Climate Change (E1)

Transition Plan for Climate Change Mitigation (E1-1)

Excerpt from the Annual report for 2025

ODFJELL

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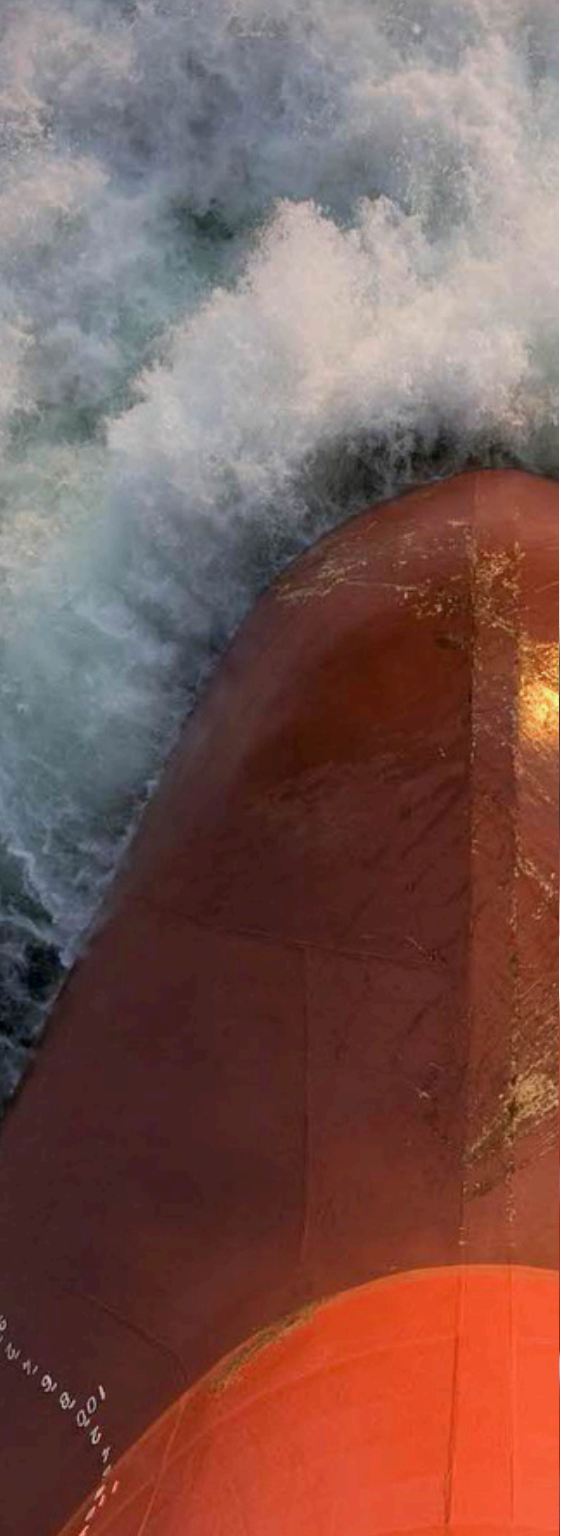


Introduction

In line with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), Odfjell presents its Transition Plan for Climate Change Mitigation. The plan outlines our strategic approach to reducing greenhouse gas (GHG) emissions and preparing the Company for a low-carbon future, while maintaining safe, reliable and commercially resilient operations.

The primary objective of the transition plan is to reduce emissions across our operations and contribute to global climate goals, including those set out in the Paris Agreement. The plan describes how Odfjell manages climate-related risks and opportunities, integrates decarbonisation into strategic decision-making, and aligns climate targets with operational measures, capital allocation and long-term fleet planning.

Decarbonisation is embedded across our business through the integration of climate considerations into capital expenditure (CapEx), operating expenditure (OpEx) and revenue generation. Investments focus on energy-efficient newbuildings, fleet upgrades and retrofits, operational improvements, and the use of lower-emission fuels. Together, these measures support near-term carbon-intensity reductions while preserving long-term optionality as technologies and fuel pathways evolve.

Operational efficiency, stakeholder engagement and continuous monitoring are central to achieving our climate objectives. Odfjell seeks to balance regulatory compliance, technological development and financial discipline to ensure resilience in a regulatory and market environment that remains subject to uncertainty and change.

While sector-wide decarbonisation pathways for shipping are still evolving, Odfjell has developed a robust and pragmatic transition plan designed to deliver sustained emissions reductions over time. Although explicit alignment with a 1.5°C trajectory cannot currently be confirmed, the plan sets out concrete actions to reduce carbon intensity in the short and medium term and supports the broader decarbonisation of the maritime sector.

This transition plan serves as a high-level framework. Further disclosures are provided in Odfjell's Sustainability Statement. Due to strategic and competitive considerations, detailed fleet-specific transition plans are not publicly disclosed.

REGULATORY DEVELOPMENTS AND CONTINUITY OF THE TRANSITION PLAN 2025

In April 2025, the International Maritime Organization (IMO) took an initial vote on the Net Zero Framework (NZF) at the Marine Environment Protection Committee (MEPC). In response, Odfjell assessed the potential implications of the proposed framework and updated internal fleet transition planning to ensure readiness for the expected regulatory direction.

However, following the Extraordinary MEPC session in October 2025, the adoption of the Net Zero Framework was postponed. As a result, no new binding international climate regulations for shipping entered into force during the year. Consequently, Odfjell has reverted to the transition plan framework originally presented in the Annual Report for 2025.

The transition plan included in the 2025 Annual Report is therefore largely unchanged. Climate targets remain the same, and no material regulatory assumptions have been revised. This reflects the purpose of a transition plan: to provide a stable, long-term strategic framework that is resilient to regulatory timing uncertainty while remaining adaptable as new requirements are adopted.

Despite the postponement of the IMO Net Zero Framework, Odfjell remains fully committed to acting in line with its climate targets. We continue to implement operational, technical and fuel-related measures to reduce emissions and prepare the fleet for future regulatory developments, ensuring that the Company is positioned to deliver on its climate ambitions irrespective of short-term regulatory delays.

OTHER CHANGES FOR 2025 REPORTING

The transition plan related to capital expenditures is updated to reflect the most recent commitments.

JUST AND EQUITABLE TRANSITION

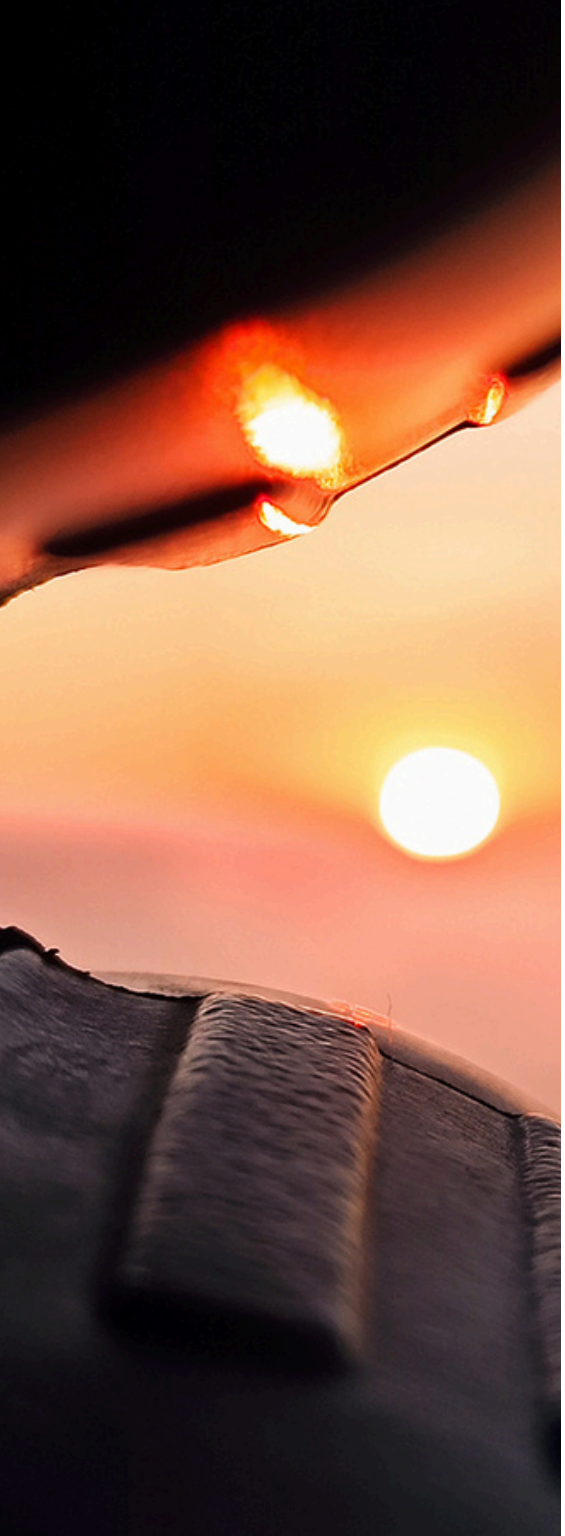
At Odfjell, a just and equitable transition means ensuring that the shift to low-carbon shipping is inclusive and beneficial for all stakeholders, including workers, communities, consumers, and the broader maritime industry. This approach recognizes that addressing climate change is not solely about reducing emissions but also about ensuring fairness and equity throughout the transformation process.

DOUBLE MATERIALITY AND SOCIAL MATTERS

Our double materiality assessment identifies impact, risk, and opportunities, highlighting the importance of integrating social considerations into our transition strategies. Social matters, identified as material to Odfjell, play a pivotal role in shaping our transition plan. As we work to mitigate climate change, we are committed to addressing the social implications of our actions, ensuring that they are fair and inclusive for all.

JUST TRANSITION AND CLIMATE DISCLOSURES

The concept of a just transition is particularly relevant to Odfjell's plan for climate change mitigation. A just transition requires careful consideration of the social impacts of moving towards a climate-neutral and more sustainable economy. It is widely recognized that this shift has significant implications for workers, communities, and consumers across various sectors, including energy, transport, and financial services.



SUPPORTING WORKERS AND COMMUNITIES

For the shipping industry, a just transition involves supporting seafarers and other workers as we adopt new technologies and fuels. Odfjell actively participates in initiatives like the IMO Maritime Just Transition Task Force, which focuses on preparing the workforce for the future by prioritizing safety, education, and skills development. Ensuring that our workforce is adequately trained and supported during this transformation is a priority.

