



# Reporting on Human Rights Due Diligence 2024

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Bergen, 07.05.2024

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## Global shipping

Shipping is an integral component of the world's logistics and distribution networks, responsible for 90% of all cargo transported globally. This mode of transport is not only the most efficient but also the most environmentally friendly option for moving large volumes over great distances. Without shipping, many regions and people would face significant challenges, including severe shortages of essential supplies.

*Economically, shipping is vital. For example, in the European Union, it accounts for 80% of total exports and imports by volume and 50% by value.*

The industry's ability to provide cost-effective transportation is unmatched. Over the past forty years, the growth of seaborne trade has not only quadrupled but also facilitated global access to affordable goods, which has helped raise living standards for people worldwide.

Shipping's minimal environmental footprint per ton of cargo transported underscores its role as a sustainable choice in the global transportation sector. As we continue to

refine and innovate within this space, shipping remains at the forefront of connecting markets, supporting economies, and enhancing the quality of life across the globe.

While the shipping industry plays a pivotal role in global trade and economic development, it is essential to acknowledge and address the potential negative impacts on human rights associated with this sector. Issues such as unsafe working conditions and modern slavery are significant concerns that demand urgent attention. The maritime environment can be harsh and hazardous, and the isolated nature of shipboard life can sometimes lead to exploitative practices.

Our industry must uphold high ethical standards to protect those who work within it. This commitment involves adhering to international labor and safety standards and actively working to improve them. Implementing rigorous safety protocols, ensuring fair wages, and providing decent living conditions on board ships are steps that must be taken to safeguard the rights and well-being of maritime workers.

By promoting transparency, accountability, and continuous improvement, we can mitigate these risks and foster a shipping industry that is both economically vital and socially responsible. It is our duty to ensure that the sector contributes to global economic prosperity and respects and upholds the dignity of all individuals involved.

## Odfjell and our supply chain

Odfjell has, throughout our 110 years of history, focused on responsible and sustainable business. Our people's health, safety, well-being, and rights are vital to us and our business. Therefore, respect for human rights is integral to our business.

We also recognize that our business impacts people in our supply chain. Therefore, we have clear principles and expectations for our suppliers and partners to ensure people's safety and human rights.

Read more about our business model in our Annual Report and our Sustainability Reporting 2023, ESRS 2 SBM-1.

## Reporting under the Transparency Act

The Transparency Act was enacted by the Norwegian Parliament on June 10 2021 and established legal requirements for larger enterprises' duty to report on their work to ensure compliance with fundamental human rights and decent working conditions within the enterprises, in their supply chains, and with their business partners.

