
ODFJELL TANKERS

Annual Report 2024

Key Figures/Financial Ratios

ODFJELL GROUP	Figures in	**2024**	2023	2022	2021	2020	2019**)	2018**)	2017**)	2016**)	2015**)
From Profit and Loss Statement											
Gross revenue	USD mill.	1 249	1 194	1 310	1 038	939	872	851	843	825	929
EBITDA [1]	USD mill.	517	451	381	245	268	196	(31)	255	218	137
Depreciation and impairment	USD mill.	(162)	(158)	(161)	(201)	(153)	(146)	(100)	(111)	(101)	(109)
Capital gain (loss) on non-current assets	USD mill.	—	1	4	3	—	—	—	—	13	—
EBIT [2]	USD mill.	354	294	224	47	115	50	(131)	144	130	28
Net financial items	USD mill.	(75)	(84)	(79)	(77)	(84)	(84)	(75)	(51)	(23)	(58)
Net result allocated to shareholders' equity before non-recurring items	USD mill.	278	203	133	(19)	15	(45)	(70)	(47)	20	(13)
Net result allocated to shareholders' equity	USD mill.	278	203	142	(33)	28	(37)	(211)	91	100	(36)
Net result	USD mill.	278	203	142	(33)	28	(37)	(211)	91	100	(36)
Dividend paid	USD mill.	129	97	26	—	—	—	14	14	—	—
From Balance Sheet											
Total non-current assets	USD mill.	1 833	1 712	1 721	1 806	1 993	1 796	1 556	1 674	1 589	1 679
Current assets	USD mill.	336	282	287	267	227	223	286	326	293	264
Shareholders' equity	USD mill.	930	799	697	549	576	551	601	816	719	645
Total non-current liabilities	USD mill.	737	831	919	1 165	1 302	1 173	928	855	878	1 095
Current liabilities	USD mill.	502	365	393	359	342	294	313	329	286	203
Total assets	USD mill.	2 168	1 994	2 009	2 073	2 220	2 018	1 842	2 000	1 883	1 943
Profitability											
Earnings per share - basic/diluted - before non-recurring items items [3]	USD	3.5	2.5	1.7	(0.2)	0.4	(0.6)	(0.9)	(0.6)	0.3	(0.2)
Earnings per share - basic/diluted [4]	USD	3.5	2.6	1.8	(0.4)	0.4	(0.5)	(2.7)	1.2	1.3	(0.4)
Earnings per share - basic/diluted [5]	NOK	39.9	26.3	17.8	(3.7)	3.4	(4.4)	(23.5)	9.9	11.2	(3.5)
Return on total assets - before non-recurring items [6]	%	17.3	14.1	10.5	2.6	4.6	2.2	0.2	0.7	3.7	1.6
Return on total assets [7]	%	17.4	14.1	11.0	2.0	5.2	2.6	(7.1)	7.8	7.9	0.4
Return on equity - before non-recurring items [8]	%	32.5	26.4	21.3	(3.4)	2.7	(7.80)	(9.9)	(6.2)	2.9	(2.0)
Return on equity [9]	%	32.1	27.2	22.7	(5.9)	4.9	(6.4)	(29.8)	11.8	14.6	(5.6)
Return on capital employed [10]	%	19.4	16.7	12.2	2.4	6.1	2.8	(8.1)	8.8	7.9	1.7

Financial Ratios											
Average number of outstanding shares	mill.	79.0	79.0	78.8	78.9	78.6	78.6	78.7	78.6	78.7	86.8
Basic/diluted equity per share [11]	USD	11.8	10.1	8.8	7.0	7.3	7.0	7.6	10.4	9.1	7.4
Weighted share price per outstanding share	USD	10.3	11.4	9.0	3.8	3.2	3.0	3.4	3.9	3.4	3.2
Interest-bearing debt (excluding IFRS 16 debt)	USD mill.	713	824	957	1 138	1 239	1 132	1 123	1 084	1 042	1 168
Bank deposits and securities [12]	USD mill.	147	112	131	89	103	101	168	207	174	126
Debt repayment capability [13]	Years	1.4	2.1	2.9	5.4	5.9	6.8	8.8	4.4	4.6	14.3
Current ratio [14]		0.8	0.8	0.7	0.7	0.7	0.8	0.9	1	1	1.3
Equity ratio [15]	%	42.9	40.0	34.7	26.5	25.9	27.0	32.6	40.8	38.2	33.2
Other											
USD/NOK rate at year-end		11.34	10.20	9.91	8.84	8.54	8.78	8.69	8.24	8.65	8.80
Employees at year-end [16]		2319	2 303	2 271	2 299	2 294	2 383	2 530	2 693	2 890	3 034

1.Operating result before depreciation, amortisation and capital gain (loss) on non-current assets.

2.Operating result (Earnings Before Interest and Tax).

3.Net result allocated to shareholders' equity adjusted for non-recurring items divided by the average number of outstanding shares.

4.Net result allocated to shareholders' equity divided by the average number of outstanding shares.

5.Net result allocated to shareholders' equity divided by the average number of outstanding shares expressed in NOK using USD/NOK at year-end

6.Net result plus interest expenses adjusted for non-recurring items divided by average total assets.

7.Net result plus interest expenses divided by average total assets.

8.Net result adjusted for non-recurring items divided by average total equity.

9.Net result divided by average total equity.

10.Operating result divided by average total equity plus net interest-bearing debt and IFRS 16 debt

11.Shareholders' equity divided by number of outstanding shares per 31.12.

12.Bank deposits and securities includes cash and cash equivalents and other current financial assets.

13.Interest-bearing debt less bank deposits and securities, divided by cash flow from operations before capital gain (loss) on non-current assets.

14.Current assets divided by current liabilities.

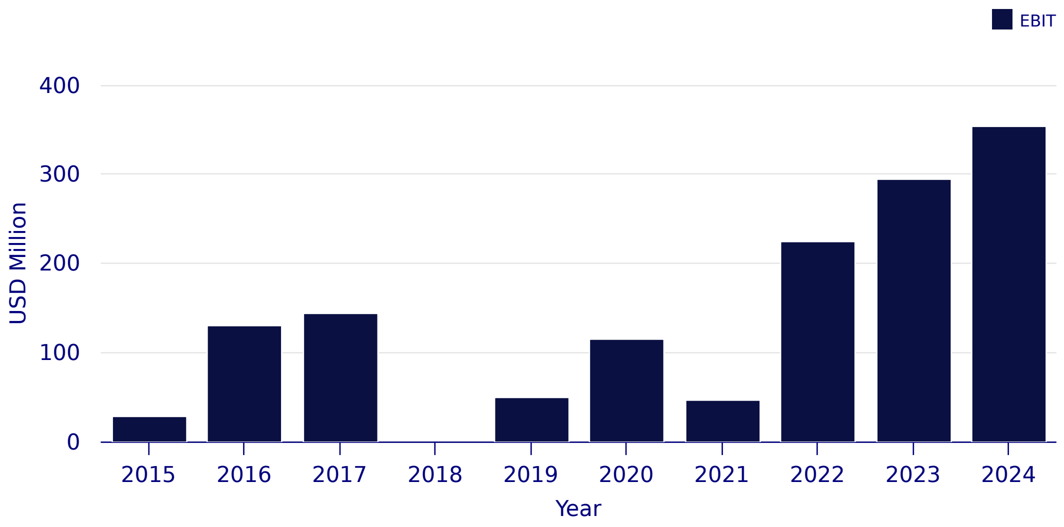
15.Total equity as percentage of total assets.

16.Including employees in Joint Ventures.

Board of Directors' Report 2024

The consolidated 2024 net result for the Odfjell Group amounted to a net profit of USD 278 million, compared with a net profit of USD 203 million in 2023. This represents the best financial result ever. Total assets by year-end amounted to USD 2 168 million, up from USD 1 994 million at the end of 2023. The cash flow from operations was USD 406 million in 2024, compared with USD 340 million in 2023. Cash and cash equivalents were USD 147 million end of 2024 in addition to undrawn loan facilities of USD 83 million. Total equity at the end of 2024 amounted to USD 930 million compared to USD 799 million at the end of 2023, and the equity ratio increased to 42.9% from 40.0% during the year. Including dividend for 2H 2024 paid in February 2025, the Company paid a total dividend of USD 141 million for FY 2024 compared to USD 99 million for FY 2023. The 2024 results gave a total dividend per share of USD 1.78.

The operating result (EBIT) was positive with USD 354 million in 2024, compared to USD 294 million in 2023. The Company showed further improved results in 2024, and delivered the strongest financial result ever with a net result of USD 278 million, driven by strong markets and improved contract rates. Chemical tanker spot rates strengthened during the first half of the year but weakened towards the end of the year. Swing tonnage in our market was at low levels in the beginning of the year due to high margins in the clean petroleum product (CPP) tanker segment, contributing to the tight chemical tanker supply. The average rates achieved on Contract of Affreightment (CoA) cargoes ended in 2024 at a level approximately 10% higher than the year before, while achieved spot rates were down around 2% for the same period. The majority of CoAs that were renegotiated in 2024 were renewed at healthy rate increases in addition to seeing improvements in other contractual terms. Global seaborne chemical and vegoil volumes grew compared to 2023, but increasing competition from swing operators led to lower spot demand for chemical tankers in the second half of 2024. The Board is satisfied with the record strong result and recognizes that several years of continuous focus on reducing cost and improving efficiency and quality continue to pay-off, and that we have been able to take advantage of the strong markets by increasing volumes and improving rates. The Board takes the opportunity to express gratitude to all employees at sea and ashore who have contributed to this record result.



In 2024, inflation eased but proved to be more persistent than anticipated, prompting central banks to navigate the balance between controlling inflation and fostering growth. The U.S. Federal Reserve implemented several rate cuts while upholding a "higher-for-longer" approach. Geopolitical risks continued to be of significant concern. The tensions influenced global commodity markets, leading to downward pressure on prices as fears of recession and expectations of weak demand overshadowed concerns about supply. Macroeconomic uncertainty remains, on the back of less economic activity in China and Europe. Global industry and manufacturing continue to struggle, with lower levels of new orders.