We are also committed to minimizing disruptions for workers and communities affected by the transition from fossil fuels. This includes engaging with stakeholders, sourcing responsibly, and upholding human rights across our supply chain. By addressing these challenges directly, Odfjell aims to reduce potential inequities and strive for the benefits of decarbonization are distributed fairly.

AVOIDING UNINTENDED CONSEQUENCES

A just transition means recognizing and addressing the broader social and economic impacts of decarbonization. It is essential to ensure that the decarbonization of the shipping industry does not inadvertently increase emissions in other sectors or transfer the challenges to other parties. Odfjell remains committed to a holistic approach that prioritizes fairness and equity across the value chain, including our partnerships with suppliers and customers.

LEADERSHIP IN SUSTAINABLE SHIPPING

By embedding the principles of a just and equitable transition into our business practices, Odfjell aims to lead the creation of a sustainable shipping industry. This involves not only addressing the urgent need for climate action but also supporting people and communities throughout the transition. Our commitment to fairness, equity, and inclusivity ensures that our journey toward a low-carbon future is one that leaves no one behind.

Climate Targets

GREENHOUSE GAS EMISSIONS

According to the GHG Protocol, emissions are categorized into three scopes to help organizations identify and manage their greenhouse gas emissions comprehensively:

Scope 1: Direct emissions from sources owned or controlled by the company. For Odfjell, these primarily include emissions from the

combustion of fuel in the company's operated vessels. Scope 1 emissions constitute approximately 58.8% of Odfjell's total emissions.

Scope 2: Indirect emissions from the generation of purchased electricity, steam, heating, or cooling consumed by the company. For Odfjell, scope 2 emissions represent less than 0.1% of total emissions, reflecting the relatively minor role of electricity consumption in the company's operations.

Scope 3: All other indirect emissions that occur in the value chain of the company, including both upstream and downstream activities. For Odfjell, scope 3 emissions, such as those from shipbuilding, supply chain activities, fuel production and end-of-life disposal, account for approximately 41.2% of total emissions. 37.4% of scope 3 is related to fuel activities (Scope 3 cat. 3).

CLIMATE TARGETS

Odfjell has set the following climate targets (Ref to other parts of ESRS E1-4):

1. Odfjell will cut greenhouse gas emissions by more than 57% by 2030 compared to 2008.
2. Odfjell is dedicated to pursuing a zero-emission strategy and will only order new net zero-capable vessels.
3. Odfjell will be a net-zero company by 2050.
4. Odfjell will support initiatives to develop technology for decarbonization, energy efficiency, and net zero emissions, promoting a fair and equitable transition.
5. Odfjell will actively collaborate with our suppliers and customers to improve energy efficiency and reduce total emissions from our activities.

ABSOLUTE EMISSIONS

Odfjell is committed to transparency and leadership in the maritime industry's journey toward decarbonization. As part of our climate change mitigation strategy, we recognize the importance of distinguishing between absolute emissions and emissions intensity—two key metrics that offer distinct perspectives on our environmental performance.

Absolute emissions represent the total volume of GHGs emitted, regardless of activity levels or fleet size. This metric aligns with global climate goals such as the Paris Agreement, which targets absolute reductions in emissions.

Emissions intensity, on the other hand, measures emissions per unit of transport work, such as per ton-mile. This provides a normalized benchmark for operational efficiency, reflecting how effectively we are reducing emissions relative to our business activities.

Odfjell reports emissions from both its controlled fleet (owned vessels) and operated fleet (chartered vessels and pool vessels). Including time charter (TC) vessels and pool vessels in our absolute emissions ensures comprehensive transparency. However, this approach presents a dilemma: while we strive to decarbonize, we do not have direct control over the long-term trajectories of vessels we do not own.

Odfjell's absolute emissions may increase if our fleet grows, either organically or through a larger operated fleet. This growth does not imply higher emissions globally, as other owners might operate these vessels less efficiently. By integrating these vessels into Odfjell's operations, we often achieve greater efficiency and lower emissions on a holistic scale. Nonetheless, this limits our ability to design a clear trajectory for absolute emission reductions since our fleet size, vessel mix, and access to decarbonization technologies are dynamic and partly outside our control.

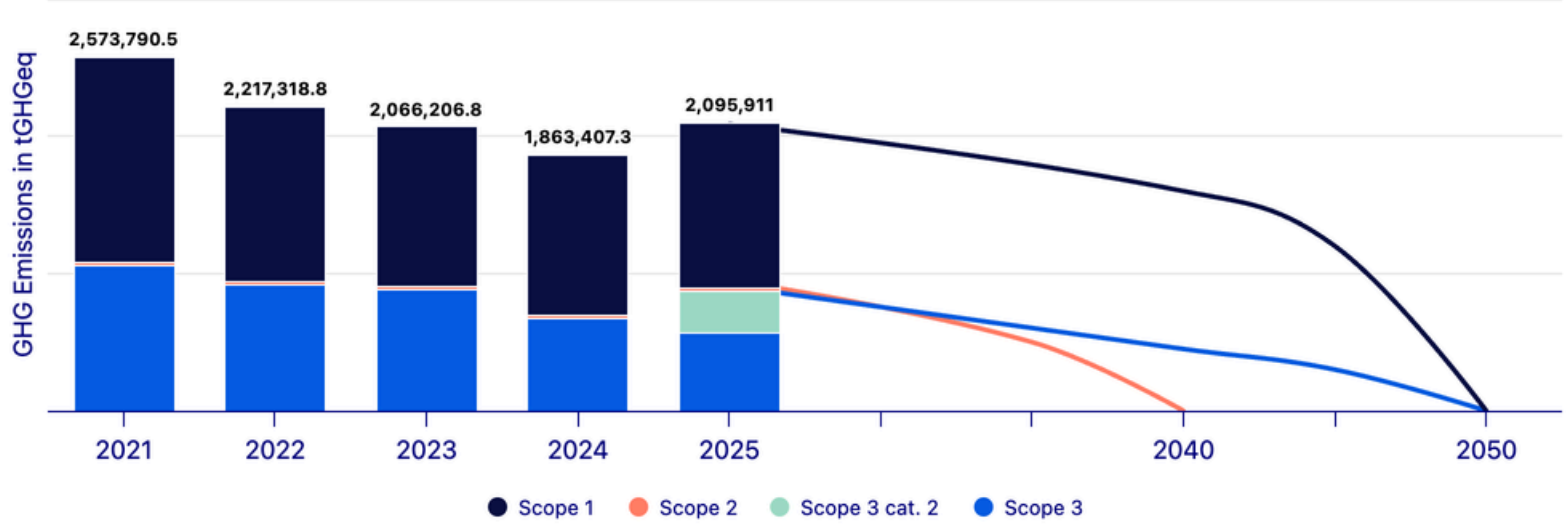
NAVIGATING TOWARD NET ZERO

Odfjell has set an ambitious target of achieving net-zero absolute emissions by 2050. However, this pathway is complex due to factors such as:

The reliance on external developments, including the availability and adoption of new low- and zero-carbon fuels.
The timeline for phasing out older vessels and replacing them with ships equipped with advanced technologies.
Uncertainties in fuel pricing, infrastructure readiness, and the pace of global regulatory developments.

We anticipate that the most significant reductions in absolute emissions will occur closer to 2050 as the adoption of alternative fuels matures and well-to-wake emissions decrease. Older, less efficient vessels will be retired, and state-of-the-art technologies will dominate the fleet. In the meantime, intensity-based targets provide an actionable metric for driving operational efficiency and ensuring year-on-year improvements. The historic absolute emissions in tCO2eq and prediction pathways in the figure below illustrate this.

Net-zero absolute emissions by 2050



ABOUT THE TARGETS

The targets encompass relevant greenhouse gas emissions in accordance with the Kyoto Protocol, specifically covering carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O). Other gases listed under the protocol are not applicable to Odfjell's operations.

The Odfjell fleet's emission reduction target for 2030 (Target 1) is an intensity-based target, for our controlled fleet measured using the Annual Efficiency Ratio (AER), and benchmarked against the International Maritime Organization (IMO) standards, using 2008 as the baseline. AER calculations are conducted in accordance with IMO regulations, specifically MARPOL Annex VI, Regulation 2.49, and the guidelines outlined in documents MEPC.336(76), MEPC.337(76), MEPC.338(76), and MEPC.339(76). This is used for the IMO Carbon Intensity Indicator (CII).

Emission calculations are based on the applicable carbon factors as stipulated in Regulation (EU) 2023/957, which amends Regulation (EU) 2015/757, including Annexes I and II.

EU ESRS requires a reference baseline. The baseline for the AER target is a linear trajectory that can be calculated from the 2008 reference and the 40% reduction in 2030. Odfjell will therefore use a reference value based on the IMO industry standard of AER of 11.45 in 2021. Targets cover our controlled fleet, consisting of owned, bareboat and financial lease vessels, but exclude time charter and pool vessels.

Net zero emissions for Odfjell means reducing greenhouse gas emissions across the value chain to as close to zero as possible, with any remaining emissions neutralised through permanent removals. This is accomplished by reducing emissions through efficiency improvements and sustainable fuels, carbon capture or shore power, and offsetting any remaining emissions via verified carbon reduction projects. The goal is to ensure that all emissions are addressed on a full well-to-wake lifecycle basis, targeting net zero by 2050 in line with the IMO's GHG reduction strategy.

Net zero capable is defined as a vessel that is technically adaptable and prepared for the retrofit of machinery and fuel systems that can accommodate alternative fuels or emission reduction technologies, including emission capture systems. This readiness is contingent on the commercial, environmental, and practical feasibility of such technologies at the time of implementation. A net zero capable vessel must be equipped for the use of alternative fuels, such as biofuels, bio-LNG, e-ammonia, and e-methanol, as and when these become viable.

Additionally, it should be prepared for carbon capture and storage (CCS) systems, if applicable, and optimized for energy efficiency through measures like shore power integration and wind-assisted propulsion.