The Transparency Act aims to promote enterprises' respect for fundamental human

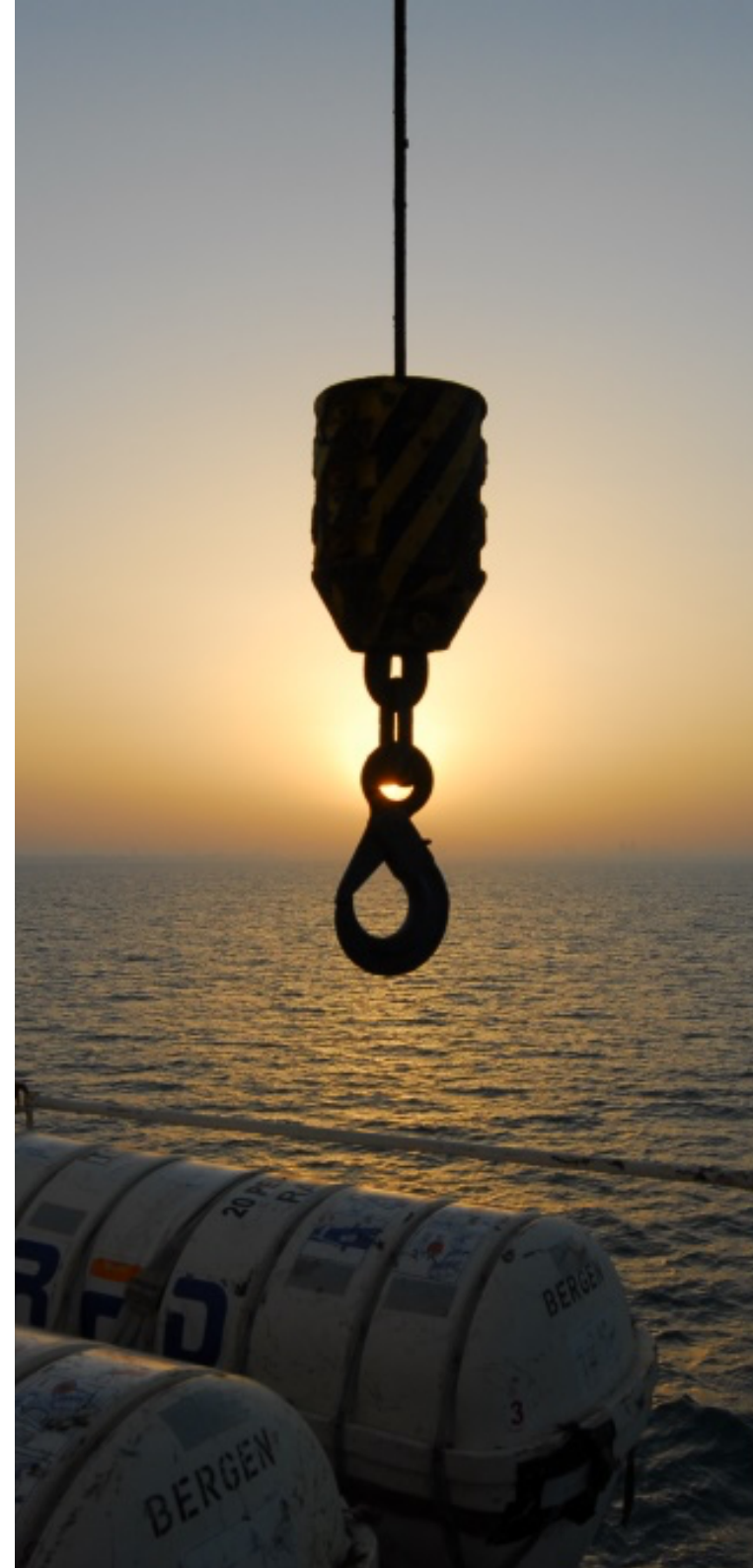
rights and decent working conditions and ensure that consumers, organizations, trade unions, journalists, and the general public have access to information. The Transparency Act is a Norwegian initiative, but we see similar initiatives in other European countries.

The reporting will require a general description of:

- The enterprise's organization and area of operation;
- Guidelines and routines for handling actual and potentially negative consequences for fundamental human rights and decent working conditions and
- how the work with the due diligence assessment is organized.

And specific information on:

- Actual negative consequences and substantial risk for negative consequences which enterprises have identified through their due diligence assessments and measures the enterprises have taken or plan to take to stop actual negative consequences or to limit substantial risk.



## Organization and area of operations

The Odfjell Group is one of the world leaders in the global market for seaborne transportation and storage of chemicals and other specialty bulk liquids. Our business is global, and our vessels call more than 300 different ports. We have offices in 14 locations worldwide in Norway, USA, Singapore, The Philippines, South Korea, Brazil, Chile, Argentina, U.A.E., South Africa, India and China.

At sea, our 70+ highly sophisticated chemical tankers call more than 300 different ports and transport 14 million tonnes cargo every year, in all weather conditions, day and night. Onshore in the USA, Belgium, and Korea, our terminals' teams operate a total of 470 tanks with a capacity of 1.3 million cubic meters.

