 2021, Article 2, Annex 1
- b) REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 Article 8
- c) DIRECTIVE 2013/34/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC



# Financial KPIs and EU Taxonomy accounting policy

**Table 11: CapEx KPI**

| CapEx       | Specification  | Numbers in USD million |
|-------------|--|------------------------|
| Numerator   | <p>Odfjell does not have capital expenditure related to assets or processes that are associated with Taxonomy-aligned economic activities, and the CapEx of aligned economic activity is zero. Odfjell has plans to invest in zero capable ships, but not yet formalized a plan to expand Taxonomy-aligned economic activities that meets the requirements of ref a) 1.1.2.2. Such a plan is under development, and will be updated iaw requirements of ESRS E-1-1 and ref a) in footnote.</p> <p>Odfjell invest in retrofitting activities in the category 6.12 Retrofitting of sea and coastal freight and passenger water transport, but no single investment will meet the criteria. Going forward we believe investments in novel technology like wind assisted propulsion can qualify, but we have not had such investments in 2023.</p> <p>Odfjell has not purchased output from Taxonomy-aligned economic activities and individual measures to enabling shipping or terminals to become low-carbon or to lead to greenhouse gas reductions in 2023.</p> | 0                      |
| Denominator | <p>The CapEx denominator cover additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator also cover additions to tangible and intangible assets resulting from business combinations. CapEx cover costs that are accounted based on relevant IAS:</p> <p>(a) IAS 16 Property, Plant and Equipment, paragraphs 73, (e), point (i) and point (iii);</p> <p>(b) IAS 38 Intangible Assets, paragraph 118, (e), point (i);</p> <p>(f) IFRS 16 Leases, paragraph 53, point (h).</p> <p>Determinator covers total CapEx for Chemical Tankers (98 MUSD) and Tank Terminals (41 MUSD, Odfjell share) as listed in the Financial Accounts Note 4 and 27. We also include right of use of assets. Amount capitalized under IFRS 16.53 f) is 133 MUSD.</p>  | 272                    |

ref to directives:

- a) EU DELEGATED REGULATION (EU) 2021/2178 of 6 July 2021, Article 2, Annex 1
- b) REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 Article 8
- c) DIRECTIVE 2013/34/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC



# Financial KPIs and EU Taxonomy accounting policy

**Table 12: OpEx KPI**

| OpEx        | Specification  | Numbers in USD million |
|-------------|--|------------------------|
| Numerator   | <p>Odfjell report Taxonomy OpEx from three perspectives in line with ref a) in footnote below</p> <ol style="list-style-type: none"> <li>Operational expenses related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development ia ref d. Odfjell does not have any Taxonomy-aligned activities, and therefore no related expenses and this OpEx component is zero.</li> <li>Operational expenses related to a CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned. Odfjell is currently developing this plan as a part of the ESRS E1 Transition plan process, but the plan is not complete or meet the criteria iaw ref a. That is why these operational expenses are reported to be zero. We have not assessed the last 4 objectives of the taxonomy in 2024 in line with national regulations.</li> <li>Operational expenses related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. Odfjell does not purchase significant output from taxonomy aligned activities. Ref break-down of OpEx in the Determinator. We focus on purchasing renewable energy for our offices where available, but this is not related to the economic activity. We have established ESG reporting criteria for our suppliers, to encourage suppliers to use taxonomy-aligned activities in their production. Currently we do not have data whether suppliers deliver supplies in an aligned activity.</li> </ol> | 0                      |
| Denominator | <p>The denominator includes direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets law ref a) in footnote below. The number reported includes Odfjell share of cost items from the terminals. USD 22 million relates to short term leases (USD 0.5 Million for terminals, USD 21.4 million for vessels) and the remaining USD 37 million relates to maintenance of vessels (USD 33,4 million) and tank terminals (USD 3.6) millions).</p>   | 59                     |

ref to directives:

- EU DELEGATED REGULATION (EU) 2021/2178 of 6 July 2021, Article 2, Annex 1
- REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 Article 8
- DIRECTIVE 2013/34/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC
- L 443/18 EN Official Journal of the European Union 10.12.2021