The net-zero emission target for 2050 reflects Odfjell's long-term ambition to contribute to global climate goals. However, achieving this target is subject to various uncertainties and factors beyond Odfjell's direct control, including but not limited to the availability, scalability, and affordability of alternative fuels and technologies, evolving regulatory frameworks, and broader market and economic conditions. While Odfjell is committed to taking reasonable measures to pursue this target, there is no guarantee that all necessary conditions will be met.

COMPATIBILITY WITH LIMITING GLOBAL WARMING TO 1.5 DEGREES

The Paris Agreement on climate change was agreed in 2015 by Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and entered into force in 2016. The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels, and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. The agreement binds states to implement actions and report on their National Determined Contributions (NDCs). The Paris Agreement does not include international shipping, but the IMO, as the regulatory body for the industry, is committed to reducing greenhouse gas emissions from international shipping. Odfjell is regulated by the IMO, and complies with the regulations and strategy to reduce greenhouse gas emissions to be net zero by 2050.

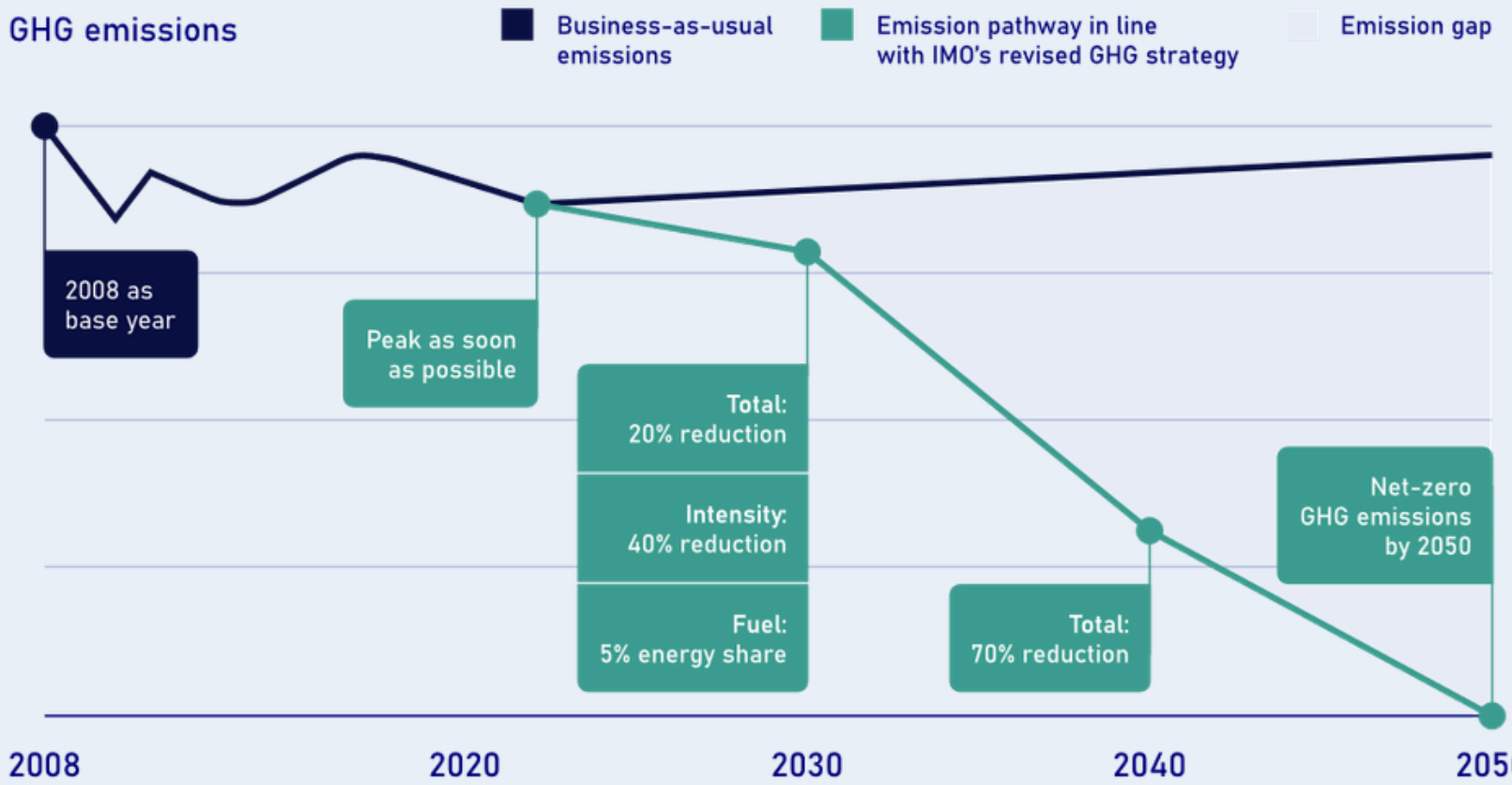
In July 2023, the IMO adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships. The strategy falls within a broader context that includes the Paris Agreement. The IMO Strategy aims to enhance the IMO's contribution to global efforts by addressing GHG emissions from international shipping. International efforts to address GHG emissions include the Paris Agreement and its goals.

IMO GHG STRATEGY

The IMO has set out four levels of ambition and indicative checkpoints, to reach net-zero GHG emissions from international shipping. These targets were adopted by the Maritime Environmental Protection Committee (MEPC) 80 7 July 2023 in resolution 377(80) - 2023 IMO Strategy on reduction of GHG emissions from ships.

The strategy is available on IMO's website and not repeated here. The pathway is illustrated below.

Ambitions and minimum indicative checkpoints in line with IMO strategy

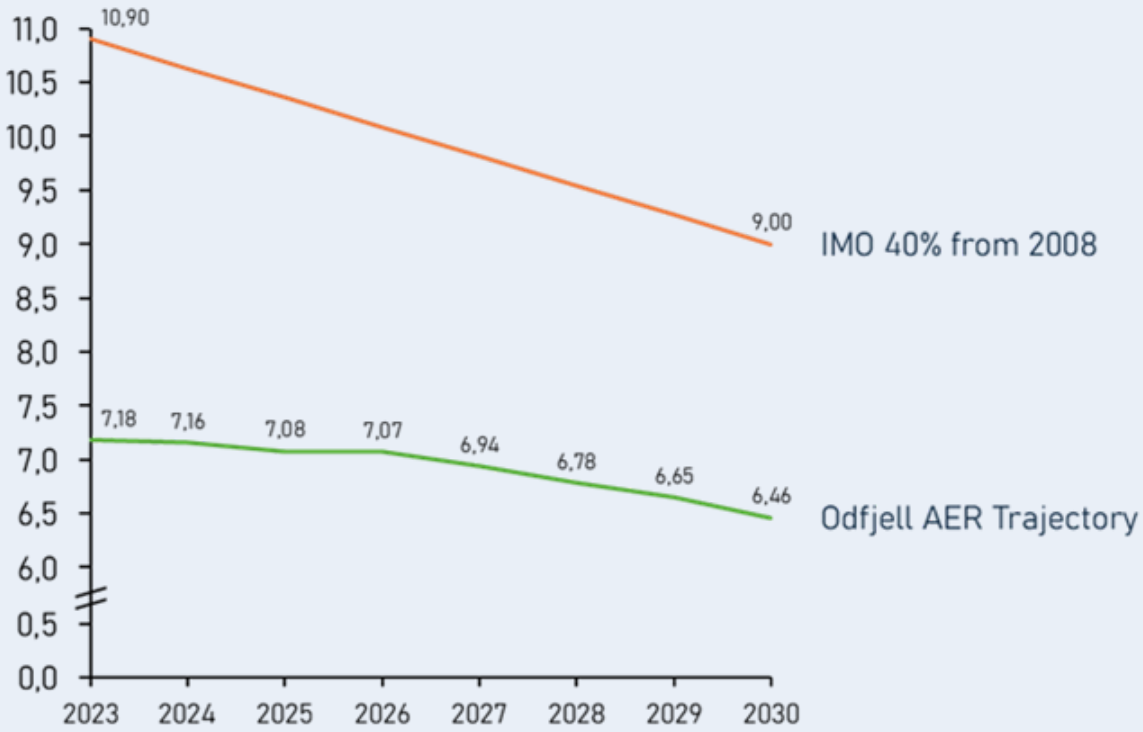


Total: Well-to-wake GHG emissions; **Intensity:** CO_2 emitted per transport work;
Fuel: Uptake of zero or near-zero GHG technologies, fuels and/or energy sources

CARBON INTENSITY

A critical metric in the pursuit of net-zero emissions is carbon intensity, which quantifies the amount of CO_2 emissions per unit of transport work. The IMO has set forth a benchmark known as the Annual Efficiency Ratio (AER), which serves as a reference value to measure and regulate carbon intensity in line with global decarbonization efforts. While the IMO's targets provide a framework for carbon intensity reduction, Odfjell's approach surpasses these industry standards.

Odfjell has implemented a comprehensive and ongoing strategy focused on emission reduction, placing carbon intensity at the core of our sustainability agenda. Through continuous innovation and operational efficiency improvements, Odfjell has consistently maintained carbon intensity levels well below the benchmarks and trajectories established by the IMO. This proactive approach has enabled us to operate with significantly lower emissions since 2008, the IMO's initial reference year, resulting in a performance surplus relative to the IMO calculated baseline in tCO_2/dwt-mile.



