



# ODFJELL SE CORPORATE SUPPLIER CONDUCT PRINCIPLES

Version 4

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## Introduction

Odfjell's Corporate Social Responsibility (CSR) initiatives encompass quality, health, safety and care for the environment (QHSE), as well as business ethics, human rights, non-discrimination and anti-corruption measures.

We are committed to the principles in the United Nations (UN) Global Compact and Odfjell, including subsidiaries and activities managed by Odfjell, adheres to high ethical and environmental standards in the way we conduct business. Odfjell acknowledges that high standards are already being observed by suppliers to our company. However, since we operate in many countries with diverse cultures and economies, our commitment to the UN Global Compact includes promoting awareness and this will be enhanced by establishing common principles in the areas of human rights, labour standards, the environment and anti-corruption.

Common principles are laid down in this Corporate Supplier Conduct Principle (CSCP). In this CSCP, the term "suppliers" refers to contractors as well as suppliers of goods and services. As we introduce our CSCP to our suppliers, they will be expected to operate in accordance with this document or any comparable CSCP. If a supplier finds that it is in breach of the CSCP, Odfjell can offer to establish cooperation in order to assist the supplier in improving its business standards and employee welfare. However, if the supplier continues to deliberately breach the CSCP- and is unwilling to discuss and agree upon a plan for improvement, Odfjell will initiate measures to terminate arrangements with the supplier in accordance with the terms that are stipulated in the contract.

The CSCP is a mandatory requirement and may be subject to audits. Odfjell expects its suppliers to adopt an open attitude to such monitoring and to cooperate with our auditors.

To ensure a socially responsible maritime industry worldwide, Odfjell requires its suppliers to adhere to all relevant laws, rules and regulations, and to strive to improve their practices where necessary. Improvements also involve suppliers making certain their individual sub-suppliers adhere to the same standards and legal requirements. The CSCP must be communicated to the supplier's employees and subcontractors in the local language and in a manner that is understood. Odfjell acknowledges that reaching the standards established in this CSCP is a dynamic rather than static process and encourages suppliers to continually improve their standards in areas where required. Upon request the supplier is obligated to provide relevant information along the whole value chain according to The Norwegian Transparency Act on human rights due diligence, as well as compliance with fundamental human rights and decent working conditions within the enterprises, in their supply chains, and with their business partners.

Odfjell expects its suppliers to establish and maintain appropriate management systems which cover the areas outlined in this CSCP, and to actively review, monitor and modify their management processes and business operations to ensure alignment with the principles set out in this CSCP.

All principles contained in this CSCP are of equal importance independently of their order of appearance.

# Labour

Odfjell expects its suppliers to comply with internationally recognized labour rights, as stipulated in the International Bill of Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

## Freedom of association and collective bargaining

Odfjell expects its suppliers to recognize and respect the rights of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which they are employed, as well as the core ILO conventions: the Freedom of Association and Protection of the Right to Organize Convention (C.87-1948) and the Right to Organize and Collective Bargaining Convention (C.98-1949).

Odfjell recognizes the importance of good and proper communication between workers and management. Suppliers shall respect the rights of workers to communicate in an appropriate manner with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

## Forced labour

Odfjell expects its suppliers to prohibit any use of forced, bonded or indentured labour or involuntary prison labour, and embrace employment practices consistent with ILO conventions pertaining to forced labour: the Forced Labour Convention (C.29-1930) and the Abolition of Forced Labour Convention (C.105-1957).

Suppliers shall use only voluntary labour and shall not use forced or involuntary labour of any kind (e.g. forced, bonded, indentured or involuntary labour).

Suppliers shall ensure that all employees have written employment contracts stating the terms and conditions of service, the voluntary nature of employment and the freedom to leave (including the appropriate procedures) where such freedom and procedures are not adequately protected by mandatory local law. All employment contracts shall be written in languages easily understood by workers, indicating the scope of and procedures for leaving the job.

## Prevention of Child labour

Odfjell expects its suppliers, as a minimum, not to engage in any practice inconsistent with the rights set forth in the UN Convention on the Rights of the Child, the ILO Minimum Age Convention (C.138-1973) or the Prohibition and Immediate Elimination of the Worst Forms of Child Labour Convention (C.182-1999).

Suppliers shall not recruit or engage in child labour. Suppliers shall adhere to minimum age provisions of national labour laws and, where national law is insufficient, take account of international standards, wherein children are generally defined as individuals under the age of 15. Odfjell recognizes that children may, in some instances, be permitted to participate in work-related activities of limited scope and occasional nature. However, where this is permitted, Suppliers shall ensure that the activities do not violate the child's right to healthy development and/or deny him/her the right to quality education, and that they are conducted in a way which is in the best interest of the child.

The supplier should take the necessary steps to cease or prevent any occurrence of child labour.

Suppliers shall not engage young persons under the age of 18 in work that is hazardous to their health or safety, including night work.

## Discrimination

Odfjell does not tolerate discrimination in the workplace and works to promote corporate conduct and culture. Suppliers shall not engage in direct or indirect discrimination in hiring and employment practices on the ground of race, colour, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, union membership or marital status.

Odfjell expects suppliers to act in accordance with the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. This includes working to promote discrimination in access to training, promotion, and rewards.

## Working hours

Odfjell expects its suppliers to comply with all applicable working hour requirements as established by local or international law. Suppliers shall ensure that all overtime work is in accordance with regulations and contractual agreements and compensated at the prevailing overtime rates.

## Compensation

Odfjell expects its suppliers to comply, as a minimum, with all wage laws and regulations, including those pertaining to minimum wages, overtime wages, piece rates, other elements of compensation and to provide legally mandated benefits. Wages shall be paid in-full and on time, with the national legal standards or industry benchmark standards, whichever is the higher, as a minimum requirement.