*Because we handle hazardous cargo, safety and sustainability are at the heart of our work – it is our responsibility and our license to operate.*

Odfjell SE is the ultimate parent company of the Odfjell Group, consisting of the following subsidiaries with obligations under The Norwegian Transparency Act Section 3. a):

- Odfjell Tankers AS,
- Odfjell Management AS and
- Odfjell Chemical Tankers AS

and other not obligated subsidiaries/joint ventures. This reporting on human rights due diligence is valid for the above-mentioned companies, and the risks and measures presented are linked to all obligated companies in the group. Odfjell SE is a public listed company traded on Oslo Stock Exchange. For more information, please see <https://www.odfjell.com/about/our-organization>.

The CEO has the lead responsibility for human rights. Odfjell has a Chief Sustainability Officer responsible for ensuring strategy, governance, policies, plans, and reporting related to sustainability and human rights due diligence. The Board of Directors (BoD) oversees and ensures respect for human rights throughout strategy and business activities.

In Odfjell, we believe in organizational involvement through dialogue with employees and/or elected employee representatives. The aim is to listen to the employees' voices and utilize their experiences and insights as an influence and

support for sustainable and satisfying working conditions.

We seek to establish and maintain a trusting dialogue as a basis for employee involvement, such as acknowledged labor unions, working environment committees, and work councils.

This dialogue also contributes to the continued development of sustainable business in Odfjell.

## Guidelines and routines for handling of Human Rights Due Diligence (HRDD)

Odfjell has implemented a Corporate Human Rights Policy, a Code of Conduct, a Corporate Supplier Conduct Principles, and a due diligence process.

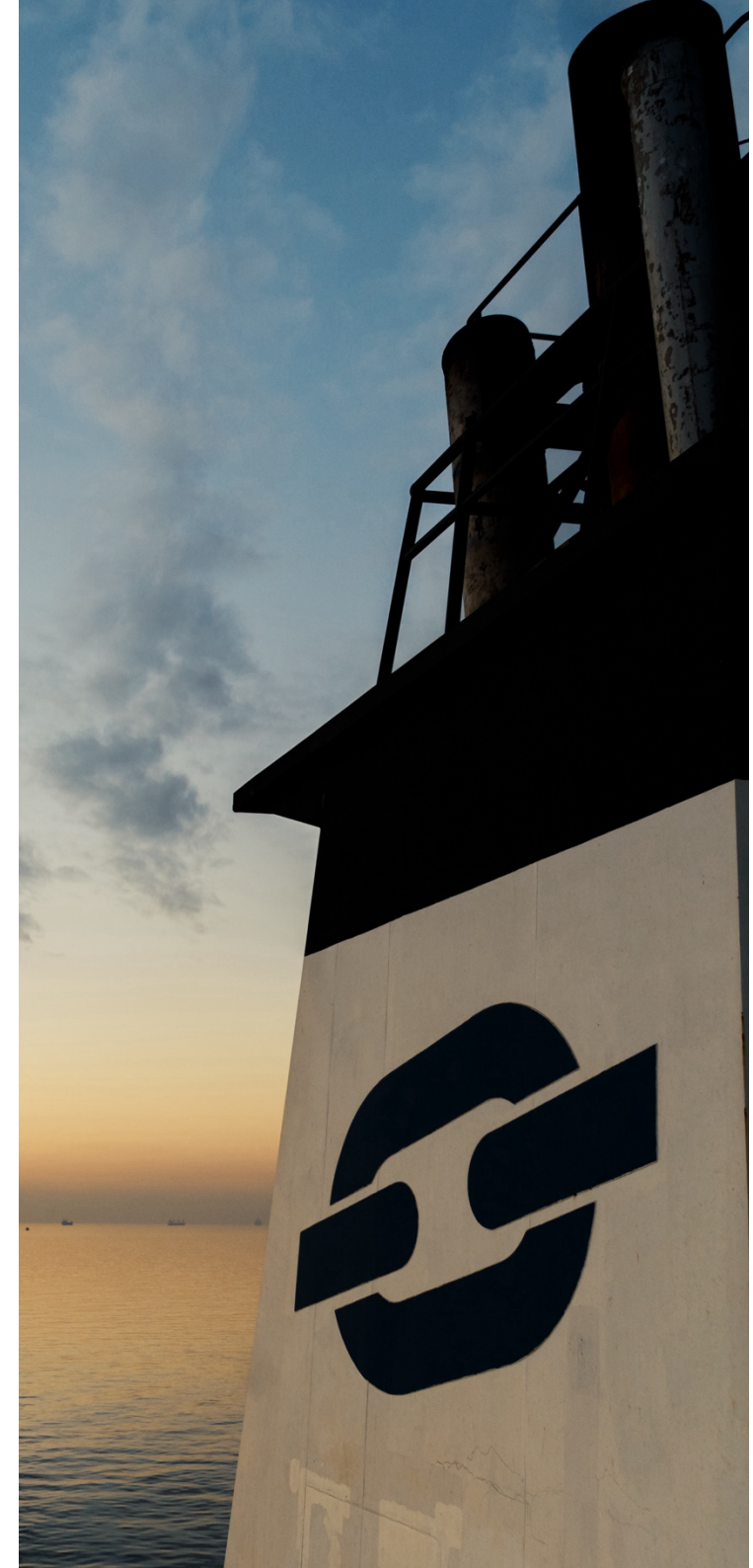
We respect and promote human rights as outlined in the International Bill of Human Rights. The International Bill of Human Rights consists of the Universal Declaration of Human Rights (adopted in 1948), the International Covenant on Civil and Political Rights (ICCPR, 1966) with its two optional protocols, and the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966).