Odfjell has not been directly affected by the war in Ukraine, as we do not operate in the area, nor do we participate in sanctioned trades. Nevertheless, we monitor the situation and implement measures to minimize any adverse impact on our employees, operations, and financial results. Our top priority continues to be to ensure the safety and well-being of our crew, vessels, and cargo.

Security remains a paramount concern, especially given the increasing reports of piracy and attacks on shipping around the east coast of Africa, Gulf of Aden, and Arabian Sea. This uptick is primarily attributed to regional instability, including conflicts involving Yemen's Houthi rebels and broader unrest in the Red Sea corridor linked to the Israel-Hamas war. The situation in the Red Sea and Gulf of Aden has led us to adjust our shipping routes to navigate around Africa, as the safety of our crew and cargo remains our top priority. Odfjell has remained vigilant, monitoring these developments closely, and making informed decisions to mitigate risks.

Sustainability remains at the core of Odfjell SE's business strategy, guiding our decision-making and operational improvements. 2024 was the warmest year in recorded history, underscoring the accelerating impacts of climate change. Recognizing the urgency, we further embedded climate risk assessment and double materiality analysis into the Board's strategic and risk management processes. These assessments are integral in shaping our long-term resilience and ensuring our operations align with global and industry climate goals. As we move forward, Odfjell remains dedicated to sustainable growth, innovation, and industry collaboration, ensuring that we remain a leader in the global transition towards a low-carbon society.

Odfjell maintains an uncompromising commitment to health and safety across all aspects of our operations. Whether on board our ships, at terminals, or in offices, safety remains our top priority in daily operations, long-term planning, and new initiatives. Lost Time Injuries (LTIs) increased from one in 2023 to seven in 2024, all of which were promptly addressed with thorough follow-up measures. The individuals involved received the necessary care and have recovered well. Importantly, there were no serious process safety incidents during the year, underscoring our continued focus on risk mitigation and operational excellence.

In 2022, the Board announced a new dividend policy stating that Odfjell will distribute 50% of net income, adjusted for extraordinary items. The policy is designed to deliver predictable and sustainable dividends going forward. Other excess capital will be earmarked for extraordinary debt reductions, but may also be used for value creative investments, future fleet renewal, share-buybacks and dividends. Dividends will be paid out semi-annually. For FY 2024, including dividend for 2H 2024 paid in February 2025, the company paid a total dividend of USD 141 million versus USD 99 million for FY 2023.

Due to strong financial performance, and limited investments in new assets, our balance sheet has improved significantly over the year. At year-end, the IFRS 16 adjusted equity ratio was 53%, up from 46% at the end of 2023. At the end of 2024, our book equity ratio was at 43%, above our long-term equity ratio target range of 30% to 40%. Our commitment to sustainable finance was further demonstrated in April 2024 when we successfully refinanced a facility that included seven vessels in total. This was also our first facility with a Transition Finance component. At the close of 2024, we finalized a term sheet for a new USD 242 million bank facility, with the formal agreement concluded in January 2025. This facility encompasses most of our forthcoming financing transactions and purchase commitments for 2025. All deals finalized in 2024 were achieved on favorable terms, lowering our cost of capital and enhancing our financial position. By December 2024, all our traditional bank debt facilities included either a sustainability-linked feature or a transition element. Early 2025, Odfjell repaid its only remaining bond, the ODF11, with outstanding amount equal to USD 100 million. We consider the balance sheet to be sound, with limited financing needs for new capital commitments in the upcoming years, a strong anticipated cash flow, a well-diversified debt structure, and access to a variety of finance sources and arrangements.

Odfjell operates one of the world's largest, most efficient, and competitive deep-sea stainless steel fleet. With limited capex for our tankers in 2024, the priorities have been operations, cash flow generation, and debt reduction. 2024 saw significant volatility in the spot markets. The peaks of the first half of 2024 contributed to record earnings, while increased competition from swing tonnage caused a decline in cargo availability towards the end of the year. Renewed contracts in 2024 saw healthy average rate increases, and achieved rates are now up around 42% on average since the market upswing started in the second quarter 2022. Although geopolitical unrest has caused market conditions to be volatile, a solid future tonne-mile demand outlook and limited supply growth together with market inefficiencies should ensure continued healthy and strong markets for our tankers. Policy shifts in the US, including potential import tariffs, port fees on Chinese built ships, may however influence trade flows. These shifts, an economic downturn, and perhaps an influx of swing tonnage, are the biggest risks. We need to be ready for such scenarios.

Longer term, newbuilding orders picked up significantly in 2024 and the year ended with a 16% orderbook as share of current fleet. Ship recycling, on the other hand, has been very limited since 2022, and the number of recycling candidates is rapidly growing. In sum, we believe the outlook in our core market is healthy, with balance between supply and demand fundamentals, subject consequences of the policy shifts.

The number of trading days for the Odfjell fleet, including external pool vessels, decreased marginally to 24,666 days from 24,850 in 2023. Trading days also decreased modestly when excluding external pool vessels, to 23,619 days from 23,826 in 2023. Total volume carried in 2024 was 13.1 million tonnes, compared to 13.7 million tonnes in 2023, the decline was partly driven by longer voyages due to deviation from the Red Sea and also reduced demand at the end of the year. The contract coverage for the year ended at 56% compared to 64% in 2023, and we were able to renew contracts with healthy rate increases through all quarters, providing support to future earnings.

At the end of 2024, our total chemical tanker fleet counted 71 vessels, including 46 owned or leased, four on operational bareboat charters, 14 on time charter, and three pool vessels. All our vessels are tailored for the deep-sea chemical tanker trades, with super-segregators comprising about 40% of our fleet. Odfjell now has 18 new buildings on order, of which 16 are contracted under long-term time charter and two will be owned. 17 of the newbuilds are to be delivered between the second half of 2025 and 2028 from different yards in Japan. Through long-term time charters with purchase options, we have significantly increased the flexibility of our fleet with limited upfront capital expenditure.

Odfjell remains a market leader within sustainability and fleet efficiency. We are well prepared for new regulations and emerging zero- emissions technologies, and we have ambitious targets to further reduce our environmental footprint.

We aim to reduce our carbon intensity by 57% by 2030, compared to 2008 levels, and to have a climate-neutral fleet from 2050. As such, we will only order newbuildings with zero- emission capable technology. Odfjell has been able to achieve its target of minimum C-rating for all vessels since we started to report on the actual Carbon Intensity Indicator (CII) of our vessels in 2023. Odfjell has a history of being at the forefront of our industry, and we are committed to continue playing an active role in shaping the industry and staying ahead of the needed curve to reach net zero by 2050.

For Odfjell Terminals, 2024 was another year marked by continuous improvements in safety performance and financial results, and steady progress in executing accretive capacity expansions. These achievements demonstrate the strength of our operating model, and we are now focused on scaling and expanding further. In the first quarter, the Bay 13 expansion project at Odfjell Terminals Houston (OTH) was successfully commissioned, adding 32,433 cbm (+9%) of fully automated storage. At the terminal in Antwerpen (NNOAT), construction began on two new tank pits— Tankpit R (27,500 cbm, 10 tanks) and Tankpit Q (12,000 cbm, 2 tanks). In November 2024, the board of OTK approved the E5 expansion, which will boost capacity by 28% to over 400,000 cbm with 10 carbon steel tanks of total 99,900 cbm.

Since May 7, 2024, the Board has comprised Laurence Ward Odfjell (Chair), Christine Rødsæther, Jannicke Nilsson, Tanja Jo Ebbe Dalgaard, Erik Nyheim and Jan Kjærvik. The Audit Committee is made up of Jan Kjærvik (Chair), Jannicke Nilsson and Tanja Jo Ebbe Dalgaard. The Nomination Committee consists of Bjørg Ekornrud (Chair), acting as an external, independent member, Christine Rødsæther, and Laurence Ward Odfjell. The Board also has a separate Remuneration Committee which is composed of Laurence Ward Odfjell (Chair) and Christine Rødsæther.

We have directors' and officers' liability insurance (D&O) in place for the Odfjell SE group. This is a liability insurance policy that covers a company's directors, officers, and the organization(s) itself when an employee holds a managerial position. It serves as defense cost advancement or loss indemnification in the event that an insured party experiences a loss due to a lawsuit brought against them for alleged wrongdoings while serving as directors and officers.

Sustainability

Odfjell continued its efforts to enhance energy efficiency and reduce emissions. We achieved a new record low in carbon intensity, reinforcing our position as the operator of the world's most energy-efficient deep-sea chemical tanker fleet. However, our absolute emissions saw a slight increase due to longer sailing routes due to deviating away from the Red Sea. We embarked on an innovative retrofit project to equip one of our tankers with suction sails. This groundbreaking initiative was successfully installed in March 2025, and we anticipate that this technology will significantly advance our ongoing efficiency improvements and emission reduction objectives.

We raised our ambition by setting a new climate target for further reductions in carbon intensity, reinforcing our long-term commitment to a net-zero future. To support this journey, we launched the first Transition Finance Framework in the Nordics, enabling financing of large and small investments in sustainability-driven initiatives. In 2024, we developed a comprehensive transition plan aligned with the EU's Sustainability Reporting Standard (ESRS) and prepared for compliance with the Corporate Sustainability Reporting Directive (CSRD). Our continued commitment to sustainability was recognized through multiple awards, including the prestigious Bergen Chamber of Commerce's Sustainability Award.

Sustainability reporting has undergone significant changes compared to previous years. Odfjell falls within the scope of the Corporate Sustainability Reporting Directive (CSRD) and reports in accordance with the European Sustainability Reporting Standards (ESRS). Our general disclosures, along with our reporting on Environmental, Social, and Governance (ESG) matters and the EU Taxonomy, are included in our Sustainability Statement as an integrated part of this Directors' Report.

Health, Safety, Security (HSS)

In 2024, we continued our commitment to health, safety, and security across all Odfjell operations. Safety remains our number one priority, and we are dedicated to ensuring a safe working environment for all employees.

We experienced an increase in Lost Time Injuries (LTIs), rising from one in 2023 to seven in 2024, with four of these incidents occurring within the Fleet Flumar operations. Fortunately, all affected individuals have recovered well. While these incidents were not severe, they reinforce our belief that even a single LTI is one too many. The Board has expressed concern over this increase and emphasizes the need for strengthened efforts to reduce LTIs to zero. To address this, we have initiated targeted actions to learn from these incidents and mitigate risks.