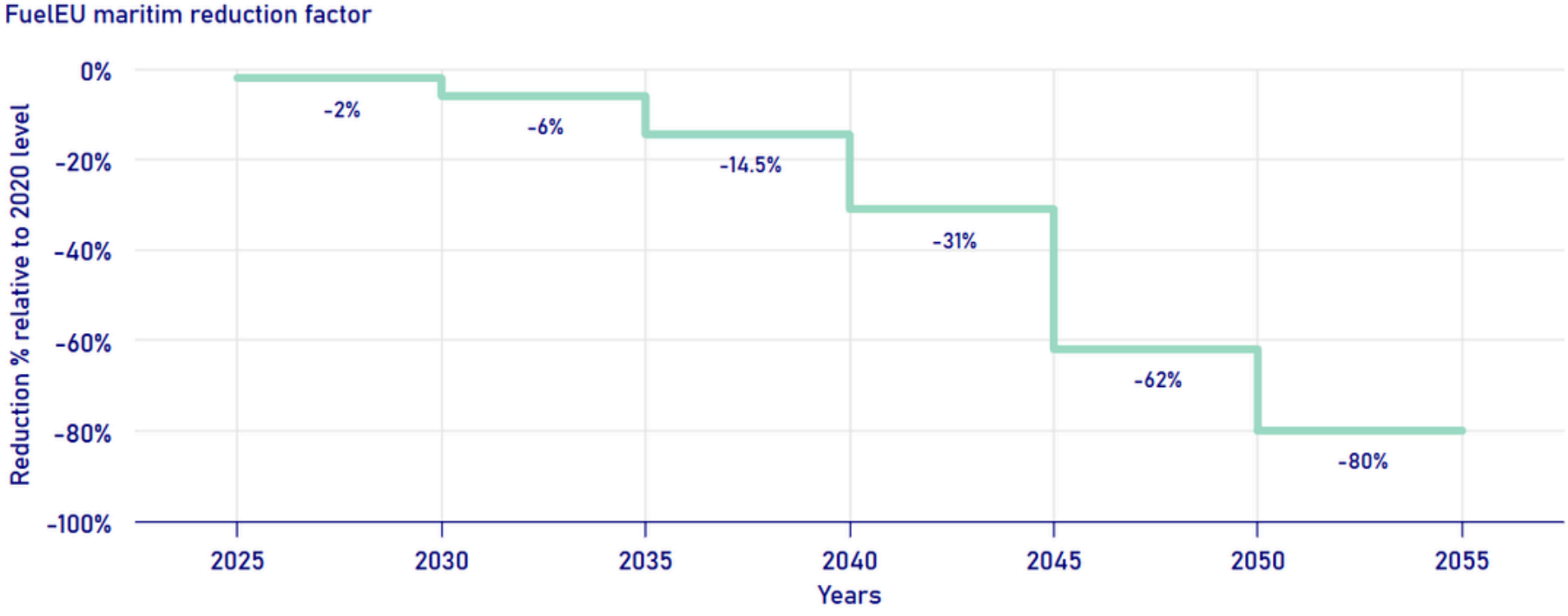
FUEL INITIATIVES

FuelEU Maritime regulations (FEM) were implemented in 2025 and target a reduction in the carbon intensity of maritime fuels used within EU waters. The regulation mandates that ships reduce their carbon intensity by 2%, escalating to 50% by 2050 for voyages within the scope of the EU regulation. The regulation incentivises the use of low-carbon and renewable fuels such as biofuels, hydrogen, and ammonia while discouraging reliance on conventional fossil fuels through financial penalties for non-compliance.

FuelEU Maritime will work alongside the EU Emissions Trading System (ETS), placing a price on carbon emissions from ships, further encouraging the uptake of green fuels and energy efficiency measures.

At a global level, the IMO's Global Fuel Intensity standard (GFI) will complement the EU's efforts, focusing on reducing the carbon intensity of international shipping. The GFI will be a goal-based[1] marine fuel standard regulating the phased reduction of the marine fuel's GHG intensity as a part of the basket of measures that will be implemented by the IMO.

The IMO has also developed a Net-Zero Framework that combines economic and technical elements. The IMO voted to postpone the implementation of this framework until October 2025, leaving some uncertainty going forward regarding GFI and an economic element.



IMO STRATEGY AND ALIGNMENT WITH CLIMATE GOALS: A CRITICAL PERSPECTIVE

The IMO strategy outlines the global ambition and framework for decarbonizing shipping. These targets are designed for the entire shipping industry and cannot be directly applied to individual ships or fleets. To achieve the goals of the Paris Agreement, the IMO intends to follow up this strategy with updated regulations that will establish a trajectory toward net-zero emissions.

Odfjell's GHG reduction targets are aligned with the IMO's net-zero strategy and, in some cases, exceed the IMO's intensity targets for 2030. However, despite the IMO adopting the Paris Agreement's objectives, there is no scientific evidence to suggest that the 50% reduction target by 2050 is sufficient to align with the 1.5°C pathway, which requires net-zero emissions across all sectors by mid-century.

LIMITATIONS OF THE CURRENT IMO STRATEGY

The IMO's strategy does not mandate immediate or aggressive enough measures to address emissions in the short term. This delay risks slowing the adoption of decarbonization technologies and practices that are urgently needed. The Intergovernmental Panel on Climate Change (IPCC) has provided clear guidance on what is required to meet the 1.5°C target:

Global emissions must decline by approximately 45% by 2030, relative to 2010 levels, and reach net-zero by 2050.

For the shipping sector, this necessitates near-complete decarbonization by mid-century, with substantial reductions achieved by 2030.

However, under the current IMO strategy, projections indicate that absolute emissions from international shipping will not peak until the 2030s, let alone achieve the sharp reductions required this decade. The strategy's reliance on efficiency improvements, while valuable, cannot deliver the absolute reductions necessary to meet the 1.5°C pathway.

ALIGNMENT WITH 1.5 DEGREES

There are multiple standards and initiatives for setting science-based targets in line with climate science. However, Odfjell has not yet verified its targets under any specific framework or standard. Public policies for the shipping sector have not defined clear sectoral pathways, making it challenging to confirm whether Odfjell's targets are fully compatible with the 1.5°C goal. Consequently, Odfjell does not claim that its targets are aligned with the 1.5°C pathway. This position complies with the disclosure requirements under see link, E1-4.

While the IMO strategy provides a critical foundation for global shipping's decarbonization, it falls short of the scientific benchmarks needed to meet the 1.5°C target. Odfjell remains committed to ambitious emissions reduction targets and continues to advocate for more aggressive action to address climate change. As the sector evolves and public policies provide clearer frameworks, Odfjell will continue to refine its strategy and align with best practices to ensure meaningful progress toward a sustainable future.

Decarbonization Levers and Key Actions

Odfjell has identified several key decarbonization levers to achieve its emission reduction targets:

FLEET TRANSITION PLAN

Odfjell has a specific fleet transition plan that includes new ships, changes to existing ships, and recycling plans for our managed fleet. This plan aims to meet the company's strategic ambitions and targets, as well as compliance with IMO and EU regulations, lifetime considerations, and capacity for renewal. The plan is company confidential.

TRANSITION ACTIVITIES

Odfjell has introduced a Transition Finance Framework (TFF), aimed to support funding our transition. The framework offers a holistic approach to transition investments, capturing both small and large decarbonization projects in which Odfjell intends to invest. The framework can be used for bonds and loans and adhere to the latest industry guidelines for use-of-proceeds and transition financing. The framework encompasses a wide range of energy-efficiency initiatives that will support Odfjell's journey towards a climate-neutral fleet in 2050. The participating financial institutions will benefit from our commitment to transparency and see their funds being directed towards a wide range of initiatives aimed at emission reduction. The plan has the following six transition categories:

- Ship retrofit projects
- Energy-efficient solutions
- Research and development and transition strategy
- Infrastructure
- Vessel lifetime extensions
- Low-carbon and zero emissions newbuildings

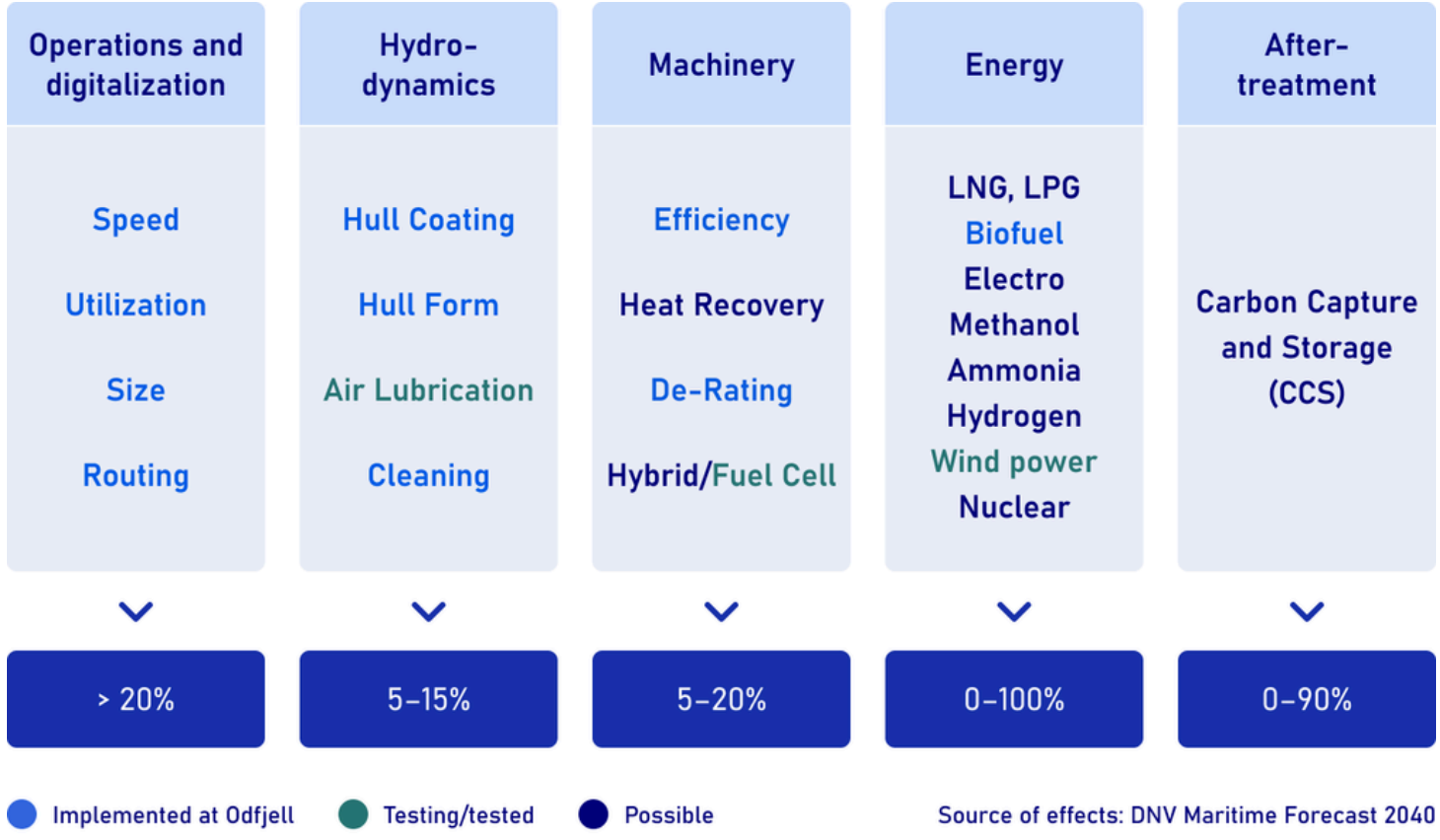
For more information about our transition finance framework and sustainable finance, see our website www.odfjell.com.