We also respect and promote the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the International Maritime Organization's Maritime Labor Convention. Odfjell has been a signatory to the UN Global Compact since 2011 and is committed to operating a sustainable business and continuously seeking improvements according to UN Global Compact's Ten Principles. Odfjell uses the UN Guiding Principles on Business and

Human Rights chapter II and the OECD Guidelines for Multinational Enterprises as key frameworks.

A corporate Human Rights Impact Assessment (HRIA) is carried out annually and results in an HRIA matrix. In this HRIA, we identify and assess our potential and inherent adverse human rights impacts, our connection to the consequences, leverage and their severity, likelihood and priority. This process also results in a Human Rights Due Diligence (HRDD) action plan for additional mitigating actions. We also monitor our exposure to countries where human rights are/have been compromised. We use multiple sources for this information. We focus on references and indexes related to our impact areas like political rights, civil liberties, working rights, child labor, and modern slavery. In our annual Integrity update to the Board, we examine and discuss the human rights risk levels for offices and locations, the country's risk, the most visited ports, and the most important supply countries.

A summary of the stakeholder analysis is presented in our Sustainability reporting 2023 table 5 Interests and views of stakeholders on page 14.



Odfjell's organization maintains consistent communication with its stakeholders via different channels and meetings. Relevant sustainability topics used in the Double Materiality Assessment (DMA) are discussed with stakeholders through the engagement activities. Board and management are kept abreast of the perspectives and concerns of impacted stakeholders concerning the sustainability-related impacts of Odfjell via dialogue with customers and suppliers, management bulletins, and dialogue with affected stakeholders.

Odfjell has undertaken rigorous climate and nature risk assessments and DMA. Odfjell recognizes the importance of addressing nature-related risks, such as biodiversity loss and ecosystem degradation. These assessments shape our sustainability strategy and set the foundation of our ambitious climate targets and actions. These efforts impact our strategy and operational focus, allowing us to identify and prioritize key ESG topics, including risks and opportunities. These efforts are available on our website in a supplementary report 'Sustainability reporting 2023'.

Odfjell has identified both positive and negative impacts in the DMA. There was no

binary classification of material topics after the scoring, but most were rated above 3 in impact materiality and financial materiality. The results of our DMA are presented on page 21 and 22 on ESRS 2 Impacts, Risks and Opportunities (IRO) management in table 8 and 9 in our Sustainability reporting 2023. All Odfjell's ESG Material focus areas have an implied Human Rights aspect.