## Human Rights

Odfjell expects its suppliers to comply with internationally recognized human rights, as stipulated in the International Bill of Rights and to ensure that they are not complicit in human rights abuses.

## Harassment, harsh or inhumane treatment

Odfjell expects its suppliers to create and maintain an environment that treats all employees with dignity and respect. Suppliers shall not allow any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse in the employment or work environment. Suppliers shall not engage in or tolerate any harsh or inhumane treatment, coercion or corporal punishment of any kind, or any threat of any such treatment.

## Health and safety

Odfjell expects its suppliers to follow all applicable legislation, regulations and directives in the country or countries in which they operate to ensure a safe and healthy working environment in the workplace or in any other location where production or work (including subcontracted work) is undertaken.

As a minimum, suppliers shall strive to implement recognized management systems and guidelines such as the ILO Guidelines on Occupational Safety and Health (ILO-OSH-2001) and ensure, as a minimum, reasonable access to potable water and sanitary facilities; fire safety; emergency preparedness and response; industrial hygiene; adequate lighting and ventilation; occupational injury and illness and machine safeguarding. Suppliers

shall also ensure that the same standards apply to any dormitory or canteen facilities for their employees or contractors.

## Environment

### General

We expect the supplier to avoid, where possible, purchasing products and services as part of its delivery to Odfjell that can be regarded as harmful to the environment. Suppliers shall inform Odfjell about any negative impact the product or service (including production) may have on the environment.

Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

### Chemicals and hazardous materials

Chemical and other materials posing a hazard if released to the environment shall be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal, in accordance with applicable rules and regulations.

### Wastewater and solid waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities shall be monitored, controlled and treated according to applicable rules and regulations, prior to discharge or disposal.

### Air emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations shall be characterized, monitored, controlled and treated according to applicable rules and regulations.

### Minimize waste, maximize recycling

Waste of all types, including water and energy, shall be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

## Bribery & Corruption

### Corruption

Odfjell is firmly opposed to all forms of corruption. Odfjell's objective is to compete in the marketplace on the basis of competitive services and prices. Under no circumstances whatsoever is it permitted to offer, promise,

give, solicit, request, receive, agree to receive or accept any form of financial or other bribe, advantage, kickback or improper or illegal inducement or reward.

Hence, Odfjell expects its suppliers to adhere to the highest standard of moral and ethical conduct, to respect all applicable laws and not engage in any form of corrupt practices, including extortion, fraud, or bribery. Suppliers shall ensure that their employees and contractors respect and comply with all applicable laws and do not engage in any form of corrupt practices, including extortion, fraud, or bribery.

No improper financial or other benefit, favour, advantage or incentive shall be offered, promised or given to any public official, international organization, business, corporation or other third party, including representatives of Odfjell, by or on behalf of the supplier, its employees or contractors.

## Conflict of interest

Suppliers are expected to disclose to Odfjell any situation that may appear as a conflict of interest, and to disclose to Odfjell if any employee or professional under contract with Odfjell may have an interest of any kind in the supplier's business or any kind of economic or other potentially compromising ties with the supplier.

## Political contributions

Suppliers are not permitted to make contributions to political parties or politicians in connection with contracts entered into with Odfjell.

## Gifts and hospitality

Odfjell has a restrictive policy on accepting or offering any type of gift or offer of hospitality. Neither Odfjell nor its employees will accept or offer any gift, hospitality, promotional or other expenditure that may influence the recipient's integrity.

Odfjell will not accept or offer any benefits, that may undermine the recipient's integrity during execution of business or influence negotiations in an unethical, inappropriate or illegal manner. This includes, but is not limited to, invitations to big sporting or cultural events, holidays or other recreational trips etc. as appreciation of a contract or to influence the behaviour of a potential supplier. Reasonable and proportionate hospitality and promotional or other similar business expenditure in the ordinary course of business, including participation in social gatherings and smaller gifts in connection with celebrations, religious holidays or other special occasions are permitted, provided however that such hospitality or expenditure shall not be offered, given or accepted if there is a risk that it may influence any decision-making process or give reason for suspecting that this has happened.

Suppliers shall not offer, promise or give any financial or other benefit, such as free goods or services or a work position or sales opportunity, to an Odfjell employee, that may undermine the recipient's integrity during execution of business or influence negotiations in an unethical, inappropriate or illegal manner.

## Specific requirements and agreements

### International rules and regulations

All goods and services supplied to Odfjell vessels must comply with IMO/SOLAS requirements and EC/EU directives applicable for the type of vessel in question, and in compliance with the flag the vessel is flying and

the class the vessel is certified under. Further, all goods and services shall comply with any specific applicable port requirements where goods / service are to be delivered. For the terminals deliveries and services must comply with local rules and regulations.

## ISPS/ISM requirement on board vessels

Odfjell vessels operate in compliance with the ISPS (International Ship & Port Facility Security) and ISM (International Safety Management) codes. All suppliers to the vessels and port facilities must be familiar with these codes and able to operate in compliance with the code requirements and Odfjell's requirements.

## DECLARATION BY SUPPLIER

As an existing or potential direct or indirect supplier of Odfjell, we confirm that we endorse and will comply with these Corporate Supplier Conduct Principles. We also accept Odfjell's right, in the case of material breach of this CSCP, to implement appropriate legal sanctions, e.g. to terminate the contractual relationship or an order for goods or services if no appropriate corrective actions are taken within a reasonable time frame.

Place and date:

Company name:

Name

Position:

Signature:

E-mail:

Phone: