

Oslo, 24.06.2024

Reporting on Human Rights Due Diligence – Transparency Act Reporting 2024

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 of the Act to report on human rights due diligence and our work to ensure compliance within our business, supply chain and with our business partners, reflecting our commitment to promote and protect human rights. The report covers the period during January 1 to December 31, 2023.

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 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 140 years of marine experience and is part of the Grieg Group, a family-owned group of companies determined 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. 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. The Group has offices in Manila and Oslo and its headquarters are 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 also delivers other green services and in 2023, a transparent ESG rating system for shipyards, YardScore, was initiated.

Grieg Edge is a dedicated innovation unit, established to identify and develop new business within the green transition in the maritime industry. Three segments are targeted: Short Sea, 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 accordance 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.

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, the environment, our assets, and our reputation. We consider transparency and disclosure on how we operate in these matters 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 become better at understanding the expectations of the society we operate in. Further information on stakeholder engagement can be found in our Annual Report: <https://griegmaritime.com/report/annual-report-2023/>.

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.

The Board oversees and assesses relevant sustainability elements that impact strategic, operational, and financial matters. This includes opportunities, critical risks and risk-reducing measures.

The CEO is responsible for Grieg Maritime Group's daily management, leading the company to achieve its objectives, strategy, and sustainability goals. This includes day-to-day safety, security, and sustainability management, decisions and actions related to the climate and the energy transition as well as human rights and decent working conditions.

The Board holds the **Executive Management Team** accountable for developing strategies and policies which comply with the expectations, commitments, and requirements to carry out a high standard ethical business conduct and that these are implemented across the Group.

The Business Units are accountable for assessing the impact and executing the sustainability ambitions, managing relevant risks and opportunities within their line of operations. Some of the business units employ dedicated safety, security, energy transition, compliance and sustainability specialists. Others draw on resources from other business units, the company's group function or resources in the wider Grieg Group or the G2 Ocean joint venture.

This forms a **safety, security, and sustainability network** with the necessary skills and expertise, where the **ESG Coordinator** organizes cross-functional and cross-business unit projects, driving the group's sustainability reporting. Day-to-day assessment and implementation and reporting are, however, a **line management** responsibility. This is to ensure that corporate social responsibility, including human rights assessments, is an integral component for all business units and operations, their management teams and departments.

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, the Grieg Group, which has been a signatory to the UN Global Compact since 2008, are committed to the OECD Guidelines for Multinational Enterprises in addition 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 a business and human rights collaboration platform that aims 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 embed our social responsibility:

Human rights policy, Anti-harassment and bullying policy, Employee code of conduct, Supplier's code of conduct, Third-party screening procedure, Routine for human rights impact assessment (HRIA) Routine for Remediation (for human rights negative impacts), HSEQ and quality policy, Country risk list, Ethical guidelines, Gender equity policy, Flexible workplace, Employees on parental or extended leave, Sanctions policy, Anti-money laundering and counter terrorist financing policy, Anti bribery and corruption policy, and Whistleblowing routines.

Some of these guidelines were implemented in 2023 and all the documents were reviewed and updated throughout the year. Each of these policies and guidelines are important tools for Grieg Maritime Group to address and improve human rights in our operations. Therefore, in 2024, we will re-evaluate our policies to ensure they remain relevant and of high quality, and to confirm their alignment with the Corporate Sustainability Reporting Directive (CSRD) requirements and expectations.

Grieg Maritime Group do not sail its vessels into areas recommended by the Norwegian authorities and/or the Norwegian Shipowners Association to avoid having commercial activities with. In September 2023 we were contacted by stakeholders concerning a shipment to a European port, but where the goods turned out to be re-loaded to a third party and destined to a port where we do not sail. We had dialogue with several stakeholders on the issue, which also resulted in a revision of risk assessment procedures.

Grieg Maritime Group is part of Incentra, a marine purchasing organisation that performs audits to all supplier members to ensure 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 due diligence. Our guidelines on human rights due diligence process and how they are interlinked are as follows:

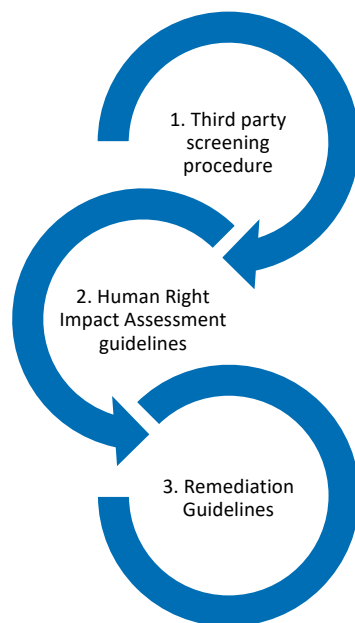


Figure 1. Overview of GMG guidelines related to human rights due diligence

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 in-depth assessments of operations or suppliers that might have adverse human rights impacts. The **Routine for Human Rights Impact Assessment (HRIA)** describes when a HRIA shall be conducted, when to involve an external party in this work, as well as the routine for conducting such assessment.

3. A central point in due diligence assessments is the remediation of human rights 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 Risk 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, in March 2023, we decided to screen the top 10 suppliers based on contract value.

- **Recycling of vessels**

In 2023, the company did not recycle any vessels from our existing fleet, and there are no vessels planned for recycling in 2024. However, we acknowledge the existing risk of exploitation of workers as well as 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's 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 rights 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 yards, conducting human rights assessments, and supervising the recycling operation, we reduce significant negative impacts on human rights and ensure safer operations. Grieg Green was involved in one recycling project where we assisted with such screenings during 2023. Further on, Grieg Green initiated the development of YardScore - a transparent rating system for shipyards. The goal is to improve transparency in the ESG performance of recycling- and repair yards through collaboration with key industry stakeholders, utilizing Grieg Green's yard screening competence and experience. The aim is to launch this in the 2nd half of 2024 as a tool for assessing risks and ranking their performance helping to maritime industry to improve the selection of shipyards according to sustainability criteria.

- **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 four ammonia-ready open hatch vessels in China that will be delivered in 2026. Further on, our joint venture Skarv Shipping ordered four ammonia/methanol-ready multipurpose project carriers at another Chinese yard with delivery in 2025 and 2026. Pre-screening of the yards was done as part of the contract negotiations, at which point we did not identify any negative findings. Physical inspections are planned for during the vessels' 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 a 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, Grieg Green conducted a Human Right Impact Assessment. There were no major findings, and the observations found will be addressed with the shipyard.

- **Procurement:**

The sheer volume of goods needed to operate ships makes it challenging to evaluate human rights impact across the value chain. Therefore, before engaging with suppliers, we follow a third-party screening procedure to identify potential risks and ensure we are prepared to handle any negative findings.

From our supplier base, 30 suppliers are part of the Incentra procurement organisation. During 2023, nine of these have been assessed by Incentra 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, we have screened nine suppliers who are among the Company's top suppliers based on contract value, as of the end of 2023.

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 whistleblower channels, we follow the HRIA guidelines. 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 2024 and onwards is to increase the number of suppliers assessed in terms of human rights and decent working conditions, aiming to mitigate any potential violations. Therefore, as of the end of 2023, the Company started the process of signing an agreement with Factlines, a software for the Norwegian Transparency Act, CSDDD and EU Taxonomy. This software will help us enhance our ability to map and assess negative impacts, as well as improve transparency and accountability in our screening process.

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 2024.

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



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