Odfjell has also signed the Future-Proof Initiative. The Bergen Chamber of Commerce and Industry and the Rafto Foundation for Human Rights and Business have created the business and human rights collaboration platform known as 'Future Proof'. The aim is to assist businesses in complying with their human rights responsibilities. Through competence and capacity building, combined with knowledge and experience exchange, Future-Proof seeks to establish a forum where difficult issues, challenges, and dilemmas may be expressed, discussed, and jointly resolved. Odfjell actively participates in this platform and shares and discusses our experiences with other signatories.



### Incident reporting (Reporting hotline)

Odfjell has a secure reporting hotline, optional anonymous, so employees and external stakeholders, e.g. communities, can raise their concerns regarding human or labor rights violations and risks, which is accessible via our webpage and Intranet. We also encourage employees to report any concerns in the line, through their manager. No ethical incidents on human or labor rights were reported in or outside the reporting system, and no legal actions regarding human or labor rights were taken against Odfjell in 2023. Odfjell has not been involved in providing or enabling remedy as a result of adverse impact in 2023.

### Anti-Corruption

The global nature of the shipping industry, with its complex networks and operations spanning multiple jurisdictions, inherently exposes it to the risks of corruption and bribery. These unethical practices undermine the integrity of maritime trade and have a profound negative impact on human rights. Corruption in shipping can lead to compromised safety standards, unfair labor practices, and the violation of workers' rights, contributing to a cycle of injustice and exploitation. Addressing these

challenges is crucial for ensuring that the industry operates transparently and ethically, protecting the rights and well-being of individuals worldwide while maintaining the trust and reliability essential to global commerce.

Odfjell has a clearly stated zero-tolerance policy on corruption. We have an anti-corruption and integrity framework based on the guidance of the UK Bribery Act and Norwegian anti-corruption regulations. We conduct an annual risk assessment from which we devise an action plan on anti-corruption work for the company.

Odfjell is a Maritime Anti-Corruption Network (MACN) member, and we have implemented and supported the MACN 'Say No' campaigns on all our ships. Through MACN, Odfjell engage in collective actions within the shipping industry to tackle corruption and work for zero corruption in our industry. We also track requests for facilitation globally with mandatory reporting from all port visits.

Odfjell has an Integrity Council that coordinates all actions under the framework from all areas of our business.





## Sustainable Procurement

We require from our suppliers and business partners the agreement to our Corporate Supplier Conduct Principles (CSCP), including human & labor rights. The HRDD process is also in the process to be included in our IDD process for new customers/suppliers, and we work with our suppliers and procurement network to collect Environmental, Social and Governance (ESG) data.

Sustainable procurement is important to Odfjell. Our suppliers are assessed through a combination of prequalification, annual performance meetings, supplier visits, audits, checklists, questionnaires, and our CSCP. The extent of the assessment depends on the supply risk, criticality, and profit impact.

Odfjell is also a member of a procurement collaboration that screens suppliers on ethics, the environment, and human rights, accounting for 25% of the total procurement volume in our ship management.

Odfjell reports to the EcoVadis platform and has a silver rating for 2023. Every year, we report our status on green and sustainable procurement to EcoVadis, including

information on our interactions with our suppliers and the suppliers' performance in ESG audits, ESG clauses in contracts, training etc.

In 2023, we started reporting scope-3 emissions using a spend-based methodology, and going forward, we aim to challenge our suppliers on an activity-based approach.

We conducted ESG screening & risk assessment and classified our suppliers concerning further investigation required.

Following the new Transparency Act, Odfjell will increase follow-up, audits, and cooperation with suppliers on human labor rights in the value chain and improve our supplier monitoring with new ESG questionnaires and dashboards.

## Actual negative consequences for Human & Labor Rights

As a global shipping company operating 24/7, 365 days a year in all weather, the nature of our business has inherent risks related to safety, the environment, and human rights. That is why safety is our number one priority and license to operate. We have an indisputable responsibility to never



compromise on safety, safeguard the oceans and work holistically with the communities where we operate.