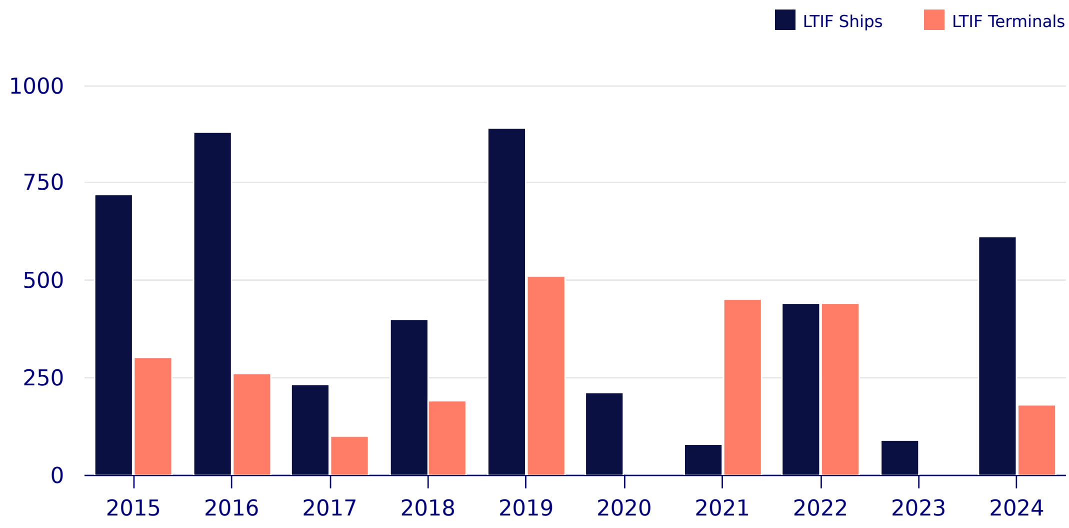
As a result, the Lost Time Injury Frequency (LTIF) in our shipping operations increased to 0.61 in 2024 from 0.09 in 2023.

At our managed terminals, we recorded one LTI, leading to an LTIF increase to 0.18 in 2024 from 0 in 2023.

Aligned with the new Sustainability Statement under the ESRS, we now provide a comprehensive report on safety, covering both General Disclosures and the Social reporting requirements under S-1 Own Workforce.

We did not experience any significant safety or security incidents at our ships or terminals. This reflects our proactive and rigorous approach to security risk assessment and mitigation. Odfjell has established a dedicated task force to monitor risks related to the Red Sea and piracy threats in the Gulf of Aden. Due to heightened risks in these regions, we have rerouted our vessels away from affected areas and redirected our shipping routes around Africa.

Cybercrime is still a significant concern for the maritime industry. At Odfjell, we have adopted a holistic approach to cybersecurity, addressing both technical and human factors. Our efforts focus on fostering behaviors that effectively mitigate cyber threats. We have implemented advanced cybersecurity technologies to protect our systems and conduct regular training for all employees to reinforce cyber risk awareness and preparedness.



Corporate Governance

The framework for our corporate governance is the Norwegian Code of Practice for Corporate Governance of October 14, 2021. Odfjell is committed to ethical business practices, honesty, fair dealing, and compliance with all laws affecting our business. This includes adherence to high standards of corporate governance. The Board's statement on corporate governance is part of the Group's Annual Report. Our Corporate Social Responsibility policy also focuses on quality, health, safety, and care for the environment, as well as human rights, non- discrimination, and anti-corruption. The company has its own Code of Conduct that addresses several of these matters. All Odfjell employees are obliged to comply with the Code of Conduct, and the same applies to our main suppliers who must adhere to our Supplier Code of Conduct.

Business summary

We remain committed to our long-term strategy of enhancing our position as a leading company in the global market for the transportation and storage of bulk liquid chemicals, acids, edible oils and other specialty products.

By focusing on the safe and efficient operation of a versatile and sophisticated fleet of global and regional chemical tankers, with cargo consolidation at our tank terminal network, we aim to enhance product stewardship in the solutions we provide to our customers. The fleet is operated in complex and extensive trading patterns, meeting our customers' demand for safety, quality, and the highest standards of service. Our fleet has a critical mass that enables efficient trading patterns and optimal fleet utilization. The industry in general continues to suffer from congestion in port due to lagging investment in port infrastructure.

Comments to segment figures below are by the proportionate consolidation method.

Chemical Tankers

Gross revenues from our chemical tanker activities amounted to USD 1,247 million in 2024, an increase from USD 1,192 million in 2023. EBITDA came in at USD 506 million and EBIT at USD 344 million, compared with USD 443 million and USD 286 million respectively in 2023. Corporate costs related to Odfjell SE are included in the general and administrative expenses for chemical tankers. Total assets at year-end stood at USD 1,983 million, up from USD 1,809 in the previous year.

Chemical Tankers segment	Figures in	**2024**	2023	2022
Revenue	USD mill.	1 247	1 192	1 308
EBITDA	USD mill.	506	443	372
EBIT	USD mill.	344	286	215
Net result	USD mill.	268	195	133
Assets	USD mill.	1 983	1 809	1 829
ROCE	%	20.4%	17.9%	13.0%

We achieved healthy rate increases on Contract of Affreightment (CoA) renewals during all quarters of the year, and CoA share of total volume transported ended at 56%.

The operation of chemical tankers is complex. In 2024, our ships loaded approximately 500 different products during our more than 2,000 port calls. Unlike in most other shipping segments, our ships may call at several berths in each port, both loading and discharging a variety of products with different properties. This is an expensive and time-consuming process that sets high demands on our personnel, equipment, and procedures. We maintain our position as a preferred chemical tanker operator, by delivering world class safety, quality, and efficiency performance.

Odfjell expanded its fleet with four medium sized stainless steel newbuildings on long-term time charter in 2024, and we also took ownership of one supersegregator previously on operational lease. We also sold one of our oldest tankers, the 1995-built Bow Atlantic.

We have exercised purchase options on four supersegregators currently on operational lease, and we will take ownership of these vessels in 2025 and 2026. Additionally, we ordered ten newbuildings in 2024, leaving us with a total orderbook of 18 vessels by December 31, 2024. Two of these vessels will be Odfjell-owned whereas the rest will be on long-term time charters. Most of the vessels we have on order are long-term time charter agreements with purchase options, offering flexibility with regards to future propulsion technologies and changing regulations.

All in all, our contract portfolio leaves us with a reasonable exposure to spot markets, and our fleet provides flexibility for both cargo requirements and trade lanes. This combination supports Odfjell's strategy to capture the short term and de-risk the long term.

Tank Terminals

For 2024, gross revenues from Odfjell's tank terminal activities amounted to USD 88 million, compared with USD 82 million in 2023, while EBITDA for 2024 amounted to USD 44 million, up from USD 38 million in 2023. These results represent the strongest financial performance since we restructured our terminal portfolio in 2018/2019. At year-end 2024, the book value of Odfjell's share of tank terminal assets was USD 357 million, compared with USD 361 million at the end of 2023.

Terminals segment	Figures in	**2024**	2023	2022
Revenue	USD mill.	88	82	84
EBITDA	USD mill.	44	38	40
EBIT	USD mill.	19	15	15
Net result	USD mill.	10	8	9
Assets	USD mill.	357	362	352
ROCE	%	6.7%	5.0%	5.4%

Odfjell's terminal platform comprises four strategically located tank terminals in the United States (Houston and Charleston), Korea (Ulsan), and Belgium (Antwerp), with a total capacity of 1.3 million cbm. With a portfolio of strong assets, a legacy spanning over half a century, and the strategic advantages of also being a shipping company, we are uniquely positioned as an active, long-term industrial owner of terminal infrastructure assets. By leveraging Odfjell's know-how, brand and customer reach, we support our strong local management teams in driving performance, operational improvements, and pursuing accretive expansions.

Odfjell Terminals continues to maintain a strong safety record, with zero personnel injuries at our Ulsan and Charleston terminals in 2024. Odfjell Terminals US was awarded the International Liquid Terminal Association (ILTA) Safety Excellence Award in 2024 for the second consecutive year, reflecting our ongoing commitment to maintaining the highest standards of safety.

In the first quarter of 2024, the Bay 13 expansion project at OTH was successfully completed, adding 32,433 cbm of fully automated storage capacity across nine tanks. At our Antwerp terminal, construction commenced on two new tank pits: Tankpit-R (27,500 cbm) and Tankpit-Q (12,000 cbm). These mark the sixth and seventh expansions at our Antwerp terminal since 2018. In November 2024, the Board of Odfjell Terminals Korea (OTK) approved the E5 expansion project, which will increase the Ulsan terminal's capacity by 28% to over 400,000 cbm with 10 carbon steel tanks of total 99,900 cbm. Since 2018, we have collectively added 276,000 cbm to our total capacity, with the ongoing Tankpit Q and E5 projects contributing an additional 99,900 cbm. In aggregate, these expansions represent a 25% increase in our capacity compared to our 2018 footprint. With a high degree of automation and by leveraging existing infrastructure, these projects represent very value accretive investments.