DECARBONIZATION INITIATIVES AND POSSIBLE EFFECTS

Since 2007, Odfjell has implemented and tested various technologies and initiatives to reduce emissions and improve efficiency. While significant progress has been made, additional initiatives remain under consideration. These measures are categorized in the graph below, with potential improvement effects estimated by DNV.

It is important to note that not all tested or evaluated activities have been or will be implemented. The decision to proceed with any initiative is contingent upon its demonstrated ability to impact emission reductions and operational efficiency positively, and in an economically sustainable manner.

The figure below illustrates various potential levers and actions for emission reductions, as identified by the DNV Maritime Forecast. Additional technologies and operational measures will be incorporated as they become available. The figure also highlights initiatives that Odfjell has already implemented or tested.



OPERATIONAL EFFICIENCY

In addition to fleet transition, we are working on improving the operational efficiency of our fleet in terms of optimal speed, weather routing, hull cleaning, port efficiency, and utilization. This is done in combination with improving information and digitalization for better decision support.

INDIRECT AND VALUE CHAIN EMISSIONS

Odfjell is dedicated to achieving net-zero emissions across all scopes, including scope 3, as part of our long-term sustainability ambitions and targets. To advance these goals, we are actively collaborating with suppliers to improve scope 3 reporting accuracy by transitioning from a spend-based to an activity-based reporting approach. More than 80% of our scope 3 emissions are attributed to fuel production. These emissions are closely linked to our scope 1 reduction efforts, as our net-zero targets address "well-to-wake" emissions, encompassing emissions during production, transportation, and consumption of fuel.

At present, we have not set a formal target for scope 3 emissions. Our focus remains on enhancing data quality by collecting detailed activity-based data to replace our initial spend-based estimates.

Additionally, Odfjell is committed to reducing scope 2 emissions by implementing energy-saving measures and increasing the use of renewable energy across our office locations, despite scope 2 emissions representing less than 1% of our overall footprint.

Beyond fuel-related emissions, we are working closely with our broader supplier base to enhance reporting transparency and reduce the environmental impact of the products we source. These initiatives are integral to our ongoing commitment to minimizing our environmental footprint and fostering sustainable practices throughout our value chain.

Furthermore, Odfjell is engaging with the owners of our time chartered vessels to enhance efficiency and reduce emissions. Although we do not have direct control over these ships, they are part of our operated fleet and contribute to our scope 1 emissions. This collaboration includes knowledge sharing, as well as the implementation of technical and operational measures to drive improvements.

Complementing these initiatives, Odfjell actively supports the development of the infrastructure and technologies necessary to achieve a net zero-emission shipping industry. By doing so, we contribute to the decarbonization of the maritime value chain and the broader transition towards net-zero and sustainable shipping.

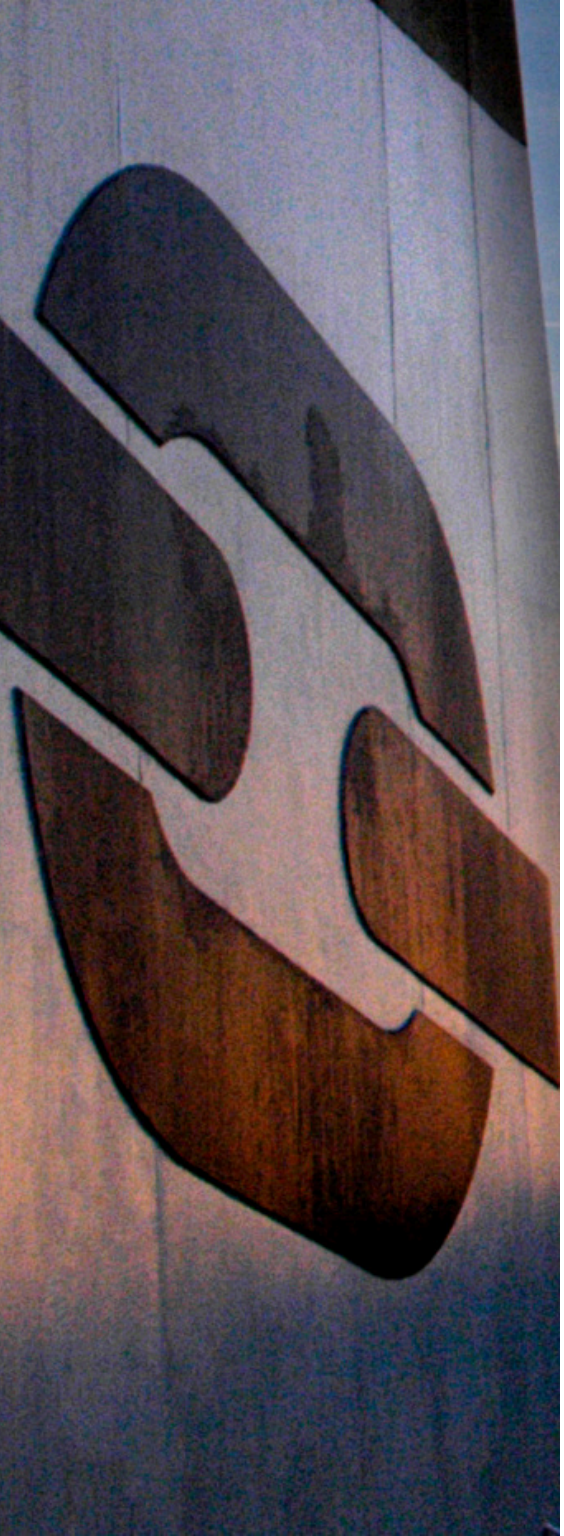
LIFETIME EXTENSION

An integral aspect of reducing total emissions, including those within the value chain, is evaluating the potential for extending the lifespan of existing vessels. Shipbuilding is a significant source of emissions that are categorized under scope 3. Extending the operational life of a vessel, however, necessitates additional maintenance and upgrades, which also contribute to scope 3 emissions.

To better understand these dynamics, Odfjell conducted a Life Cycle Assessment (LCA) for a specific ship class. The assessment sought to evaluate the requirements for lifetime extension, the feasibility of obtaining certification and approval for operation beyond the design life, and the total emissions throughout the ship's life cycle. The findings revealed that scope 1 emissions generated during the operational phase of a ship significantly exceed the scope 3 emissions associated with its construction. This indicates that, over an extended period, a life extension does not substantially impact the total emissions across a ship's life cycle. These considerations will be an integral part of the transition planning.

THE IMPLEMENTATION ROADMAP FOR THE TRANSITION

Short term (2024-2026)	Medium term (2027-2030)	Long term (2031-2050)
• Complete ongoing fleet renewal initiatives • Implement identified energy efficiency measures across the fleet • Initiate R&D projects for next-generation technologies • Set targets for scope 2 reduction • Increase the use of activity-based scope 3 data • Retrofit the first ship with suction sails and start evaluating efficiency • Start using biofuel B-30 to reduce the carbon intensity of the fuel on a fleet basis IAW FEM • Establish green corridor, using B-24 between Europe and Brazil • Delivery of new more energy efficient ships	• Scale up successful efficiency initiatives • Initiate investment plan for net-zero capable ships • Initiate integrating net zero-emission capable vessels into the fleet • Assess sourcing of alternative fuel • Fleet renewal IAW fleet transition plan • Delivery of new more energy efficient ships	• Progressively replace older vessels with net zero-emission capable ships • Fully transition to low-carbon or net zero-emission fuels in line with FEM and GFI • Continuously optimize operations to minimize emissions • Pilot alternative fuel technologies • Fleet renewal IAW fleet transition plan



Investments and Funding

CAPITAL EXPENDITURES

CAPITAL EXPENDITURE AND SUSTAINABLE FINANCING

Odfjell is making significant investments in its transition plan, with a strong focus on fleet renewal and technological innovation. These investment plans are carefully aligned with the company's fleet transition strategy, ensuring that we have the capacity to execute the necessary actions related to new vessel acquisitions, time charter commitments, energy-saving devices, adoption of alternative fuels, and measures to enhance operational efficiency.

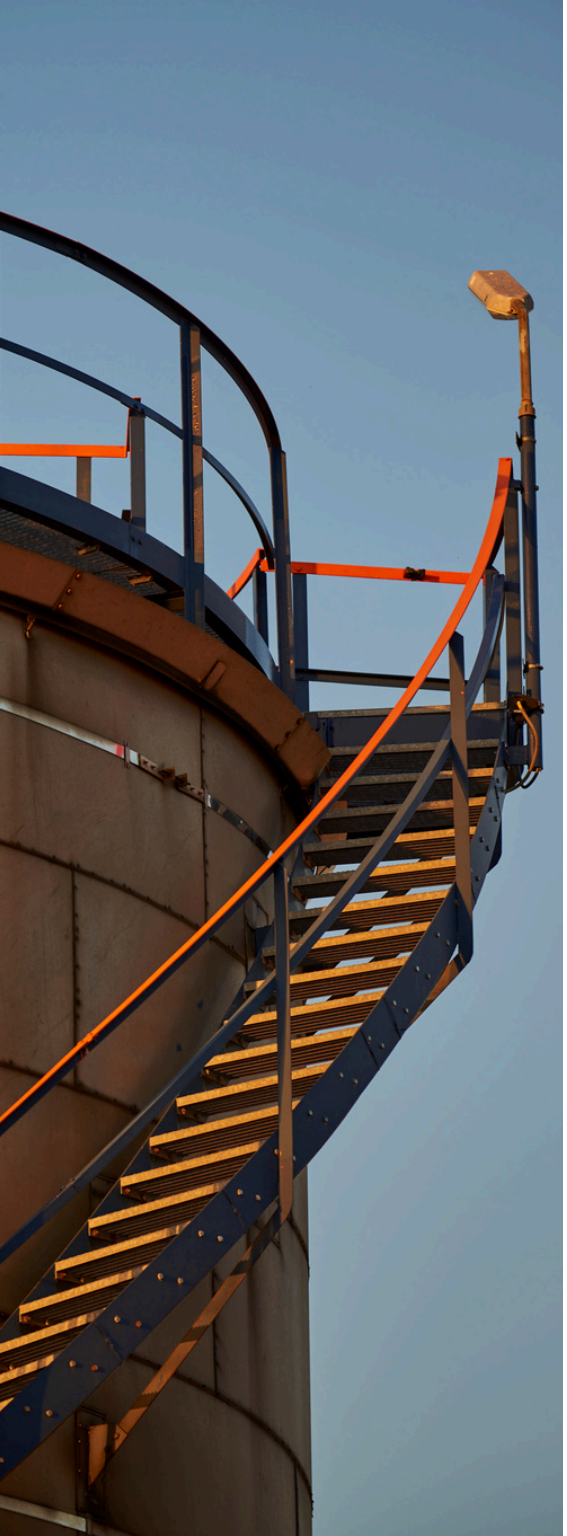
To support our sustainability ambitions, Odfjell has established two sustainable finance frameworks. The first is the Sustainability-Linked Financing (SLF) framework, which is designed for general-purpose financing. Through this framework, Odfjell can issue bonds and secure loans linked to our sustainability targets. The SLF framework has garnered significant interest from both investors and financial institutions, leading to strong demand for bonds and loans issued under this structure.