We recorded just one Lost Time Injury (LTI) throughout the year, a testament to our rigorous safety protocols and the effectiveness of our preventative measures. This incident, while not serious, reinforces our belief that one LTI is one too many and underscores our goal of achieving zero incidents and injuries. Our shipping operations saw a substantial decrease in Lost Time Injury Frequency (LTIF), dropping to 0.09 from 0.45 in 2022. This achievement was mirrored in our managed terminals, where LTIF was reduced to zero, an improvement from 0.44 in the previous year.

In July 2022, the UN General Assembly declared access to a clean and healthy environment a universal human right. We recognize that Odfjell's business can impact the environment, and we strive to decarbonize our operations and mitigate any negative impact to the climate, environment, and oceans.

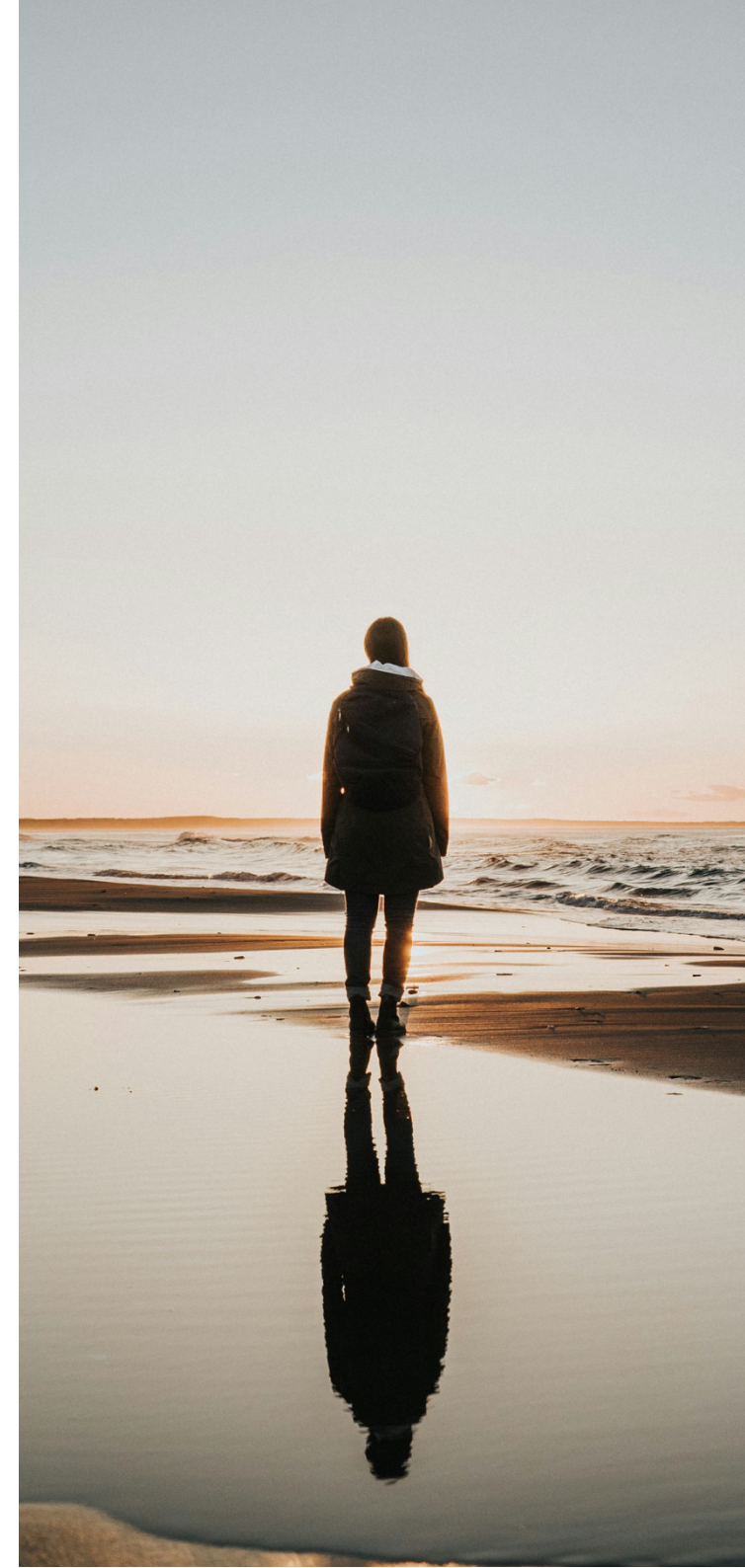
The direct emissions from our vessels (GHG scope-1 emissions) are the biggest source of