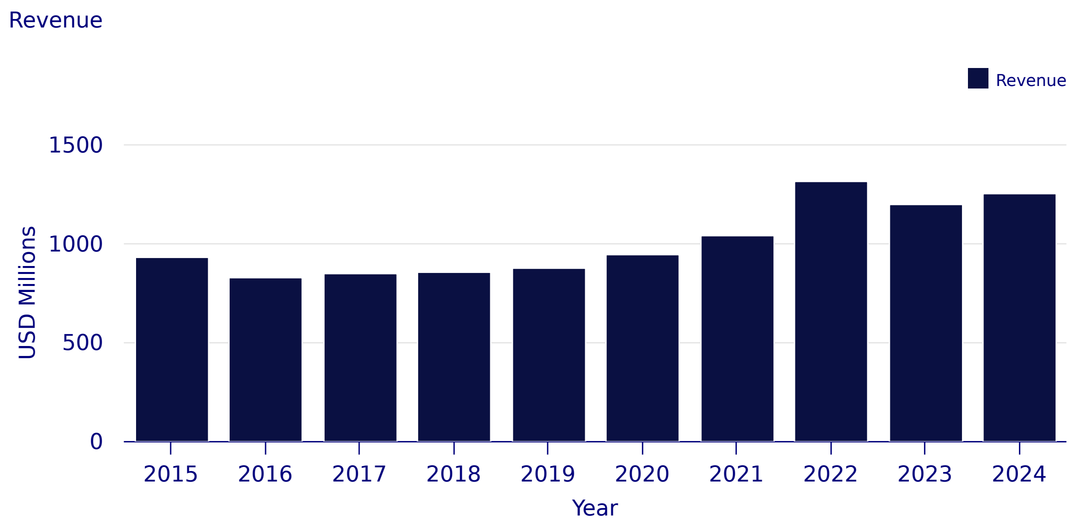
Also from a commercial perspective, the terminal portfolio continued to perform well in 2024, maintaining an average commercial occupancy of a high 96%, in line with previous years. High occupancy rates at our Ulsan and Antwerp terminals have been a positive driver, largely offsetting a somewhat softer tank storage market in the US. While potential trade wars and toll barriers add another layer of uncertainty for 2025, we expect storage demand to remain robust across all our locations. The Antwerp terminal achieved unprecedented activity levels in 2024, bolstered by robust demand for glycols and base oil.

In 2024, we advanced our multi-year digital transformation program at our US terminals, upgrading our terminal management system and digitizing core operational processes across marine, truck, and rail activities.

Looking ahead, we will remain focused on delivering safe, reliable, and efficient services to our customers, while enhancing the quality of our operations through continued investments in automation and digitalization. We remain committed to disciplined growth, seeking accretive opportunities both within and beyond our existing footprint.

Profit & loss for the year - consolidated

The Group's Financial statements have been prepared in accordance with IFRS. Gross revenues for the Odfjell Group came in at USD 1 249 million, up 4.6 % from the preceding year. Much of the increase in gross revenue can be attributed to higher freight rates. The consolidated result before taxes in 2024 was positive USD 280 million, compared with positive USD 210 million in 2023. The income tax expense in 2024 amounted to USD 2 million, compared with USD 7 million in 2023.

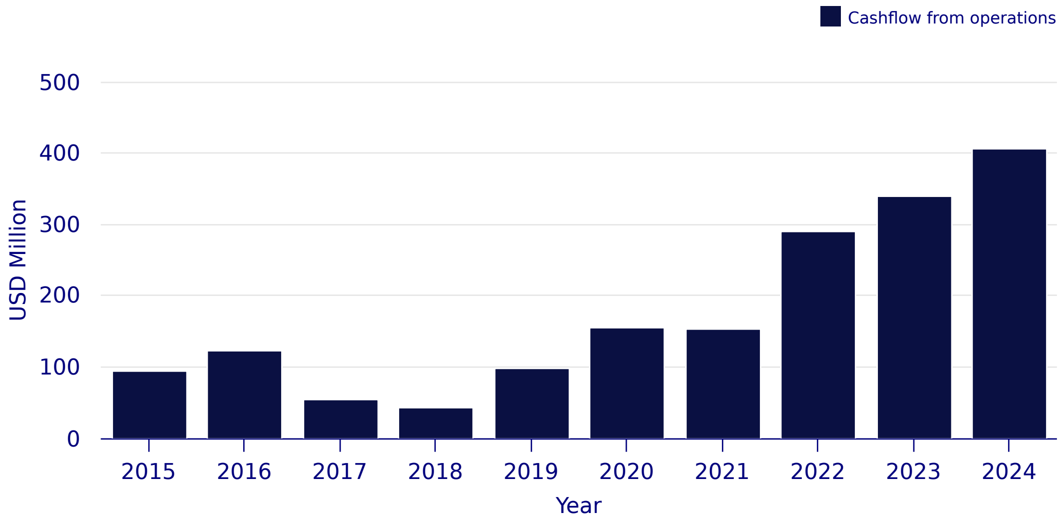


EBITDA for 2024 totaled USD 517 million, compared with USD 451 million the preceding year. The increase in EBITDA in 2024 was mainly driven by stronger chemical tanker markets impacting results from Odfjell Tankers. EBIT was positive USD 354 million in 2024, compared with positive USD 294 million in 2023. The net result for 2024 was positive with USD 278 million, compared to a net profit of USD 203 million in 2023.

Net result from associates and joint ventures was up to positive 11 million in 2024 from a positive USD 9 million in 2023, mainly driven by increased capacity and improved rates.

Net financial expenses for 2024 totaled USD 75 million, compared with USD 84 million in 2023. The average USD/NOK exchange rate in 2024 was 10.74 compared to 10.56 in 2023. The NOK weakened against the USD to 11.34 by December 31, 2024, from 10.20 at year-end 2023.

The cash flow from operations was USD 406 million in 2024, compared with USD 340 million in 2023. The net cash flow from investments was negative USD 73 million, which includes docking expenses and acquisition of one vessel previously on bareboat charter. The cash flow from financing activities in 2024 was negative USD 299 million as we continued to reduce debt and pay dividend.



The parent company (Odfjell SE) delivered a positive net result for the year of USD 402 million compared to positive net result of USD 34 million in 2023. The increase in the net result is mainly driven by received dividend from subsidiaries. The net result for 2024 will be allocated to other Equity. As of December 31, 2024, total equity amounted to USD 871 million.

The Annual General Meeting will be held online May 7, 2025.

According to §3.3 of the Norwegian Accounting Act, we confirm that the financial statements have been prepared on the going concern assumption.

Shares and shareholders

The Company is an SE (Societas Europaea) company subject to Act No 14 of April 1, 2005, relating to European companies. The company's registered office is in the city of Bergen, Norway. The object of the company is to engage in shipping, ship agency, tank terminals, real estate, finance and trading activities, including the transportation of freight in the company's own vessels or chartered vessels, the conclusion of freight contracts, ownership and operation of tank terminals, as well as investment and participation in other enterprises with a similar object and other activities related thereto.

Total shares as of end of December were 79 719 846 shares, with 60 463 624 A-shares and 19 256 222 B-shares. The total shares include Odfjell SE treasury shares of 153 292 A-shares and 497 634 B-shares. By end of December 2024, Odfjell A- and B-shares were trading at NOK 116.8 and NOK 115.8 respectively, against NOK 116.5 and NOK 116.5 respectively at the close of 2023, reflecting a total weighted return (including dividend paid during 2024) of 13.3%. In the same period, the Oslo Stock Exchange Shipping Index was positive with 13.2%.

Key figures

The return on equity for 2024 was 32.1% and return on total assets was positive 17.4%. The corresponding figures for 2023 were 27.2% and 14.1% respectively. The return on capital employed (ROCE) was 19.4% in 2024. Earnings per share in 2024 amounted to positive USD 3.5 (NOK 39.9), compared with positive USD 2.6 (NOK 26.3) in 2023.

Financial risk and strategy

Odfjell's financial strategy is to ensure that we have a business model and capital structure that is robust throughout market cycles, yet flexible enough to take advantage of trends and opportunities. We need to be able to withstand prolonged adverse conditions in the chemical and financial markets, while also being able to act on opportunities and challenges, at any given time. To achieve this, Odfjell has an active approach to financial risk management, with a focus on attracting funding from diversified sources, maintaining high liquidity and credit reserves, and systematic monitoring and management of financial risks related to currencies, interest rates, bunkers and emission allowances. Derivatives may be used to reduce our exposure to some of these financial risks.

The average historical fluctuation in time charter earnings per day for our chemical tanker fleet has been approximately 15% per annum over the last five years, an increase of around one percentage point from last year. Sensitivity analysis shows that a prolonged change in time charter earnings of 10% will impact our pre-tax net income by approximately USD 79 million.

The single, largest cost component affecting time charter earnings is bunkers, and Odfjell makes physical purchases of bunkers worldwide. A substantial part of our consumption is hedged through bunkers adjustment clauses in contracts of affreightment. Uncovered consumption from spot volumes, or contracts without bunkers adjustment clauses, are considered for financial hedging. However, we did not have any financial bunkers hedges in place during 2024. A USD 50 increase in the average bunkers price per metric ton would reduce our pre-tax net income by approximately USD 7 million.

In 2024, shipping was included in the EU ETS, introducing a new voyage cost component in the form of emission allowances. Most of the cost is passed through to end-charterers, with full transparency on actual emissions, which is in line with the intention of the new ETS regulations, but we may consider financial hedging of emission allowances to reduce inefficiencies. However, our best risk-reduction action to counter new emissions regulations is to continue improving the energy efficiency of our fleet. Odfjell is not engaged in the derivatives market for forward freight agreements. A EUR 25 increase in the average price for an EU emission allowance unit would increase our gross voyage expense by EUR 3 million.

All interest-bearing debt, except bonds in the Norwegian bond market and debt borne by tank terminals outside the US, is denominated in USD. Loans have various amortization profiles, but the majority are floating rate with SOFR as a benchmark. A 1% increase in the interest rate would reduce our pre-tax net income by approximately USD 7 million, before hedges. As of December 31, 2024, we have USD 300 million of interest rate hedges in place, covering approximately 41% of interest-bearing debt. Debts related to right of use of assets are mainly related to fixed USD denominated charter hire for long-term charted vessels.

The Group's revenues are primarily denominated in USD. Non-financial currency risk relates mainly to the net income and cash flow from voyage related expenses, ship operating expenses, including crew costs, and general and administrative expenses denominated in non-USD currencies, mainly NOK and EUR. A 10% decrease in the USD against the NOK would reduce our pre-tax net income by approximately USD 9 million, before hedges. Our NOK exposure is relatively long-term, visible and stable, and we have hedged parts of our expected NOK cash flows, for up to two and a half years, through forward exchange contracts. Financial currency risk, relating to non-USD denominated debt, being our NOK denominated bond, is hedged 100%, as interest payments and principal in NOK is swapped for principal and interest payments in USD at the time of issuance.