In 2024, Odfjell introduced a Transition Finance Framework (TFF), a use-of-proceeds framework that enables the issuance of bonds and loans specifically linked to activities supporting our transition to net-zero. Both the SLF and TFF frameworks are externally verified by a third-party organization and are fully aligned with the principles and guidelines set forth by the International Capital Market Association (ICMA) and the Loan Market Association (LMA).

CAPITAL EXPENDITURE AND FLEET RENEWAL

Odfjell recognises that the long-term renewal of its owned and controlled fleet, including the replacement of large stainless steel chemical tankers (“super-segregators”), is a critical enabler of the transition to a low-carbon future. These vessels, characterised by multiple segregations and stainless-steel cargo tanks, are designed to serve a wide range of trades and will incorporate state-of-the-art energy-efficiency measures and fuel-ready technologies to support future decarbonisation pathways.

Odfjell has a long track record of investing in energy-saving devices and technical upgrades across its fleet. These investments have delivered both emissions reductions and strong financial performance, with historical payback periods typically ranging from one to seven years, depending on operating profile, fuel prices,



regulatory developments and trade patterns. This experience underpins our disciplined approach to capital allocation in support of the transition plan.

The Company continues to proactively test new technologies and energy-efficiency solutions with the objective of scaling those that demonstrate satisfactory technical performance and commercially reasonable payback. In 2025, Odfjell tested wind-assisted propulsion using suction sail technology on Bow Olympus, achieving positive operational and emissions-reduction results. Subject to final investment decisions, this forms the basis for potential scaling and retrofitting of additional vessels.

While specific CapEx amounts related to individual transition measures are not publicly disclosed, Odfjell expects future capital allocation to be increasingly aligned with the EU Taxonomy for sustainable activities. It is noted that deep-sea chemical tankers are not currently taxonomy-eligible until they achieve zero tailpipe emissions. In line with Odfjell's sustainability objectives, all newbuildings will be net-zero capable and are expected to be taxonomy-aligned when operating on net-zero well-to-wake fuels, as defined in Commission Delegated Regulation (EU) 2021/2178.

Odfjell operates a diversified fleet of chemical tankers, classified as medium, large and super-segregators. Although vessels are technically designed for operational lifetimes of 30–40 years, commercial trading constraints typically limit market acceptance to approximately 20–30 years. Maintaining a competitive and efficient fleet therefore requires continuous renewal, complemented by the divestment of older tonnage for responsible and sustainable recycling.

Fleet renewal decisions are driven by technology readiness, vessel size suitability and capital efficiency. To mitigate technology and capital risk, Odfjell has adopted a flexible fleet renewal strategy that leverages long-standing partnerships with Japanese shipyards and vessel owners. This approach includes long-term time charters with purchase options, reducing exposure to large, single-cycle newbuilding programs while preserving strategic optionality in addition to two vessels that is built for Odfjell's ownership at Japanese yards.

Through these partnerships, Odfjell has secured access to modern, energy-efficient vessels on long-term charters, alongside selective ownership. The delivery schedule includes nine vessels in 2026, eleven vessels in 2027 and a planned three vessels in 2028, ranging from approximately 25,000 to 40,000 DWT.

These vessels incorporate advanced energy-efficiency technologies and are a central component of Odfjell's pathway to achieving its climate targets. Investments in wind-assisted propulsion systems and advanced rudder technologies have also been made on selected chartered vessels to further enhance efficiency and reduce fuel consumption.

Under IFRS 16, the bareboat charter components of these arrangements are capitalized over the lease term and classified as (Right-of-use) Assets. The estimated capitalized assets are approximately USD 600 million over the next three to four years.

In addition, Odfjell has established a joint venture with Nissen Kaiun to operate a combined fleet of stainless-steel chemical tankers. Odfjell Hakata Maritime AS will initially comprise ten vessels, equally contributed by Odfjell and Nissen Kaiun, further strengthening access to modern and efficient tonnage.

Collectively, these initiatives will materially increase the proportion of commercial trading days operated by modern, energy-efficient vessels, enhancing emissions performance, operational resilience and the long-term robustness of Odfjell's transition plan.

OPERATIONAL EXPENSES

For the purpose of this ESRS E1 transition plan, Operational Expenditures (OpEx) comprise all recurring and non-capitalized expenditures required to operate the fleet and implement Odfjell's decarbonization pathway. This definition differs from OpEx as defined under the EU Taxonomy Regulation and from OpEx as presented in Odfjell's financial statements. In this context, OpEx reflects the total operational cost required to execute the transition plan, including voyage-related expenses, fuel, regulatory compliance costs, non-capitalized technical measures, research and development, and relevant general and administrative expenses directly supporting the green transition.

Fuel represents the most material operational expenditure in the transition plan. As low- and zero-carbon fuels become commercially available, Odfjell expects a gradual shift from conventional fuels toward biofuels and, over time, e-fuels. During the transition period, operational flexibility remains essential, and both fossil and alternative fuels will be used in parallel. Biofuels are expected to carry a price premium compared to conventional very low sulfur fuel oil, and future availability and pricing remain uncertain. The financial impact of the EU Emissions Trading System (EU ETS) further increases fuel-related

operating costs. To safeguard economic viability, Odfjell applies bunker adjustment clauses and specific EU ETS clauses in its contracts, enabling cost pass-through to customers. The company also monitors and, where appropriate, adopts emerging standardized clauses developed by industry bodies such as BIMCO to ensure transparent allocation of regulatory compliance costs, including those related to FuelEU Maritime and IMO carbon intensity requirements.

In the longer term, deep decarbonization could require the adoption of e-fuels. However, current availability is limited, and prices are multiple times higher than conventional marine fuels. Material fleet-wide adoption is therefore expected to take time and will depend on market maturation, infrastructure development and regulatory clarity. Odfjell continuously monitors technological and commercial developments to assess timing and scale of implementation.

Beyond fuel, the transition plan includes operational measures that are not capitalized but contribute to emission reductions and compliance. These include minor technical upgrades below capitalization thresholds, operational efficiency initiatives, digital performance optimization tools, pilot testing of alternative fuels, and related data and analytics activities. Although individually limited in scale compared to fleet renewal investments, these measures collectively support incremental performance improvements and regulatory alignment.

The execution of the transition plan also requires sustained general and administrative expenditures related to sustainability strategy, regulatory compliance management, emissions monitoring and reporting systems, research and development, industry collaboration, and internal competence building. These costs are integral to governance and implementation and form part of the total operational expenditure required to achieve Odfjell's climate objectives.

Operational expenditure projections are subject to uncertainty, particularly regarding future fuel price differentials, carbon pricing trajectories and the development of global regulatory frameworks. Odfjell manages this exposure through contractual mechanisms, fuel flexibility, active regulatory monitoring and industry engagement. Together with the capital investments described in the preceding section, these operational expenditures constitute the financial framework necessary to execute Odfjell's transition plan in alignment with ESRS E1 Climate change.

LOCKED-IN GHG EMISSIONS AND TRANSITION RISK

Odfjell is fully committed to achieving net-zero emissions and ensuring that our operations align with global climate goals. A critical part of this effort is the assessment of potential locked-in greenhouse gas emissions from our assets and products, particularly our fleet. Based on a thorough evaluation of our current operations, we conclude that Odfjell does not have any significant locked-in emissions that would jeopardize our GHG reduction targets.