emissions for Odfjell. We emitted 1,170,139 metric tonnes CO<sub>2</sub> for the operated fleet in 2023 compared to 1,279,741 for the operated fleet in 2022, which is a reduction of 8.6% of absolute emissions. However, the absolute emissions do not tell the full story, as it depends on fleet size.

We have had two pollutions of the environment in 2023 on our managed ships. Both cases related to pre-wash in port, where minor quantity of slops/wash water was accidentally spilled overboard. There was no pollution outside the terminals caused by spills in 2023.

### Most significant risk of negative consequences for Human & Labor Rights

Our impact assessment identified over 20 risk/impact categories. The topics are not typical risk, but rather how and where our business might have a negative effect on human rights. Based on this review, we've identified the following most essential areas where our operations may have an influence on human and labor rights:



ID	RISK/IMPACT	MITIGATING ACTIONS
HRIA11	Environmental impact on local area (e.g. pollution, emissions)	Corporate strategy and values, Odfjells climate targets and transition plans, HSE policy, Odfjell joins several Climate and Call to Action initiatives, and other environmental initiatives, Emergency and contingency planning management in place
HRIA15	Poor health and safety of workers at external ship managers, shipyards and ports (e.g. PPE, training, in known risk countries Bangladesh, Pakistan, India, China)	Corporate Supplier Conduct Principles in place as part of contracts, Sustainable procurement program in progress , which includes supplier screening, assessment and auditing of human and labor rights
HRIA21	Excessive working hours w/o rest at external ship managers, shipyards and ports	Corporate Supplier Conduct Principles in place as part of contracts, Sustainable procurement program in progress
HRIA22	Inadequate human and labor rights for migrant workers with suppliers or in our value chain	Corporate Supplier Conduct Principles in place as part of contracts, Sustainable procurement program in progress
HRIA1	Poor health and safety of employees (dangerous cargo)	Safety first philosophy, Corporate strategy and values, HSE policy, Safety management system in place and certified, health programs in place
HRIA16	Forced labor or child labor at shipyards and ports (recruitment fee, bondage labor, modern slavery)	Corporate Supplier Conduct Principles in place as part of contracts, Sustainable procurement program in progress

We score and evaluate these impact areas in the HRIA matrix. We evaluate connection, leverage, severity, likelihood, priority, and mitigation on each impact area. The risks are prioritized according to their severity, and our connection and leverage to/on this risk.

We also evaluate the location where we have operations. For example, these locations can be countries where we have offices, build and maintain our vessels, and call ports.

From our HRIA, we have identified where our operations can impact human rights. Most significant areas are related to shipyards in regions that score low on the various Human Rights indexes. This can be shipbuilding, maintenance/dry-docking, and recycling at shipyards, and it also includes work from sub-suppliers to the yards.

### Measures to mitigate risk or restore actual consequences

#### *Measures regarding Safety and Health of employees*

The one LTI in 2023 was a caustic splash on an eye while wearing goggles. The crewmember was in medical treatment and an investigation was completed. The crew

member was fit for duty after seven days of sick leave. A Lesson Learned was issued, and we have also established a Safety Program for 2024, including a year wheel with scheduled activities to ensure a uniform approach on all vessels.