Liquidity and financing

Total nominal interest-bearing debt as of December 31, 2024, was USD 745 million, compared with USD 849 million at the start of the year. Total debt, in carrying currency and including debts related to right of use of assets (IFRS16 leases) and capitalized transaction expenses was USD 1,142 million. Cash and cash equivalents totaled USD 147 million as of December 31, 2024, compared with USD 112 million at the start of the year. Undrawn commitments under long-term bank facilities totaled USD 83 million, bringing total available liquidity to USD 229 million at year-end 2024. The equity ratio was 42.9% at year-end, compared to 40.0% as of December 31, 2023. Available liquidity and equity ratio are both in the upper end of our long-term targeted ranges.

Odfjell has a diversified capital structure and has solid access to a wide range of funding sources from top-tier banks, leasing houses and from the bond market. Our cost of financing has improved in all credit markets over the last few years. In 2024, we completed one refinancing transaction, involving six vessels. A seventh vessel was added to the facility later in the year after we repurchased it from a financial lease. The transaction was done at improved terms and contributed to lowering our cost of capital. This loan facility also incorporated a transition finance tranche based on the framework we developed and implemented early in 2024, supporting the funding of our decarbonization project. 70% of our interest-bearing debt per December 31, 2024, was sustainability-linked.

The average maturity of the Group's total interest-bearing debt is 2.9 years (3.8 years in 2023). Average maturity on mortgaged loans from financial institutions is 2.3 years (3.3 years in 2023), financial leases mature on average in 6.6 years (6.4 years in 2023) and unsecured bonds mature on average in 0.1 years (1.1 years in 2023). The average loan margin for the Group's interesting-bearing debt per end of 2024 is 2.77% versus 2.86% end of 2023. Odfjell had a bond that matured in January 2025 for a total of NOK 850 million that was swapped to USD 100 million. This bond was repaid with available liquidity reserves upon maturity. We have few other upcoming and material maturities in 2025 but will continue to optimize our debt portfolio to reduce debt and further improve our cost of capital. Debts related to the right of use of assets totaled USD 397 million as of December 31, 2024. This obligation is mainly related to fixed USD denominated charter hire for long-term chartered vessels with an average maturity of 3.6 years.

Organization, working environment and job opportunities

Looking back on 2024, it was a year marked by numerous record-breaking financial results, a strong safety performance, and a widely recognized sustainability position. Our continuous efforts to improve safety, profitability, and efficiency are having a positive impact. To deliver strong results we need to evolve individually and as an organization. This is enabled by a physically and psychologically safe work environment. Over the past year, we have rolled out a holistic all-company development program for our onshore employees and managers, based on the results of employee engagement surveys, to further strengthen our work environment. Fleet Week conferences, where we bring together colleagues from sea and shore to share information and learn, also continued in 2024 with positive feedback.

Our leadership courses and external assessments of senior officers at sea continue; in 2024, we scheduled five Odfjell Leadership Training courses, ten Elite Pro assessments, and several Bridge Resource Management (BRM) and Engine Resource Management (ERM) training courses.

In 2024, we stayed on track to achieve our goal of a minimum 30% gender balance at all levels by 2030. With 170 employees at our Bergen headquarters, the overall composition stands at 66% men and 34% women (same figures as in 2023). Globally, our figures are 68% men and 32% women, also consistent with the previous year. Three of the six directors of the board of Odfjell SE are women. We have set specific targets to further improve our gender balance in line with our strategy and the requirements of the Equality and Anti-Discrimination Act §26.

Our commitment to freedom of association and adherence to local norms and collective bargaining agreements, both onshore and at sea, remains steadfast. Through councils, committees, and surveys, we actively listen to our employees. Our annual performance management wheel enables a structured dialogue between onshore employees and their direct managers, supports our overall direction and fosters competence development and employee growth.

In 2024, we focused on training employees and leaders through the above-mentioned all-company development program. The aim of this initiative is to continue to foster a safe, sustainable, and inclusive workplace, where everyone can contribute and is treated with respect. We believe that such a workplace will retain and attract tomorrow's talent.

Our organization has maintained a below-industry absence rate, with a decrease compared to last year. In 2024, the absence rate at our headquarters was 2.37% (down from 2.82% in 2023). Among our own pool of Odfjell and Flumar seafarers, the absence rate for 2024 stood at 2.5% (rising from 1.35% in 2023). The turnover rate at our headquarters decreased to 1.18% (from 3.6% in 2023), and for seafarers, the rate for 2024 was 2.6% (compared to 3.4% in 2023). High scores in engagement and enablement surveys, coupled with our low absence rates onshore and at sea and high retention, indicate a robust and healthy working environment.

The Board would like to thank all employees for the many positive achievements in 2024.

Remuneration of the Executive Management group

The Remuneration Committee handles the salary and other remuneration for the Executive Management and makes its recommendations to the Board. A description of the remuneration of the Executive Management and the Group's remuneration policy, including the scope and organization of bonus and share-price-related programs, is provided in the Board of Directors' Guidelines for salary and other remuneration to leading personnel. A ceiling has been set for performance-related remuneration. The Board of Directors' Report on salary, and other remuneration for leading personnel, is considered at the general meeting and made available to shareholders, together with the notice of the annual general meeting. It is also available on the company's website. Also see Note 20 in the Odfjell Group accounts for details about the remuneration of management in 2024.

Market development

Despite core supply and demand fundamentals being relatively stable in 2024, our markets saw significant volatility driven by external factors. The year began with several market drivers simultaneously pulling up spot rates. Transit restrictions in the Panama Canal were followed by attacks on commercial shipping in the Southern Red Sea and Gulf of Aden, both disrupting shipping markets.

At the same time, chemical and vegoil volumes remained solid and demand factors in our neighboring Clean Petroleum Product (CPP) segment contributed to high product tanker earnings. In combination, this led to a very tight balance between supply and demand, supporting high spot freight rates and chemical tanker earnings.

The picture changed in the summer as softened crude tanker markets led operators of the largest ships to swing into the clean tanker markets. This eroded MR earnings and pushed MR operators into the chemical tanker trades. While competition from swing tonnage remained at a moderate level compared to the previous high in 2021, it still put pressure on chemical tanker earnings, although operators with strong CoA portfolios saw a more limited impact compared to spot operators.

The overall outlook is healthy, albeit with uncertainties when looking ahead. Global seaborne volumes of chemicals and vegoils are expected to grow at a steady pace, short-term fleet growth in our core segment is expected to be low or negative, and expectations are for swing tonnage to normalize in 2025 compared to recent slightly more elevated levels.

Longer term, the core, deep-sea chemical tanker orderbook has reached 16% as share of current fleet, with most vessels scheduled for delivery in 2026 and 2027. We are likely to see net fleet growth over the next three to four years, especially in the medium-sized segment, whereas the picture is more balanced for large chemical tankers and supersegregators. The orderbook is higher in our neighboring segment of product tankers and simple chemical tankers, reaching 20% as share of current fleet, although net fleet growth is expected to be moderate due to the aging fleet. In summary, we believe the orderbook is at a reasonable level when accounting for fleet age and demand outlook.

The most significant uncertainties are related to macroeconomic and geopolitical developments. Both China and Europe are struggling with lower economic growth, and there are signs of increased barriers to international trade which usually lead to lower economic growth over time. Meanwhile, conflicts persist in the Middle East and Ukraine, and countries worldwide are adopting increasingly cautious positions on international diplomacy and alliances.

Company strategy and prospects

The chemical tanker market exists in an increasingly complex environment. This highlights the importance of a having a strategy that accounts for uncertainty and sudden developments.

Odfjell strives to provide safe, efficient, and cost-effective chemical tanker and tank terminal services to our customers worldwide. Our strategy can be summed up as "Capturing the short term while de-risking and preparing for the long term". We want the flexibility and agility to take advantage of upswings in our markets. At the same time, we must be prepared for weaker markets by operating an efficient fleet, being a leader in sustainability, and having a strong balance sheet and well-run organization.

Our strategy is backed up by six long-term goals:

- Safety
  Industry leading safety record with zero incident target
- Chemical tankers
  The leader within deep-sea Chemical Tankers
- Terminals
  A growing terminal business that is robust, profitable and significant in scale
- Finance
  Positive Cash Flow across the cycles, a strong balance sheet and a competitive cost of capital
- Sustainability
  Embed sustainability to gain a competitive edge in the market and drive positive change
- People
  An organization that attracts, develops and retains the best people

Deliveries of new chemical tanker vessels are anticipated to increase in 2026. However, an aging fleet coupled with projected demand growth is expected to mitigate the risk of an oversupply. The volatile geopolitical and macroeconomic situation adds uncertainty, and shocks could send our markets in either direction but they have, in recent years, mostly supported spot freight rates through disruption of the supply side.

The main risk to the chemical tanker market outlook, in the medium –term, is a slow-down in the CPP market leading product tankers to swing into chemicals, as we saw in the second half of 2024. While we were able to generate solid earnings through this period, the share of swing tonnage was not very high in historical terms. Should we see significant newbuilding deliveries coincide with a slump in demand for shipping of CPP, the impact on chemical tankers could be significantly worse. While we expect the share of product tankers operating in chemical trades to remain reasonably stable, we must take this risk into consideration.

The global chemical output grew by 3.4% in 2024 and is projected to increase by around 3% in 2025 according to S&P Global. Much of the growth came from the Asia/Pacific region with an increase of 4.8%, and this is expected to continue in 2025. US chemical output saw a flat development in 2024 but is forecasted to grow by around 3% in 2025 with the ethane feedstock advantage continuing to be a comparative advantage for US production. These projections were provided before the proposed US import tariffs and may be affected by the economic fallout from this. For the Middle East growth was below the global average in 2024 but is expected to pick up in 2025. After two years of decline, Europe expanded its output in 2024 by 1.9%, while for 2025, a modest growth of 0.5% is forecasted by the European Chemical

Industry Council (CEFIC). The chemical industry in Europe continues to struggle with energy and feedstock costs above competing regions.

Looking further ahead, continuing the decarbonization of our fleet is necessary both to alleviate risk and to gain a competitive advantage. Innovation remains at the heart of our decarbonization strategy and Odfjell has established programs and roles to evaluate novel technologies and develop concepts for the next generation of chemical tankers. Among other initiatives, we have installed suction sails on one of our supersegregators in first quarter of 2025. We are on track to meet regulations for 2030 and will only order newbuildings with zero-emission capable technology going forward. From 2050, we aim to have a zero-emissions capable fleet.