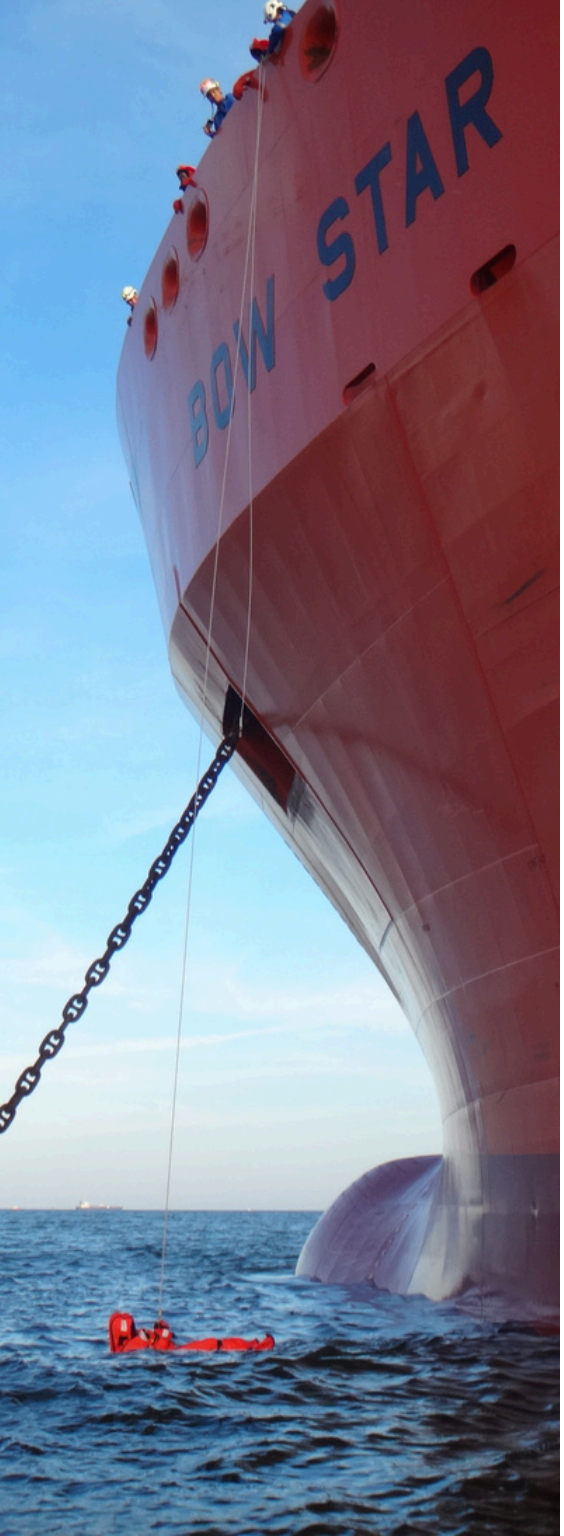
Our fleet currently operates on fossil fuels, including VLSFO and Marine Gas Oil (MGO). While these fuels are associated with GHG emissions, it is essential to highlight that our existing vessels are technically capable of operating on sustainable, net-zero fuels such as biofuels or e-fuels without requiring considerable engine retrofits. This capability significantly mitigates the risk of locked-in emissions over the lifetime of the fleet.

Moreover, Odfjell has committed to only ordering new vessels that are net-zero capable, which further underscores our forward-looking approach to eliminating locked-in emissions. Therefore, the emission profile of our current and future fleet is fully aligned with our long-term sustainability targets.

The transition to a low-carbon future presents challenges for the entire maritime industry, including the cost and availability of sustainable fuels. However, Odfjell has developed a comprehensive fleet transition plan that balances cost efficiency with the need to meet regulatory requirements, including compliance with the IMO Global Fuel Standard and FuelEU Maritime regulations.

By integrating biofuels and other renewable energy sources into our operations, Odfjell has the flexibility to achieve net-zero emissions without the need for costly retrofits. This approach ensures that our fleet remains both competitive and environmentally responsible, minimizing transition risk.

Importantly, Odfjell's reporting includes both owned and time chartered vessels. While an increase in the fleet size may lead to higher absolute emissions, this does not reflect an overall increase in emissions at the global level. In fact, Odfjell has demonstrated its ability to run ships more efficiently than others, meaning that by managing additional vessels, we can reduce carbon intensity across the board.



As vessels reach the end of their economic life—estimated at 25-32.5 years—they will be responsibly recycled. The recycling process will contribute to a net positive effect on GHG emissions, as recycled materials, such as steel, reduce the need for new resources, thereby lowering life-cycle emissions.

Odfjell's strategy to manage its existing fleet, adopt sustainable fuels, and responsibly recycle vessels ensures that locked-in emissions are not a significant risk. Our climate targets remain within reach, and our ongoing fleet transition plan will continue to align Odfjell with global sustainability goals, minimizing both transition risk and environmental impact.

ALIGNMENT WITH EU TAXONOMY REGULATION

In an era where sustainable practices are increasingly vital for operational resilience and competitiveness, Odfjell remains focused on embedding sustainability into our operations in line with the EU Taxonomy Regulation and the Commission Delegated Regulation (EU) 2021/2139. As we implement our strategy, our economic activities—including CapEx, OpEx, and revenue-generating activities—will, over time, reflect a greater alignment with taxonomy criteria for climate mitigation and adaptation.

It is important to note that alignment with the EU Taxonomy is not the goal but rather a result of our efforts to deliver on our sustainability strategy. By prioritizing our strategy, we ensure that the progression toward taxonomy alignment is a natural outcome of focused and meaningful action. This approach allows us to support our long-term vision and the industry's transition toward a low-carbon economy without viewing regulatory alignment as an endpoint.

Through this strategic focus, we position ourselves to advance sustainable practices that meet the evolving standards and reinforce our commitment to resilient and responsible maritime operations.

Odfjell operates in two primary sectors:

- Transport
- Storage/Terminals

Within the transport sector, we have identified two economic activities that fall under the scope of transitional activities, as defined in the Delegated Act for Climate Change Mitigation. These activities are deemed "taxonomy eligible" under the EU Taxonomy, as they are included in the current regulations:

Sea and coastal freight water transport, vessels for port operations and auxiliary activities (6.10) Retrofitting of sea and coastal freight and passenger water transport (6.12)

While Odfjell's activities in these areas are eligible under the taxonomy, they are not yet fully aligned with the criteria established for zero direct emissions. Our current fleet operations, which rely on fossil fuels such as VLSFO and MGO, do not meet the stringent requirements for zero direct emissions under the Delegated Regulation for 6.10, and Odfjell has not had activities that meet the criteria for 6.12 in 2025, and in line with the materiality requirement in the EU taxonomy from 2025.

Odfjell has developed a comprehensive fleet transition plan that outlines our path to net-zero, and that will align with the EU Taxonomy, by focusing on the following key areas:

CapEx

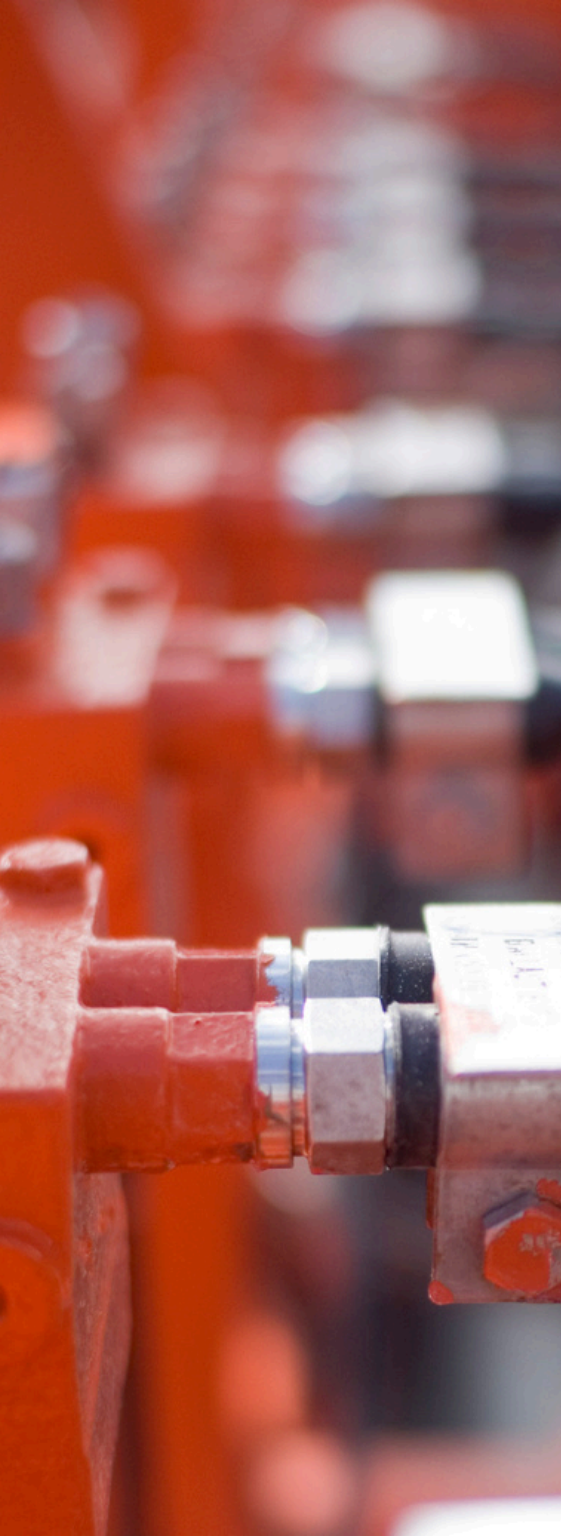
Investments in new vessels that are net-zero capable are central to our CapEx strategy. These vessels, which can operate with significantly reduced GHG emissions, are expected to meet the criteria for taxonomy alignment. This includes compliance with the relevant emissions thresholds established under the Delegated Regulation for activity 6.10. There are technical exemptions that are valid until December 2025, but Odfjell has not planned for any new economic activity that will meet these criteria in 2025.

Additionally, retrofitting existing vessels to improve fuel efficiency and reduce emissions will contribute to alignment. Under activity 6.12, retrofitting projects that result in a reduction of fuel consumption by more than 10% meet the taxonomy criteria. For instance, the planned installation of e-sails across our fleet is projected to achieve fuel reductions exceeding this threshold, thus qualifying as a taxonomy-aligned investment.

OpEx

Once new vessels begin operations and achieve net-zero emissions, the ongoing OpEx associated with these vessels will also align with the taxonomy criteria.

Similarly, the OpEx related to retrofitted vessels, provided they meet the 10% fuel efficiency improvement criteria, will be considered taxonomy aligned.



REVENUE

As Odfjell's fleet transitions to net-zero emissions, the revenues generated from these operations will be classified as taxonomy-aligned under activity 6.10. This shift is anticipated to occur as new vessels enter service, eligible ships operating on a significant level of biofuel ratio and retrofitted vessels begin operating at reduced emissions levels.

Our retrofit strategy is a critical component of aligning with the EU Taxonomy. The installation of technologies such as e-sails and other fuel efficiency measures are expected to deliver substantial reductions in GHG emissions and fuel consumption. These retrofitting measures not only reduce Odfjell's carbon footprint but also contribute directly to meeting the criteria under activity 6.12.

In addition to retrofits, our newbuildings program will ensure that all future vessels are net-zero capable. This proactive approach to fleet renewal ensures that Odfjell will remain at the forefront of sustainability in the maritime industry, contributing to climate mitigation goals while remaining compliant with the evolving regulatory landscape.