# Eligibility share

## Future:

- New vessels could be included and be taxonomy aligned if dedicated in separate fleet
- Significant retrofit activities could be included

| Activity  | Share of revenue of Eligible activities | Taxonomy Aligned Revenue | Taxonomy Aligned CAPEX | Taxonomy Aligned OPEX |
|---|---|--------------------------|------------------------|-----------------------|
| Sea and coastal freight water transport, vessels for port operations and auxiliary activities | 100%                                    | 0 %                      | 0 %                    | 0 %                   |
| Retrofitting of sea and coastal freight and passenger water transport                         | 0%                                      | 0%                       | 0%                     | 0%                    |

For more detailed information on how to assess the revenue, CAPEX and OPEX, please see Annex I of Commission Delegated Regulation (EU) 2021/2178 (Publications Office (europa.eu))



# Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - year 2023

Table 12: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

|  | Code(s) (2) | Absolute turnover (3), in MUSD | Proportion of turnover (4) | Substantial Contribution Criteria |                               |                                |                      |               | DNSH Criteria (Does not significant harm) |                                |                                |                                |                       |                | Minimum safeguards (17) | Taxonomy -aligned proportion of turnover, 2023 (18) | Taxonomy -aligned proportion of turnover, year 2022 (19) | Category Enabling (20) | Category (Transitional) (21) |
|--|-------------|--------------------------------|----------------------------|-----------------------------------|-------------------------------|--------------------------------|----------------------|---------------|---|--------------------------------|--------------------------------|--------------------------------|-----------------------|----------------|-------------------------|---|--|------------------------|------------------------------|
|  |             |                                |                            | Climate change mitigation (5)     | Climate change adaptation (6) | Water and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10)          | Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resource (13) | Circular Economy (14) | Pollution (15) |                         |   |  |                        |                              |
| <b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>   |             |                                |                            |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         |   |  |                        |                              |
| <b>A.1 Environmentally Sustainable activities (Taxonomy aligned)</b>   |             |                                |                            |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         |   |  |                        |                              |
| None   |             | 0                              | 0                          |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         | %   | %  |                        |                              |
| <b>Turnover of environmentally sustainable activities (Aligned)</b>  |             | 0                              | 0%                         |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         |   |  |                        |                              |
| <b>A2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b> |             |                                |                            |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         |   |  |                        |                              |
| Sea Transport  | 6.13        | 1192                           | 94%                        | 100%                              | 100%                          |                                |                      |               | Y   | Y                              | Y                              | Y                              | Y                     | Y              | Y                       | 0%  | 0%   |                        | T                            |
| <b>Turnover of non-environmentally sustainable activities (Non-Aligned)</b>                                  |             |                                | 94%                        |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         |   |  |                        |                              |
| <b>B TAXONOMY NON-ELIGIBLE ACTIVITIES</b>  |             |                                |                            |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         |   |  |                        |                              |
| Terminals  |             | 82                             | 6%                         |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         |   |  |                        |                              |
| <b>Turnover of environmentally sustainable activities (Aligned)</b>  |             | 82                             | 6%                         |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         |   |  |                        |                              |
| <b>Total A+B</b>   |             | 1274                           | 100%                       |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                         |   |  |                        |                              |



# Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – year 2023

| Table 13: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities |             |                |                  |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
|--|-------------|----------------|------------------|-----------------------------------|-------------------------------|--------------------------------|----------------------|---------------|---|--------------------------------|--------------------------------|--------------------------------|-----------------------|----------------|----------------------------------|-------------------------|---|--|------------------------|------------------------------|
|  | Code(s) (2) | Absolute CAPEX | Proportion CAPEX | Substantial Contribution Criteria |                               |                                |                      |               | DNSH Criteria (Does not significant harm) |                                |                                |                                |                       |                |                                  | Minimum safeguards (17) | Taxonomy -aligned proportion of turnover, 2023 (18) | Taxonomy -aligned proportion of turnover, year 2022 (19) | Category Enabling (20) | Category (Transitional) (21) |
|  |             |                |                  | Climate change mitigation (5)     | Climate change adaptation (6) | Water and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10)          | Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resource (13) | Circular Economy (14) | Pollution (15) | Biodiversity and ecosystems (16) |                         |   |  |                        |                              |
| <b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>   |             |                |                  |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| <b>A.1 Environmentally Sustainable activities (Taxonomy aligned)</b>   |             |                |                  |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| None   |             | 0              | 0                |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         | %   | %  |                        |                              |
| <b>CapEx of environmentally sustainable activities (Aligned)</b>   |             | 0              | 0%               |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| <b>A2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b> |             |                |                  |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| 6.13 Sea Transport   |             | 98             | 70%              | 0%                                | 0%                            |                                |                      |               | Y   | Y                              | Y                              | Y                              | Y                     | Y              | Y                                | Y                       | 0%  | 0%   |                        | T                            |
| <b>CapEx of non-environmentally sustainable activities (Non-Aligned)</b>                                     |             | 98             | 70%              |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| <b>B TAXONOMY NON-ELIGIBLE ACTIVITIES</b>  |             |                |                  |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| Terminals  |             | 41             | 30%              |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| <b>CapEx of non-eligible activities</b>  |             | 41             | 30%              |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| <b>Total A+B</b>   |             | 139            | 100              |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |

Table iaw Commission Regulation 2021/2178 og 6 July 2021 Annex II <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2178>



# Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – year 2023

Table 14: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

|  | Code(s) (2) | Absolute OpEx (3), in MUSD | Proportion of Opex | Substantial Contribution Criteria |                               |                                |                      |               | DNSH Criteria (Does not significant harm) |                                |                                |                                |                       |                |                                  | Minimum safeguards (17) | Taxonomy -aligned proportion of turnover, 2023 (18) | Taxonomy -aligned proportion of turnover, year 2022 (19) | Category Enabling (20) | Category (Transitional) (21) |
|--|-------------|----------------------------|--------------------|-----------------------------------|-------------------------------|--------------------------------|----------------------|---------------|---|--------------------------------|--------------------------------|--------------------------------|-----------------------|----------------|----------------------------------|-------------------------|---|--|------------------------|------------------------------|
|  |             |                            |                    | Climate change mitigation (5)     | Climate change adaptation (6) | Water and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10)          | Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resource (13) | Circular Economy (14) | Pollution (15) | Biodiversity and ecosystems (16) |                         |   |  |                        |                              |
| <b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>   |             |                            |                    |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| <b>A.1 Environmentally Sustainable activities (Taxonomy aligned)</b>   |             |                            |                    |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| None   |             | 0                          | 0                  |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         | %   | %  |                        |                              |
| OPEX of environmentally sustainable activities (Aligned)   |             | 0                          | 0%                 |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| <b>A2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b> |             |                            |                    |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| 6.13 Sea Transport   |             | 55                         | 93                 | 0%                                | 0%                            |                                |                      |               | Y   | Y                              | Y                              | Y                              | Y                     | Y              | Y                                | Y                       | 0%  | 0%   |                        | T                            |
| OPEX of non-environmentally sustainable activities (Non-Aligned)   |             | 55                         | 93                 |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| <b>B TAXONOMY NON-ELIGIBLE ACTIVITIES</b>  |             |                            |                    |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| Terminals  |             | 4                          | 7%                 |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| OPEX of non-eligible activities  |             | -                          | 7%                 |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |
| Total A+B  |             | 59                         | 100                |                                   |                               |                                |                      |               |   |                                |                                |                                |                       |                |                                  |                         |   |  |                        |                              |

Table iaw Commission Regulation 2021/2178 og 6 July 2021 Annex II <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2178>  
Opex of Terminals are booked towards equity iaw equity method. Exact numbers iaw EU Taxonomy opex calculations are not available



# References

This report covers Odfjell's reporting and interpretations IAW existing guidance

See relevant sources for complete guides:

- EU Taxonomy Compass
- Platform Sustainable Finance – Final report on minimum safeguards Oct 2022
- COMMISSION DELEGATED REGULATION (EU) 2021/2178
- COMMISSION DELEGATED REGULATION (EU) 2021/2139 of 4 June 2021 – The Climate Delegated Act published in the Official Journal on 9 December 2021 and applicable since January 2022.
- COMMISSION DELEGATED REGULATION (EU) 2022/1214 of 9 March 2022 – The Complementary Climate Delegated Act published in the Official Journal on 15 July 2022 and applicable since January 2023.
- COMMISSION DELEGATED REGULATION (EU) 2023/2486 of 27 June 2023 – The Environmental Delegated Act published in the Official Journal on 21 November 2023 and to apply as of January 2024.
- COMMISSION DELEGATED REGULATION (EU) 2023/2485 of 27 June 2023 – The amendments to the Climate Delegated Act published in the Official Journal on 21 November 2023 and to apply as of January 2024.

Taxonomy Compass: <https://ec.europa.eu/sustainable-finance-taxonomy/index.htm>

Taxonomy regulation: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2139&from=EN>

[https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf)