The geopolitical situation remains very uncertain. The Russian invasion of Ukraine continues but there are ongoing talks between various parties that may lead to a solution in the future. At the same time, the pressures on Europe to substantially increase defence spending are escalating. The fragile ceasefire agreement in Gaza represents a step towards stability, which may contribute to an improved situation in the Red Sea, although commercial shipping through the region is likely to recover only gradually.

We analyze and assess geopolitical risk as part of our overall corporate risk assessment. The risk picture is dynamic and frequently updated. According to our assessment, Russia and tensions between the US/the West and China pose the most significant geopolitical risks in 2025 and, together with the risk for increased protectionism, tariffs and proposed new US Port Fees that all may potentially harm global trade, this will continue into the first half of 2025.

In the meantime, we remain focused on deleveraging to build financial strength, reducing our cash break-even level, and delivering positive free cash flow throughout the cycles. We have a clear target to increase our market share, and our long-term ambition is to expand our fleet within our core markets. As the infrastructure for sustainable fuels is lacking, we are currently concentrating on fleet renewal and expansions through long-term time charters with purchase options to retain flexibility. We are also monitoring opportunities in the second-hand market and potential new pool arrangements, and we evaluate M&A prospects if deemed attractive.

Our mission remains clear: We handle hazardous liquids safely, sustainably, and more efficiently than anyone else in the industry.

Sustainability Statement

In line with the European Union's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), this sustainability statement offers a comprehensive overview of Odfjell's sustainability initiatives and business conduct. The CSRD aims to enhance corporate transparency and accountability by mandating detailed disclosures on environmental, social, and governance (ESG) factors, thereby facilitating informed decision-making among stakeholders.

This statement is structured to provide insights into our material impacts on people and the environment, as well as the significant effects of sustainability matters on our business operations. By adhering to the ESRS framework, we ensure that our reporting is consistent, comparable, and aligned with EU regulatory requirements.

The sustainability statement is organized into four distinct sections:

General Information: This section complies with ESRS 2, offering an overview of our sustainability policies, management approaches, and outlining the context within which we operate.

Environmental Information: Aligned with ESRS topical standards, this segment details our environmental performance, including disclosures pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy), highlighting our contributions to environmental objectives.

Social Information: This part addresses social aspects as per ESRS topical standards,

Governance Information: Following ESRS topical standards, this section outlines our governance structures, policies, and the practices that underpin our commitment to ethical and effective management. This section also encompass an entity-specific standard in ship recycling.

Through this structured approach, we aim to provide stakeholders with transparent and detailed information on our sustainability performance and demonstrate our dedication to responsible business practices and compliance with EU sustainability reporting standards.

Content Index

Content index - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (Disclosure Requirement ESRS 2 IRO- 2 paragraph AR 19 & ESRS Appendix C)

ESRS	List of Disclosure Requirements	material/obligatory	Reference
ESRS 2	**General Disclosures**		
BP-1	General basis for preparation of sustainability statement	obligatory	BP-1
BP-2	Disclosures in relation to specific circumstances	obligatory	BP-2
GOV-1	The role of the administrative, management and supervisory bodies	obligatory	GOV-1
GOV-1-G1	The role of the administrative, management and supervisory bodies	obligatory	GOV-1-G1
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	obligatory	GOV-2
GOV-3	Integration of sustainability-related performance in incentive schemes	obligatory	GOV-3
GOV-3-E1	Integration of climate change-related performance in incentive schemes	material	GOV-3-E1
GOV-4	Statement on due diligence	obligatory	GOV-4
GOV-5	Risk management and internal controls over sustainability reporting	obligatory	GOV-5
SBM-1	Strategy, business model and value chain	obligatory	SBM-1
SBM-2	Interests and views of stakeholders	obligatory	SBM-2
SBM-2-S1	Own workforce - Interests and views of stakeholders	material	SBM-2-S1
SBM-2-S2	Workers in the value chain - Interests and views of stakeholders	material	SBM-2-S2
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	obligatory	SBM-3
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	obligatory	IRO-1
IRO-1-E1	Description of the processes to identify and assess material climate change-related impacts, risks and opportunities	obligatory	IRO-1-E1
IRO-1-E2	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	obligatory	IRO-1-E2
IRO-1 –E3	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	obligatory	IRO-1-E3
IRO-1-E4	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	obligatory	IRO-1-E4
IRO-1-E5	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	obligatory	IRO-1-E5
IRO-1-G1	Description of the processes to identify and assess material business conduct impacts, risks and opportunities	obligatory	IRO-1-G1
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	obligatory	IRO-2
ESRS E1	**Climate Change**		
E1-1	Transition plan for climate change mitigation	material	E1-1
ESRS 2 SBM-3-E1	Material climate change-related impacts, risks and opportunities and their interaction with strategy and business model	material	SBM-3-E1
E1-2	Policies related to climate change mitigation and adaptation	material	E1-2
E1-3	Actions and resources in relation to climate change policies	material	E1-3
E1-4	Targets related to climate change mitigation and adaptation	material	E1-4

E1-5	Energy consumption and mix	material	E1-5
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	material	E1-6
ESRS E2	**Pollution**		
ESRS 2 SBM-3-E2	Material pollution-related impacts, risks and opportunities and their interaction with strategy and business model	material	SBM-3-E2
E2-1	Policies related to pollution (not GHG)	material	E2-1
E2-2	Actions and resources related to pollution	material	E2-2
E2-3	Targets related to pollution	material	E2-3
E2-4	Pollution of air, water and soil	material	E2-4
ESRS S1	**Own workforce**		
ESRS 2 SBM-3-S1	Material own workforce-related impacts, risks and opportunities and their interaction with strategy and business model	material	SBM-3-S1
S1-1	Policies related to own workforce	material	S1-1
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	material	S1-2
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	material	S1-3
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	material	S1-4
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	material	S1-5
S1-6	Characteristics of the undertaking's employees	material	S1-6
S1-9	Diversity metrics	material	S1-9
S1-14	Health and safety metrics	material	S1-14
S1-16	Remuneration metrics (pay gap and total remuneration)	material	S1-16
S1-17	Incidents, complaints and severe human rights impacts	material	S1-17
ESRS S2	**Workers in the value chain**		
ESRS 2 SBM-3- S2	Material workers in the value chain-related impacts, risks and opportunities and their interaction with strategy and business model	material	SBM-3-S2
S2-1	Policies related to value chain workers	material	S2-1
S2-2	Processes for engaging with value chain workers about impacts	material	S2-2
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	material	S2-3
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	material	S2-4
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	material	S2-5
ESRS G1	**Business Conduct**		
ESRS 2 SBM-3-G1	Material business conduct-related impacts, risks and opportunities and their interaction with strategy and business model	material	SBM-3-G1
G1-1	Business conduct policies and corporate culture	material	G1-1
G1-2	Management of relationships with suppliers	material	G1-2
G1-3	Prevention and detection of corruption and bribery	material	G1-3

G1-4	Incidents of corruption or bribery	material	G1-4
G1-6	Payment practices	material	G1-5
ENT1	**Entity specific topic - Ship recyling**		
ESRS 2 SBM-3-ENT1	Material ship recycling-related impacts, risks and opportunities and their interaction with strategy and business model	material	SBM-3-ENT1
MDR-P-ENT1	Minimum disclosure requirement – Policies adopted to manage material sustainability matters – Entity-specific topic	material	MDR-P-ENT1
MDR-A-ENT1	Minimum disclosure requirement - Actions and resources in relation to material sustainability matters – Entity-specific topic	material	MDR-A-ENT1
MDR-M-ENT1	Minimum disclosure requirement – Metrics in relation to material sustainability matters – Entity-specific topic	material	MDR-M-ENT1
MDR-T-ENT1	Minimum disclosure requirement – Targets - Tracking effectiveness of policies and actions through targets – Entity-specific topic	material	MDR-T-ENT1

General Information

General basis for preparation of the sustainability statement (ESRS 2 BP-1)

The sustainability reporting is based on a double materiality assessment, risk assessments, and current standards. Odfjell SE (Odfjell) has recently developed a thorough sustainability reporting framework that incorporates our strategy, risk assessments, and performance. Risk assessments and materiality assessments set the priority for actions and reporting.

Odfjell is an integrated shipping company with stakes in terminals located in the United States, Belgium, and South Korea. The terminals in the United States and South Korea are structured as joint ventures with Odfjell holding a 50% ownership stake, while the terminal in Belgium is an associated company. In our financial reporting, Odfjell Terminals (Terminals) are accounted for using the equity method rather than through full consolidation.

Although these terminals support the value chain for chemical storage and transportation, they are independently operated and are public terminals, not specifically integrated into Odfjell's shipping activities. Governance of these terminals is managed through shareholder agreements, which allocate equal control among the shareholders and establish a board with equal representation from each shareholder. As a result, Odfjell does not have operational control over these terminals and, therefore, does not serve as a controlling owner. Due to this lack of operational control, Terminals are not consolidated in our financial statements nor are they included in our sustainability reporting. Instead, these terminals are considered part of the upstream value chain for Odfjell's activities and are accounted for as such.

The sustainability statement includes material topics from the double materiality assessment for upstream, across, and downstream operations. A complete value chain analysis (VCA) has been developed as the foundation for evaluating key sustainability topics (Ref. ESRS 1) at all stages of the value chain. The VCA has also played an important role in disclosing scope 3 carbon emissions metrics, conducting human rights impact evaluations, and managing our supplier relationships.

The sustainability statement consolidates all controlled entities in the Odfjell Group, the same as the financial reporting.

Classified and competitively sensitive information identified in the opportunity section of the climate and nature risk assessments, as well as details about fleet transition and investments to meet climate targets, are not shared. Examples of this are the specific fleet transition activities and investments.