Odfjell's approach to taxonomy alignment is centered on the transition to a net-zero emissions fleet and ongoing investments in retrofitting technologies. While our current operations are eligible but not yet fully aligned with the EU Taxonomy, the plans in place will support possible taxonomy alignment later.

POLICY FOR OFFSETTING

Odfjell is committed to prioritizing direct emissions reductions across our operations as the most effective path toward achieving sustainability and aligning with climate objectives. Our primary focus remains on the decarbonization of our fleet and shore-based activities through innovation, advanced technologies, and optimized operational efficiencies. We believe that tangible emissions reductions at the source should take precedence over external compensatory measures.

While we prioritize reducing emissions directly, we acknowledge that residual emissions may remain due to technological or operational limitations. In these instances, we consider the use of offsetting mechanisms to address such residual emissions. However, in compliance with the European Financial Reporting Advisory Group (EFRAG) guidance, we must clarify that any purchased or planned carbon credits will not be counted toward Odfjell's gross GHG emissions reduction targets. Instead, we transparently will report these credits as separate mitigation efforts.

Our approach to offsetting will ensure alignment with ESRS E1-7, which requires transparency on the financing and intentions behind any carbon credits used. For projects outside our value chain that generate GHG removals, we will disclose the scope, nature, and extent of any financed carbon credits in our sustainability reporting, including those supporting climate mitigation projects that achieve verified GHG removals.

In line with the ESRS definitions, we distinguish between credits for GHG removals (suitable for achieving net-zero objectives) and carbon credits related to emissions avoidance or reduction, which can only serve as compensatory measures, not for achieving net-zero emissions. Any claims or public statements Odfjell makes regarding GHG neutrality will detail how residual emissions are intended to be neutralized by GHG removals and how these actions complement, rather than replace, direct emissions reduction efforts. The integrity and credibility of the carbon credits we choose will meet the highest standards, ensuring that they do not impede or detract from Odfjell's commitment to achieving gross GHG reduction targets.

Odfjell remains dedicated to transparency and accountability in all offsetting activities. Our disclosures will align with the ESRS, fully informing stakeholders—including investors, regulators, and the public—of the scope, purpose, and impact of our offsetting initiatives.

CUSTOMERS AND VALUE CHAIN

At Odfjell, we recognize that achieving our net-zero ambition requires collaboration across the entire value chain. As part of our energy transition strategy, we work closely with our customers to ensure a smooth, efficient, and sustainable transformation. The journey towards net-zero emissions is a shared responsibility that requires a collective effort across industries. Odfjell believes that the costs and risks associated with the energy transition should not be borne by one party alone. Instead, these should be distributed across the value chain, from our operations, to our customers, and ultimately, to the end consumers.

We aim to work closely with our customers to share the financial and operational risks of this transition. This includes:

- Collaborating on innovative solutions to reduce emissions and improve energy efficiency.
- Cargo consolidation and port efficiency
- Co-financing initiatives that promote decarbonization, such as the adoption of low-carbon fuels and technologies.
- Joint ventures or partnerships that spread the risk of new investments.

By working together, we can accelerate the transition while ensuring the financial burden is equitably shared.

The costs of the energy transition are an inevitable part of achieving a net-zero future. These costs, including investments in new technologies, compliance with emissions trading systems (ETS), operational changes, and increased price on energy/fuel, must be passed through the value chain. We believe that:

Customers should understand that the shift to more sustainable practices will be reflected in transportation costs due to higher fuel price, emission tax, and cost of upgrades to ensure compliance.

End consumers will also play a role in bearing these costs, as the need for sustainable solutions becomes the market norm.

This transparent approach ensures that the true cost of sustainability is accounted for across the entire supply chain.

While the energy transition comes with challenges, it also offers significant opportunities. Odfjell views this as an opportunity to create value for our customers through:

Reduced ETS costs: An efficient transition will lower our customers' exposure to ETS-related expenses as emissions are reduced, and compliance becomes easier.

Scope 3 Emissions Reduction: By working with Odfjell, customers can benefit from our low carbon intensity in the segment, which may help lower customers Scope 3 emissions and support their sustainability ambitions.

The transition to net-zero emissions is not just a compliance necessity; it also represents an opportunity for Odfjell and our customers to improve operational efficiency, reduce long-term costs, and enhance our collective sustainability performance.

DISCLOSURE OF CAPEX RELATED TO FOSSIL FUELS

Odfjell is dependent on fossil fuel for the fleet, but does not have any investments in coal, oil and gas-related economic activities per relevant NACE codes.

EXCLUSIONS

Odfjell's activities are not excluded from the EU Paris-aligned benchmarks, consistent with the

requirements in Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation), Articles 12.1 (d) to (g) and 12.2.[2]

TRANSITION GOVERNANCE

ALIGNMENT OF THE TRANSITION PLAN

At Odfjell, sustainability and energy transition are deeply rooted in our core business strategy and financial planning. Odfjell has set six long-term goals and medium-term targets. Goals and targets are aligned with the transition plan.

Every year, Odfjell's board of directors and management conduct a comprehensive climate and nature risk assessment following the guidelines set by the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD). This annual review identifies both risks and opportunities related to climate change and environmental challenges, offering critical inputs into our strategic planning. The climate transition risk assessment is a central driver of our broader climate change mitigation and fleet transition strategy, ensuring that we proactively address regulatory and operational challenges associated with decarbonization.

Our financial planning is linked to the fleet transition plan, enabling Odfjell to allocate the necessary resources to execute our sustainability and fleet renewal ambitions. By aligning capital investments with the long-term needs of our fleet transition, we ensure that the company has the financial strength to adopt greener technologies and new fuels without compromising operational stability.

Additionally, Odfjell carries out a board-aligned double materiality assessment. This assessment helps us identify the financial and environmental impacts of our operations, ensuring that our sustainability actions are financially sound and aligned with broader societal goals. The results of the DMA are used to regularly update our sustainability targets and action plans, ensuring that our strategies remain dynamic and relevant to the evolving external environment. The transition plan will be subject to annual review by management and the board of directors.

Sustainability is a fundamental part of our overall business strategy and a critical goal for Odfjell. This is reflected in how we align actions to drive the energy transition and decarbonization efforts with our long-term incentive plan for management and short-term incentive plan for all shore-based employees.

[2] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1818

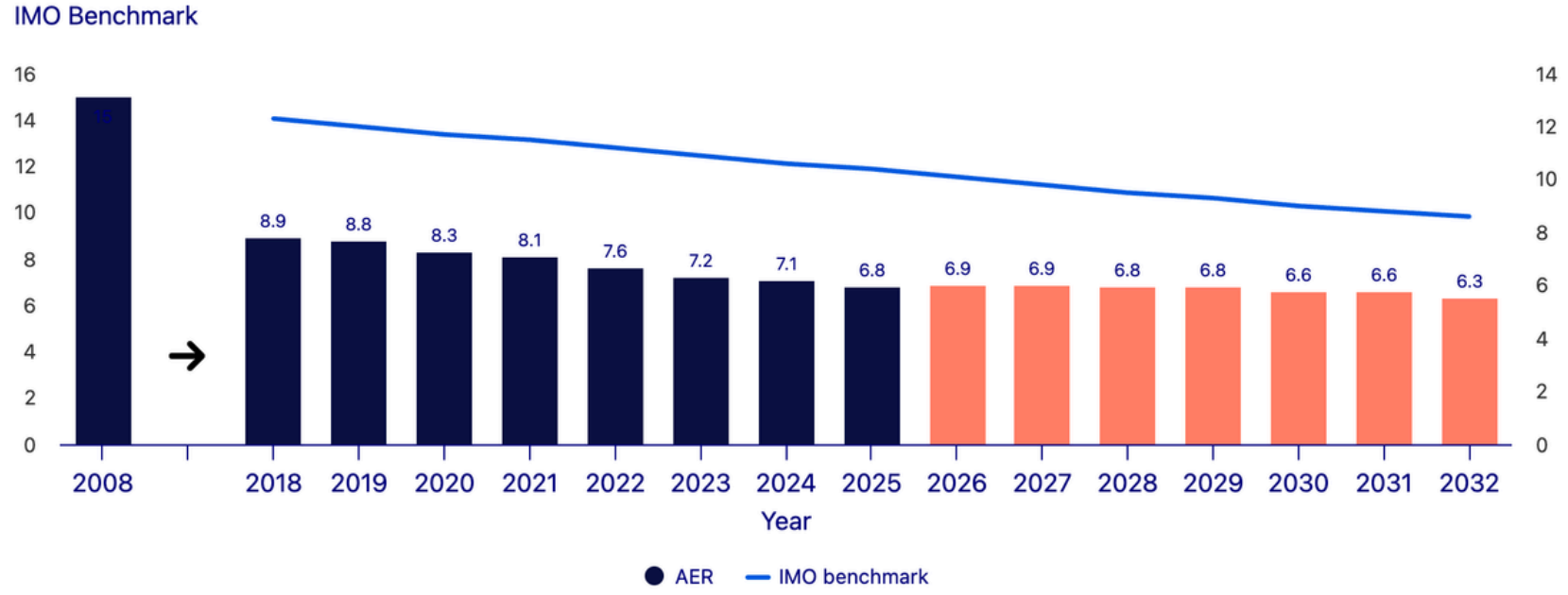
By embedding sustainability into our performance-based incentives, we ensure that our entire organization drives the transition progress towards net-zero.

APPROVAL OF THE TRANSITION PLAN

The transition plan has been approved by Odfjell's management and board of directors, ensuring that it is a central component of the company's strategic direction. The governance structure supports the implementation of the plan, with oversight from the chief sustainability officer and regular reporting to the board of directors.

PROGRESS

Odfjell has made significant progress in implementing its transition strategy. As of 2025, the company has achieved a 55% reduction in carbon intensity compared to the 2008 baseline. Odfjell reports progress on carbon intensity and significant energy efficiency projects in quarterly reporting. We report the GHG emission reduction progress in tCO_2/dwt-mile annually, measured against EU benchmarks.



In 2024, Odfjell set new ambitious climate targets to continue the transition towards net-zero and ensure compliance with existing and upcoming regulations to achieve the goals of the Paris Agreement. Continuous investment in fleet renewal, energy efficiency, and new technologies are essential parts of the transition.

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