We continually review personal protective equipment to find the best for our employees to perform their tasks safely. We strive to ensure our employees do things the right way, and only the right way. We continuously develop and monitor our safety training and do not compromise on safety. For all operations, we conduct safety hazard identification and safety risk assessment to ensure that all risks are mitigated, and to ensure the safety of our people and the environment.

#### *Measures regarding Environmental Impact*

For the two pollution cases in 2023 a Lesson Learned was issued, and we have also reviewed all environmental aspects of our operations and revised our Environmental program. All our vessels have a Shipboard Marine Pollution Emergency Plan (SMPEP) in place.



Since 2007, Odfjell has been at the forefront of energy efficiency and emissions reduction. Our dedicated departments employ both operational and technical strategies to achieve our goals. In 2023, we installed 18 new energy-saving devices (ESD) in our fleet. Recognizing the need for new and innovative solutions, we plan to test two novel technologies in 2024. One project is an air lubrication system to reduce friction while increasing efficiency. This system was installed in 2023 and is in testing phase. Another initiative involves wind-assisted propulsion, and we plan to place suction sails on one of our vessels late 2024. In addition, we will receive 12 new energy-efficient vessels on long-term charter in the following years, which will further reduce our carbon intensity, while reducing fuel technology risk.

Please also see ESG report: Environment in our Annual report 2023 for more information.

*Measures regarding Safety and Health of workers, Forced and Child labor in the value chain*

To mitigate the risk of negative impact in the high-impact areas related to shipyards, we conduct a due-diligence process of the yards we plan to use. We have a clear selection,

audit, and follow-up process on the yards we use. In addition, we are always present with our own supervisors at the yards during maintenance. We are developing ways to improve the human rights elements of these due diligence processes. Among the guides and tools we use are the Guidelines for Labor Rights Assessment at Shipyards, which were developed by Eksportfinans.

*Measures regarding Diversity, Equity, and Inclusion*

Diversity goes beyond gender, and it goes beyond age and nationality. It is about all people, all backgrounds, all phases of life. It is about ethnicity, experience, educational background, age, competence, culture, point of view, sexual orientation, religion, and disability. It is also about different perspectives and diversity of thought. Inclusion puts diversity into action by creating an environment of belonging, respect, and connection.

As we develop and renew our workforce, we see greater collaboration between managers and recruiters to increase the diversity of our talent pool. We strive to foster an organization that values diversity, equity, and collaboration – and a working environment where employees are valued



for their uniqueness and where they can contribute. Looking ahead, we seek to develop more diverse and inclusive teams where people with a broad range of skills, experience, perspectives, and backgrounds will work together to solve the challenges of tomorrow. We have made several specific changes to our recruitment processes to drive improved gender balance at sea and onshore.

Diversity and inclusion are integral to our corporate culture, prompting initiatives to improve gender balance within our workforce. Despite the challenges inherent to our industry, we are making strides towards our goal of a minimum 30% gender balance for the onshore shipping organization by 2030 and reporting our efforts in the SHE index. Although progress has been made, female representation in leadership positions remains too low (10%). In 2023, we promoted our first female from chief officer to captain and significantly increased the number of female cadets in crew training.

At Odfjell, we promote a safe, non-discriminating, and inclusive working environment where everyone is valued for their qualifications and contributions. We

work to ensure equal opportunity and equitable compensation. We aim to be an attractive and engaging place for our employees to work today and in the future.

If you have any questions related to our work on human rights, get in touch with us

[Oistein.jensen@odfjell.com](mailto:Oistein.jensen@odfjell.com)

### Board of Directors of Odfjell SE Bergen, May 7, 2024

  
CHRISTINE RØDSÆTHER

  
NILS PETTER DYVIK

  
JANNICKE NILSSON

  
TANJA EBBE DALGAARD

  
ERIK NYHEIM

  
HARALD FOTLAND, CEO

  
LAURENCE WARD ODFJELL, CHAIR