Disclosures in relation to specific circumstances (ESRS 2 BP-2)

GENERAL DISCLOSURES

The 2024 Sustainability Report marks Odfjell's first year reporting under the new, mandatory European Sustainability Reporting Standards (ESRS). Given the complexities inherent in this initial reporting cycle, it will include some interpretations. As we implement these standards, we anticipate certain uncertainties in specific reporting details, especially in the interpretation of new regulatory requirements, the reliance on estimates, and adjustments that may arise from the limited assurance process. There will also be challenges related to data collection, as we need data that is produced outside our control, uncertainty in estimates, and areas where we have to recalculate older data to match new data requirements.

Moreover, decarbonization in shipping entails significant capital investment in an industry marked by competition, market fluctuations, and unpredictable pricing and availability of alternative fuels. We aim to provide transparency in this report while acknowledging these factors which influence our sustainability journey, and will likely continue to shape our reporting in the coming years.

Odfjell has previously included Terminals in selected ESG metrics. Following ESRS and disclosure under BP-1, Terminals will not be included in the reporting in 2024.

EMISSION REPORTING AND FLEET CATEGORIZATION

Emissions from our vessels includes all GHG emissions through all of the ships operations. Odfjell's fleet is categorized based on criteria related to control, responsibility, operations, and ownership of individual ships. Historically, Odfjell has reported fleet emissions data according to two primary categories: the controlled fleet and the operated fleet, in alignment with the Greenhouse Gas (GHG) Protocol. With the introduction of the European Sustainability Reporting Standards (ESRS), new fleet categorization criteria have been established, differing from Odfjell's previous reporting practices.

To ensure transparency and consistency, Odfjell has aligned its reporting with both industry standards and the ESRS definitions of responsibility. These definitions have been fully integrated into our Scope 1 emissions reporting.

Carbon intensity reporting is entity-specific; therefore, Odfjell reports carbon intensity exclusively for the controlled fleet. The controlled fleet consists of vessels for which Odfjell can influence carbon intensity through both operational and technical measures. In contrast, for the operated fleet, Odfjell can primarily influence carbon intensity only through operational measures, as the company neither owns nor has control over technical measures for a significant portion of this fleet.

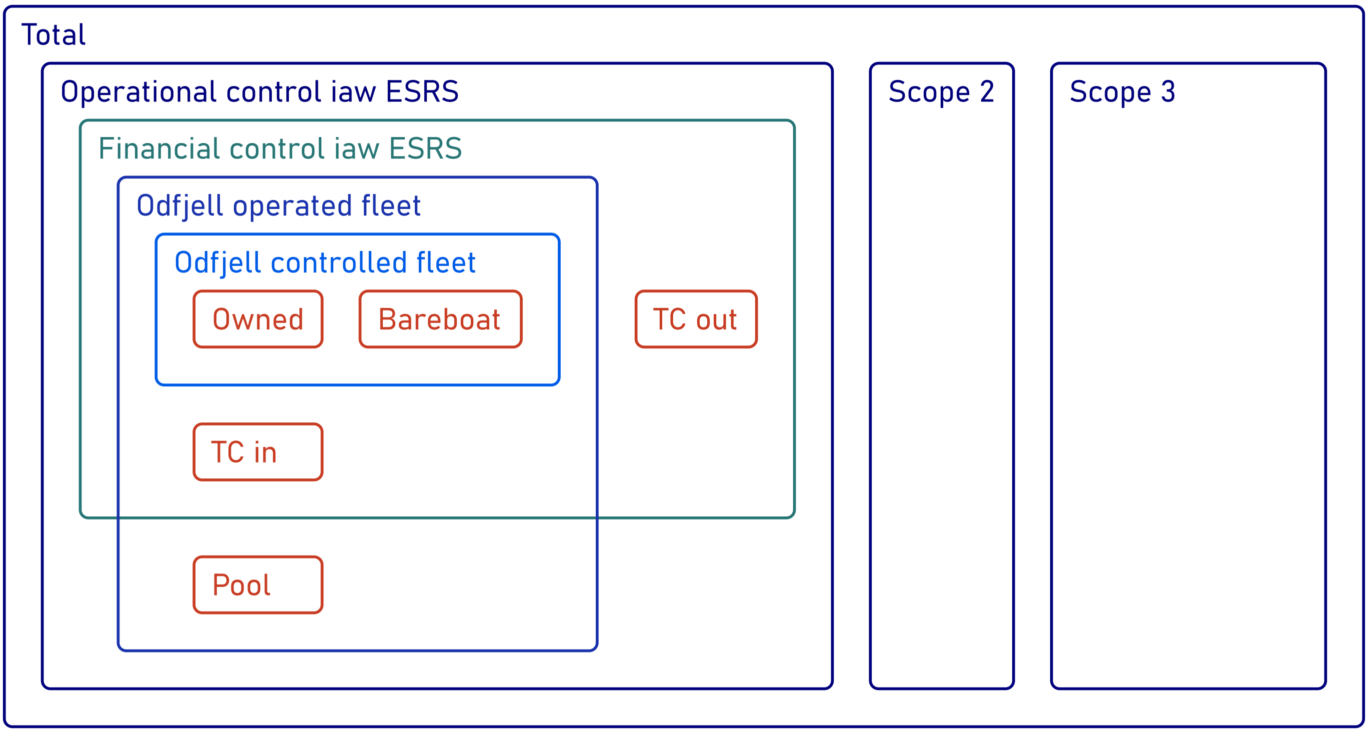
For clarity, the fleet categories are defined as follows:

Odfjell Controlled Fleet	Owned, Bareboat
Odfjell Operated Fleet	Owned, Bareboat, Time Charted to Odfjell and pool
Financial control iaw ESRS	Owned, Bareboat, Time Chartered to Odfjell and Time Chartered out from Odfjell*
Operational control iaw ERS	Owned, Bareboat, Time Chartered to Odfjell, Time Chartered out from Odfjell and pool

*Odfjell has one vessel, Flumar Brazil, that is time chartered out from Odfjell to Petrobras mainly for storage in Brazil. The vessel is owned by Odfjell but excluded from IMO DCS reporting and, therefore, not reported as Odfjell's controlled fleet The vessel is included in Operational controlled fleet in 2024. The vessel represent 0.58% difference of Operated Control and Odfjell Operated fleet.

Scope-3 Category 3 encompasses emissions associated with the fleet for which Odfjell holds responsibility for fuel procurement, in accordance with industry standards and the Greenhouse Gas (GHG) Protocol.

See illustration of the fleet definitions:



TIME HORIZON

Climate and nature risk assessments have been critical inputs for the double materiality assessment (DMA). The impacts, risks, and opportunities (IRO) associated with climate and nature have been divided into two categories: near term (0-5 years) and long term (5-25 years). The reason for this is that there are small variances in short-term climate scenarios, and we need to consider vessel lifetimes. For the impacts, we use short, medium, and long term. IAW ESRS 1 6.4 defines three time-horizons: short term (the period used in financial statements), medium term (from the end of the short-term reporting period to 5 years), and long term (more than 5 years).

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

The sustainability statement includes a Transition Plan for Climate Change Mitigation in accordance with ESRS E1-1, see link; E1-1. A key component of this plan is the identification of actions and targets aimed at mitigating climate change and contributing to the 1.5°C goal of the Paris Agreement.

As sectoral pathways for the shipping industry have not yet been defined by public policy, it is not currently possible to determine whether Odfjell's targets are explicitly aligned with a 1.5°C trajectory. However, Odfjell has developed a transition plan to achieve net-zero emissions, outlining concrete measures to reduce carbon intensity in the short term. While these efforts support decarbonization, Odfjell does not assert that its targets are explicitly aligned with a 1.5°C pathway.

VALUE CHAIN ESTIMATION – EMISSIONS IN SCOPE-3

Odfjell applies a structured and transparent approach to scope 3 emissions reporting, ensuring consistency with internationally recognized greenhouse gas (GHG) accounting frameworks. The methodology aligns with the GHG Protocol and employs spend- and activity-based calculation methods where applicable.

Scope and Methodology

Odfjell reports absolute scope 3 emissions across upstream and downstream activities. These emissions are categorized into 15 distinct groups, of which nine are relevant to Odfjell. The primary calculation method relies on a spend-based approach, supplemented with activity-based data for specific categories such as business travel, employee commuting, and waste management.

The spend-based approach is applied where supplier-specific, hybrid, or average-data methodologies are not feasible due to data limitations. This method involves collecting financial data on purchased goods and services and applying environmentally extended input-output (EEIO) emission factors to estimate associated emissions. For categories where direct measurement is possible, such as fuel consumption in category 3 (Fuel and Energy-Related Activities), business travel, commuting, and waste disposal, an activity-based approach is used.

Reporting and Data Sources

Odfjell has reported scope 3 emissions to the Carbon Disclosure Project (CDP) for several years. Since 2022, the company has disclosed emissions for categories 1 (Purchased Goods and Services) and 3 (Fuel and Energy-Related Activities) in its annual report. The data collection and calculation for these categories have been supported by ReFlow.

Odfjell employs a spend-based method for estimating emissions from procurement activities under category 1 (Purchased Goods and Services), and a well-to-tank emissions approach for category 3 (Fuel and Energy-Related Activities). These methodologies align with the GHG Protocol and ensure a comprehensive assessment of the company's indirect emissions.

Emission Factor Application

For purchased goods and services, the spend-based method estimates emissions per unit of expenditure using EXIOBASE v.3.3, a multi-regional input-output (MRIO) database that links financial transactions to sector-specific environmental intensities. Given that the latest EXIOBASE data is from 2011, an inflation adjustment was applied based on the Harmonized Index of Consumer Prices (HICP) for the European Union, correcting emission factors by 27.5% to reflect 2024 economic conditions. Data for this category was sourced from Odfjell's procurement records, covering ship management, provisions, IT infrastructure, and port costs. These expenditures were mapped to the most relevant EXIOBASE sectors, ensuring methodological consistency. Where direct, maritime-specific categories were unavailable, emissions were allocated to the closest industry benchmarks, such as shipbuilding, port services, food supply, and IT services. Additionally, mixed-use procurement categories were allocated proportionally, food emissions were weighted based on varying climate impacts, and IT spending was distinguished between hardware and cloud services.

