

Oslo, 27.06.2023



Reporting on Human Rights Due Diligence – Transparency Act Reporting 2023

Grieg Maritime Group (“the Company” or “the Group”) is part of the Grieg Group, a family-owned group of companies, originating from a long and proud maritime tradition, living by and of the ocean. Every day, we search for the best business opportunities, and for ways where we can make a difference. An integrated part of this is our commitment to respect internationally recognised human rights. Therefore, we have clear policies and expectations for our suppliers and partners to ensure peoples safety, well-being and human rights in our operations, our value chain, and in the communities we operate.

Purpose

The Norwegian Transparency Act came into force on July 1, 2022. The Act aims at increasing businesses respect for human rights and decent working conditions and ensuring transparency on compliance with these fundamental rights.

This report is guided by the requirement under the Act to report on human rights due diligence and our work to ensure compliance within our business, our supply chain and with our business partners and it reflects our commitment to promote and protect human rights.

This document is addressed to our employees and external stakeholders and it includes:

- The company’s organisation and areas of operations;
- The guidelines and procedures for handling actual and potential adverse impacts on human rights and decent working conditions;
- Actual negative consequences and substantial risk for negative consequences which the company have identified through their due diligence assessments and the measures the company have taken or plan to take to stop actual negative consequences or to limit substantial risk.

Grieg Maritime Group's social responsibility and governance

Our organisation and areas of operations

Grieg Maritime Group builds on more than 135 years of marine experience striving to create lasting values. At Grieg Maritime Group, we innovate and deliver sustainability services to the maritime industry through our subsidiaries Grieg Edge and Grieg Green, while Grieg Shipholding provides world-class shipping through our activities in Grieg Shipowning, Grieg Star and G2 Ocean. We are long-term in our business approach, with a strong focus on sustainability, organisational development and operational excellence, all key for developing new and existing business - on our own and together with partners. The Group has offices in Manila and Oslo and has its headquarters in Bergen.

Grieg Shipowning and **Grieg Star** are respectively the owner and ship manager of a fleet of 31 Open Hatch vessels. These are specialized vessels constructed to offer a versatile transportation concept, managed by our JV **G2 Ocean** operating multiple trade lanes having thousands of port-calls in more than 60 countries each year. The commodities carried are mainly wood pulp and other forestry products, but we also carry other dry bulk cargoes as well as project and non-unitized cargoes.

Grieg Green is a world leading provider of advisory and supervision services related to sustainable recycling of ships, rigs, and oil & gas units. The company works only with pre-audited and carefully selected shipyards and is committed to continuously improve the HSEQ practices at the yards we work with.

Grieg Edge is a dedicated innovation unit, established to identify and develop new business within the green transition in the maritime industry. Four key segments are targeted: Short Sea, Offshore Wind, Energy & Infrastructure, and Ocean Ventures. Several of our business projects are developed together with partners.

How do we embed our social responsibility

Grieg Maritime Group's vision, "Creating maritime solutions for a better future," captures our commitment to operate profitably and sustainably in line with ethical norms and respect for the individual, society, and the environment. This is reflected and embedded in our four strategic pillars:

- Build new sustainable business
- Ensure world-class operations
- Take a leading role in the maritime green shift
- Implement clear ownership strategies

Across these dimensions, we measure progress and results, both by what we deliver and how we deliver, and when recognising and rewarding performance. Driving the transition towards a more sustainable business footprint forms part of this holistic approach. The company's strategy is also linked to the UN Sustainable Development Goals, which are the foundation for our daily operations, development initiatives and investments¹.

¹ Seven SDGs are targeted as material to the Group: 4. Quality Education, 5. Gender Equality, 9. Industry, Innovation, and Infrastructure, 12. Responsible Consumption and Production, 13. Climate Action, 14. Life Below Water and 15. Life on Land. To report on progress, we also follow the ESG reporting recommendations from the Norwegian Ship Owners Association, and report with reference to the Integrated Reporting Framework and The Global Reporting Initiative (GRI)

Through our operations, we are facing a variety of risks; risks to our business strategy, operational risks, and risks associated with the protection of our employees, environment, assets, and reputation. We consider transparency and disclosure on how we operate and how we mitigate these risks as vital in building trust. Through dialogue with our stakeholders our Employees; Customers; Suppliers; Financiers; Organizations/NGOs; Joint ventures and Investors; Authorities and Regulatory bodies; and the Public and Media; we also become better at understanding the expectations of the society we operate in and our role. Further information on stakeholder engagement can be found in [Grieg Maritime Group's annual report 2022](#).

Sustainable Corporate Governance

Good corporate governance is essential in achieving Grieg Maritime Group's overall objectives and for us to act as a responsible organization. Our corporate governance structure includes a Board of Directors.

