

Sustainability-Linked Finance Progress Report for the calendar year 2023

Executive summary and comment by the Chief Sustainability Officer

We refer to the Sustainability Linked Finance Framework (SLFF) of December 21 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 2023. A complete update on our sustainability strategy and performance will be available in our Annual Report 2023 which will be available from end of March 2024 on www.odfjell.com/investors/reports-and-presentations.

The year 2023 has been the warmest year on record, and the action against climate change has never been more apparent. This urgency is also felt in the shipping and terminals industry, which accounts for around 3% of global emissions. Odfjell's decarbonization initiatives continue to generate considerable reduction results.

We are pleased to report that the Sustainability Performance Targets in the SLFF were met as of December 31, 2023. The Controlled Fleet's AER was 7.81 compared to a target of 8.20. The improvements are related to enhanced operations and the effects of our fleet's continuous retrofitting projects and energy-saving initiatives. 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 verification from DNV and Fleet Transition Plan Review can be found at www.odfjell.com/investors/bonds.

While Odfjell is ahead of schedule and on track to meet our climate targets, it should be noted that alignment with the AER trajectory in any given year also depends on market conditions outside of 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. In 2023, all Odfjell vessels were IMO CII rated A-C, with the majority being rated B or better. From 2022, AER performance has been a KPI in the incentive system for all shore-based Odfjell employees.

Our dedication to improve the energy efficiency on our fleet continues, though many of the 'low hanging fruits' have already been implemented and we expect that upcoming projects will be more substantial, more expensive and to a greater extent reliant on novel technologies that might take time to test and roll out. Innovation remains at the heart of our decarbonization strategy, and all our vessels are within scope regardless of age as demonstrated by the recent installement of air lubrication on an 18-year old chemical tanker in October 2023, and the planned installement of wind-assisted propulsion on a 5-year old chemical tanker in the second-half of 2024. Given successful trials, we will consider a broader implementation across our fleet in the years to come.

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 December 31 2023	
Period:	1/1/2023 to 31/12/2023
No. of vessels included in the Controlled Fleet:	51
Total carbon emissions:	908 625 tonnes
Total deadweight ton:	1 983 050 DWT
Total distance traveled:	2 968 300 nm
Key Performance Indicator (AER) 2023:	7.81
Exceptions to IMO DCS reporting:	One [1] ²
Sustainability Performance Target trajectory 2023:	8.20
Trajectory Adjustments:	None
Alignment with the SPT Trajectory:	Yes

2. Fleet composition Controlled Fleet

As of December 31 2023, 51 vessels were included in the Controlled Fleet. Two vessels were sold during the year, one vessel was exempted from IMO DCS reporting and one new vessel was added.

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

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

3. Update to the Fleet Transition Plan

The main updates to the Fleet Transition Plan from earlier years are the phasing-in of Bio-Fuel in our fuel mix, and removal of LNG retrofit project. The plan is a ship specific plan that is revised minimum annually to adapt to changes in our fleet, new technologies and alternative fuel availability, international regulations and change in operational profile for each vessel. The use of Bio-fuels will be in accordance with MEPC.1-Circ.905 - Interim Guidelines on the use of biofuels under regulations 26, 27 & 28 of Marpol Annex VI.

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

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. Odfjell has used vessel-specific 2008 baseline, as per the IMO MEPC document 336-338 (76), and we adopted this industry standard for AER in 2023. Odfjell's AER in 2023 for controlled fleet was 7.2 under the updated standard, which is 52% below the IMO baseline. We continue to use the previous standard to report AER in this progress report in line with the SLFF.

In 2023, the International Maritime Organization (IMO) also adopted a revised strategy to reduce GHG emissions from international shipping. This strategy marks a significant leap towards decarbonizing the global shipping industry, in line with the broader goal of mitigating the impacts of climate change. Central to the 2023 strategy is the ambitious commitment to achieve net-zero GHG emissions from international shipping by, or around, 2050. This target underscores the industry's dedication to significantly reducing its environmental footprint and aligning with global climate objectives. A noteworthy aspect of the new strategy is the adoption of a well-to-wake approach to emissions reduction.

² Flumar Brasil was exempted from IMO DCS reporting in 2023. The vessel is still under our controlled fleet and is included in the calculations.



The EU included shipping in their emission Trading System (ETS) from 2024. We believe that we have an industry-leading energy-efficient fleet, which gives us a competitive advantage as the cost of emissions are aimed passed on to end-charterers and customers.

5. Issues under the SLFF

Odfjell has issued one bond and seven loans under the SLFF. See Appendix B for details.

Best regards,

for ODFJELL SE

A handwritten signature in blue ink, appearing to read 'Øistein H Jensen', written over a light blue horizontal line.

Øistein H Jensen
Chief Sustainability Officer

Appendix A

List of vessels in the Controlled Fleet as per December 31 2023.

Vessel	Built	IMO No.	Coating
Bow Endeavour	2011-07-29	9490325	STST
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 Lind	2011-05-13	9388314	EPX/Zinc
Bow Elm	2011-03-11	9388302	EPX/Zinc
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 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
Flumar Brasil	2010-04-28	9416836	Epoxy
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: June 30 2024
SPT: 8.18

Instrument: Sustainability-Linked Loan
Volume: USD 70.2 million
Issued: May 2021
Maturing: May 2026
Target observation date: December 31 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: December 31 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: December 31 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: December 31 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: December 31 2023, and annually thereafter
SPT: 8.20 (2023), 8.16 (2024), 7.68 (2025), and 7.06 (2026)

Instrument: Sustainability-Linked Loan
Volume: USD 35 million
Issued: August 2023
Maturing: August 2028
Target observation date: December 31 2023, and annually thereafter
SPT: 8.20 (2023), 8.16 (2024), 7.68 (2025), 7.06 (2026) and 6.53 (2027)

Instrument: Sustainability-Linked Loan
Volume: USD 127.5 million
Issued: August 2023
Maturing: August 2028
Target observation date: December 31 2024, and annually thereafter
SPT: 8.16 (2024), 7.68 (2025), 7.06 (2026) and 6.53 (2027)