The Board exercises oversight and assesses relevant sustainability elements that have an impact on strategic, operational, and financial matters, including the factors that constitute critical risks as well as relevant risk reducing measures.

The CEO is overall responsible for Grieg Maritime Group's day-to-day safety, security, and sustainability management, including decisions and actions related to the climate and the energy transition, and human rights and decent working conditions.

The Board oversees that **the Top Management Team** develop strategies and policies which are in compliance with the expectations, the commitments, and the requirements for carrying out a high standard ethical business conduct and that these are implemented across the Group.

The Business Units are then accountable for executing the sustainability ambitions, managing relevant risks and performance within their line of operations. Some of the business units have dedicated safety, security and sustainability specialists employed. Others draw on resources from other business units, the group function or recourses in the wider Grieg Group or the G2 Ocean joint venture.

In total this forms a **safety, security, and sustainability network**. A dedicated **ESG Coordinator** organizes cross-functional and cross-business unit projects, driving the group's sustainability reporting. However, day-to-day assessment and implementation are a **line management** responsibility to ensure that corporate social responsibility, including human rights assessments is an integrated component for all business units and operations.

Guidelines and procedures for handling actual or potential negative impacts on human and labour rights

Our commitment to human rights is based on international human rights and labour standards such as the Bill of Human Rights, the International Labour Organization's Declaration of Human Rights, and the International Maritime Organization's Maritime Labour Convention. Furthermore, we are committed to the OECD Guidelines for Multinational Enterprises and as part of the Grieg Group, who has been signatory to the UN Global Compact since 2008, we are committed to the Ten Principles of the United Nations Global Compact. The Grieg Group is also one of the founders of the Future-Proof Initiative where Bergen Chamber of Commerce and Industry and the Rafto Foundation for Human Rights have created the business and human rights collaboration platform that aim to assist businesses in complying with their human rights responsibilities.

By respecting human rights, we shall:

- not infringe on the human rights of others,
- address adverse human rights impacts and,
- ensure measures to prevent, mitigate and remediate such impacts.

Grieg Maritime Group have developed and implemented the following policies and guiding documents to help us to embed our social responsibility:

Human rights policy, Anti-harassment and bullying policy, Employee code of conduct, Supplier’s code of conduct, Third party screening procedures, Human rights impact assessment guidelines, Remediation for human rights negative impacts guidelines, Country risk list, Ethical guidelines, Gender equity policy, Sanctions policy, Anti-money laundering and antiterrorist financing policy, Anti bribery and corruption policy, and Whistle-blower routines.

Some of these guidelines were implemented in 2023 and all the documents were reviewed and updated during the beginning of 2023. Each of these policies and guidelines are important tools for Grieg Maritime Group to address and improve human rights in our operations.

Grieg Maritime Group is part of Incentra, a marine purchasing organisation that performs audits to all supplier members to secure that the suppliers meet with Incentra’s supplier code of conduct and its standards within health, safety, environment, and quality of operation. This includes human rights due diligence assessments according to the requirements of the Transparency Act.

For counterparties that are not audited by Incentra, the Company conducts its own due diligence. Our guidelines on human rights due diligence process and how they are interlinked are as follows:

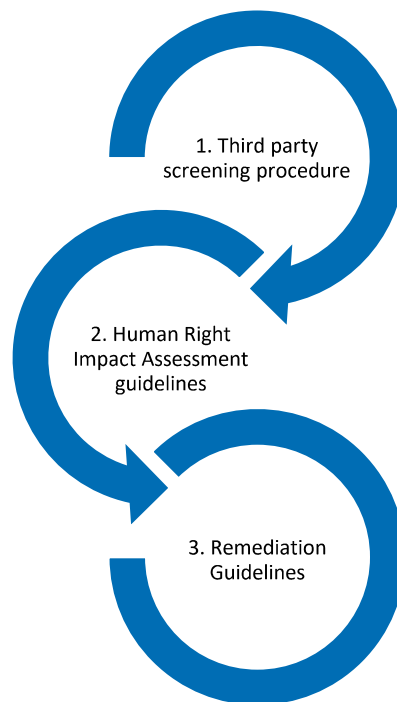


Figure 1. Overview of GMG guidelines related to human rights due diligence

1. **Third party screening procedure**, provides a framework for:

- knowing better our counterparties,
- identifying counterparty risks, and
- reporting, recording and handling the findings.

The procedure defines various thresholds for when to carry out assessments based on contract size, the counterparty's domicile in relation to high risk factors and whether it is a new counterparty or a renewal contract with an existing supplier. Furthermore, for suppliers we follow the **Guidelines on our supplier code of conduct and self-assessment form**.

2. The next step in our due diligence process is to carry out in-depth assessments of operations or suppliers that might have adverse human rights impacts. The **Human rights impact assessment (HRIA) guidelines** describes when a HRIA shall be conducted, when to involve an external party in this work and also includes the routine for conducting such assessment.

3. A central point in due diligence assessments is remediation of human right violations. Our **remediation guidelines** describe how violations can be stopped and the victims be compensated for damages caused. Grieg Maritime Group's approach is based on the UNGP's guiding principles for remediation.

Significant risk areas, measures implemented and expected results

We have identified the most prominent risks of negative harm to human rights and decent working conditions in the following business activities:



Figure 2 Grieg Maritime Group Major Risks Areas

Furthermore, we identified several gaps demonstrating that our work to improve human rights and decent working conditions must be continuous and systematic. The main challenge is having a good overview of possible human rights challenges in our supply chains. Therefore, after the implementation of the third-party screening procedure, the 1st of March 2023, we decided to screen the top 10 suppliers based on contract value.

- **Recycling of vessels**

During 2022 and 2023 the company did not recycle any vessel. However, we acknowledge the existing risk of exploitation of workers as well of breaches of labour laws at certain recycling yards. In addition, due to the nature of work there are risks of accidents and injuries as well as unhealthy working conditions.

The administration recommendation for recycling is validated by the board of directors upon their conclusion to recycle a vessel. To mitigate any risks and as per procedures, we screen the yards, and we conduct a human right impact assessment.

Furthermore, as stated in our ship recycling procedures the recycling of a vessel shall be supervised by a third party and shall only be done at a yard that does not infringe human rights and cares about the environment. Furthermore, the yards shall be monitored and audited regularly and shall be ISO 9001, ISO 14001, and ISO 45001 certified as well as adhered to the Hong Kong Convention and EU ship Recycling Regulation.

By screening the yard and conducting an assessment on human rights, as well supervising the recycling operation, we reduce significant negative impact on human rights and ensure a safe operation.

- **New building of vessels**

Like recycling, building new vessels is a complex activity where safe working practices as well as human rights might be at risk. In May 2023, Grieg Maritime Group signed contracts for the delivery for up to four ammonia-ready open hatch vessels in China that will be delivered in 2026. As a result of our pre-screening of the yard, we did not identify any negative findings. Physical inspections will be made during the building phase.

We believe that to mitigate human rights risks, maintaining a good relationship with the suppliers and yards involved in the newbuilding is key. It is important to be able to conduct human and labour rights impact assessments during the building process and to have continuous dialogue to solve or prevent any potential risks. Promoting human rights and decent working conditions are therefore important elements of newbuilding contracts.

- **Drydocking and repair projects of the fleet:**

The complexity of dry docking and repair projects makes it difficult to get a good overview of the whole value chain. As well as in recycling and newbuilding, during drydocking there are risks related to safety and working conditions.

For drydocking we have a continuous relationship with a yard located in China where mutual collaboration has been essential. As part of the third-party screening procedure and HRIA guidelines we hired the services of Grieg Green AS, a company within our Group, to conduct a Human Right Impact Assessment. There were not major findings, and observations found will be addressed with the shipyard.

- **Procurement:**

The sheer volume of goods needed to run ships make evaluating human rights impact in all parts of the value chain difficult. Therefore, before engaging with suppliers, we follow the third-party screening procedure to identify risks involved and to be guided on how to handle negative findings.

From our supplier base, 30 suppliers are part of Incentra procurement organisation, and have been assessed based on the UN Global Compact and the OECD's guidelines for responsible business conduct.

In addition to the Incentra assessed suppliers and the yards we work with, as of the 15th of June 2023, we have started the process to screen 3 other suppliers, that are also among the Company's top 10 suppliers based on contract value.

Furthermore, for any new supplier as well as upon renewal of the contract with an existing supplier, the third-party screening procedure is followed. Depending on the results of the screenings, and upon concerns raised through our whistle-blower channels, we follow the HRIA guidelines. The HRIA can be handled by us, since key employees have received training on how to do a HRIA and embed the results into our operations, or by engaging with a third party.

The aim for the remaining of 2023 and onwards is to increase the number of suppliers assessed in terms of human rights and decent working conditions and to mitigate any possible violations.

GMG risks are periodically assessed, and important updates and disclosures related to human rights impacts will be shared in Grieg Maritime Group's annual report for 2023.

Any enquiry on how we work with human rights or other ESG aspects of the organisation can be sent to transparency@griegmaritime.com

The Board of Grieg Maritime Group AS



Camilla Grieg, Chair



Elisabeth Grieg, Vice Chair



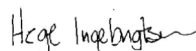
Kai Grøtterud, Director



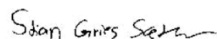
Didrik Munch, Director



Rune Birkeland, Director



Hege Leirfall Ingebrigtsen, Director



Stian Grieg Sæthre, Director