For fuel and energy-related activities, the methodology follows IPCC 2021 GWP100 factors, which provide internationally recognized data on well-to-tank (WTT) emissions. This category accounts for the supply-chain emissions from fuel extraction, refining, and transportation but excludes combustion-related emissions (tank-to-wake, TTW), ensuring compliance with GHG Protocol guidelines. Data was sourced from Odfjell's Bunker Purchase List, which details the quantity of each fuel type used in the company's shipping operations. The corresponding IPCC 2021 GWP100 emission factors were applied to each fuel type to calculate WTT emissions.

Business Travel, Employee Commuting, and Waste Management

Business travel emissions are calculated using data provided by Odfjell's travel agent, employing the distance-based method in accordance with the GHG Protocol. Employee commuting and office waste emissions are estimated using a combination of distance-based and average-data methods. No vessels were recycled in 2023 or 2024, resulting in zero downstream emissions for this category.

Continuous Improvement and Methodological Refinements

Odfjell is committed to continuously improving its scope 3 reporting methodology. As supplier data availability increases, the company aims to transition from spend-based calculations to activity-based measurements for enhanced accuracy. For the 2024 assessment, category 3 emissions calculations have shifted from a spend-based approach to a volume-based approach, providing a more precise and representative estimate. This refinement is expected to result in a reduction in reported scope 3, category 3 emissions between 2023 and 2024, reflecting improved data accuracy rather than an actual decrease in emissions.

Although a full scope 3 analysis was not available in 2021, historical data has been recalculated based on the average scope 3-to-scope 1 ratio observed in 2022 and 2023. Since 85% of scope 3 emissions are directly correlated with scope 1 emissions, fleet decarbonization remains a key focus area in Odfjell's sustainability strategy.

Odfjell remains committed to transparent, accurate, and methodologically sound scope 3 reporting, ensuring alignment with regulatory expectations and industry best practices.

SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

Our most material focus area is climate change mitigation, with a clear emphasis on emission reduction. A material metric is scope 1 carbon emissions. This number has been externally certified by DNV as part of the Sustainability-Linked Financing Framework, as well as the EU MRV and IMO DCS reporting systems. While we have reliable, verified scope 1 emissions data based on years of consistent tracking, uncertainties arise regarding scope 3 data, which relies on a spend-based approach and carries inherent limitations. As data access and availability of data from suppliers improve, we might find areas of scope 3 that have not been previously included. Scope 2 emissions data is particularly uncertain due to the variability in electricity sourcing across multiple operational geographies, but the volume is not material.

As scope 3 is mainly based on a spend-based approach, it will have some uncertainty. There is also a risk that not all factors have been included. But most of scope 3 is in fuel production, where we have very accurate data. Reference see also link; Risk management and internal controls over sustainability reporting (ESRS 2 GOV-5).

The ESRS framework also requires forward-looking plans and projections, a complex undertaking given that Odfjell operates in a highly regulated sector. We anticipate that additional regulations addressing climate change mitigation will emerge, adding to the complexity of decarbonizing the shipping industry—a challenge that is far from straightforward. With critical technological solutions, regulatory frameworks, and other essential factors still under development and beyond Odfjell's direct control, these uncertainties impact our ability to predict this transition's future cost and path.

PLANNED ACTIONS TO IMPROVE ACCURACY OF METRICS IN FUTURE

Improving data availability and quality is an ongoing process, particularly the data provided by sources upstream and downstream in the value chain. As more companies and suppliers comply with reporting requirements for their scope 1 emissions, it will become easier to obtain product-specific emissions data from our suppliers, which constitute Odfjell's scope 3 emissions.

To address this, we have requested our suppliers to prepare and share such data. However, we have noted significant variability in both the maturity of their reporting practices and the materiality of the data provided. As a result, we will prioritize engagement with our largest suppliers, as they represent the most substantial impact on our scope 3 emissions profile.

In addition to direct engagement, we have initiated the use of a third-party qualification and due diligence platform, Achilles. This platform enables our suppliers to report their ESG data in a standardized manner, thereby enhancing the quality and consistency of upstream ESG data.

Looking ahead, our strategic objective is to transition from spend-based scope 3 data to activity-based scope 3 data as soon as sufficient, reliable data becomes available. This shift will provide a more accurate and actionable understanding of our value chain emissions and support our broader sustainability goals.

CHANGES

2024 is the first year of ESRS reporting, and therefore, there is no clear reference to all metrics from previous years. For 2024, we have moved to include not only CO2 emissions but also total GHG emissions and excluded data from terminals. This will make minor changes to the reporting from previous total data. Data for previous years has not been subject to the mandatory limited assurance.

OTHER REPORTING OR BY REFERENCE

Norwegian companies have to report in accordance with the Transparency Act of Human Rights Due Diligence. This report is a separate one. Odfjell also issues the executive remuneration report required by Directive 2007/36/EC that is also subject to audit.

ENTITY-SPECIFIC DISCLOSURES

Given the diversity and complexity of Odfjell's workforce categories and employment types, turnover rates and employees who left are reported in Chapter S1-6 using both the mandatory ESRS method and the industry-specific INTERTANKO method. This dual approach ensures an accurate and comprehensive representation of turnover rates and employee departures. For detailed figures and methodology, refer to ESRS S1-6. Odfjell also report on Carbon Intensity iaw IMO standard as a KPI. Odfjell have also included reporting of scope-1 for operated fleet as entity specific and operated and financially controlled fleet in line with ESRS.

Entiy-specific KPI's are

- Annual Efficiency Rate according IMO (AER, defined in Transition plan for climate change mitigation see link; E1-1 About the targets
- Scope-1 emissions Operated fleet (defined in Gross Scopes 1, 2, 3 and Total GHG emissions see link; E1-6
- Turnover rate according INTERTANKO method (defined in Characteristics of the company's employees see link; S1-6
- Absence rate (defined in Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities see link; S1-5
- Total Recordable Case Frequency according OCIMF (TRCF, defined in Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities see link; S1-5

The role of the administrative management and supervisory bodies (ESRS 2 GOV-1)

The board of directors (BoD) is committed to upholding the highest standards of corporate governance. It holds supreme responsibility for the oversight of Odfjell's management, operations, and the establishment of control systems. The BoD is tasked with setting the independent overarching direction and strategic objectives for the company, providing oversight, and ensuring accountability. The functions and proceedings of the BoD are dictated by its rules of procedure and the relevant legislation that outlines its responsibilities, duties, and administrative processes i.e. the Norwegian Company Act and Code of Corporate Governance. The BoD also approves significant sustainability strategies, objectives, and targets. It routinely reviews, monitors, and deliberates on the group's sustainability and climate-related strategy, targets, performance, risks, and reporting. The BoD has six directors, where the chair is dependent and the majority owner, and five directors are independent (83% independent). The BoD has a 50/50 gender diversity.

In 2023, the scope of the board audit committee (AC) was broadened to encompass sustainability issues. The AC serves as an advisory body to assist the BoD in its supervisory role regarding sustainability and ESG reporting. Committee members possess the requisite knowledge and expertise in sustainability matters.

Odfjell executive management consists of the chief executive officer (CEO), chief financial officer (CFO), chief sustainability officer (CSO), chief technical officer (CTO), chief commercial officer (CCO), and managing director Terminals (MD Terminals). All executive managers are male and have long experience in the sector, services, and locations.

The CEO is authorized to ensure that our sustainability ambitions and priorities are monitored, managed, and seamlessly integrated into our corporate strategy and ethos. The operational lines of business are responsible for enacting the agreed-upon strategy, and for managing associated risks and performance metrics. Decarbonization is a material topic in Odfjell. The technology section of the Ship Management division is responsible for ensuring compliance and driving energy efficiency and decarbonization initiatives in the fleet.

Odfjell established the CSO role in 2020 as an integral part of the executive management team, ensuring that sustainability remains a focal point in executive discussions. The CSO regularly updates the BoD and AC on sustainability-related matters, such as reporting, regulatory, performance and training issues, among other updates. In collaboration with the CFO, the CSO is responsible for ESG reporting. Additionally, the CSO leads the DMA and IRO processes. The CSO also drives relevant sustainability training.

The Chief Compliance Officer (CComO) reports to both the CEO and the BoD via the AC.

Details regarding the governance and composition of the BoD can be found in the corporate governance section and the BoD report within the annual report.

Odfjell follows national and international regulations regarding employee representation. For Odfjell Management AS, we have a works council (WC) with representation from management and elected employees to ensure dialogue and alignment of relevant topics and decisions. Odfjell also has a working environment council (AMU), a Norwegian regulation, with employee representation. Our offices and companies outside of the EU follow local regulations.

OVERSIGHT OF IMPACTS, RISKS, AND OPPORTUNITIES

The BoD holds ultimate responsibility for oversight of Odfjell's IROs. Management is responsible for presenting the BoD with updated and relevant assessments of IROs, facilitating thorough discussion, review, and strategic alignment. These assessments are integrated into our corporate risk assessment process and included in the double materiality assessment (DMA) review to ensure alignment with Odfjell's overarching sustainability strategy.

The Audit Committee (AC) plays a key role in the frequent follow-up of ESG reporting and progress. It conducts in-depth reviews of specific reporting elements, monitors internal controls over sustainability reporting, and advises the Board of Directors (BoD) on ESG disclosures. The AC liaises with management and the sustainability auditor to ensure the accuracy and accountability of sustainability disclosures. However, the Board retains full responsibility for reviewing and approving the ESG reporting. Key sections of the reporting, such as risk assessments, materiality analysis, transition planning, strategy, and targets, are addressed in separate cases at the Board level to ensure a comprehensive governance approach.

RESPONSIBILITIES IN TERMS OF REFERENCE, MANDATES, AND RELATED POLICIES

Board responsibilities are defined in alignment with the Norwegian Company Act and the Norwegian Code of Corporate Governance. The AC operates under a dedicated charter, available on Odfjell's website, which defines its role in ESG reporting oversight. The responsibilities of the CEO and the CSO are outlined in their job descriptions, with the CSO also designated as CComO to reinforce alignment with regulatory and ESG requirements.

MANAGEMENT'S ROLE IN GOVERNANCE PROCESSES, CONTROLS, AND PROCEDURES

The CSO, as part of the executive management team, is pivotal in overseeing and managing impacts, risks, and opportunities within Odfjell's risk review and strategy sessions. The CSO also facilitates focused discussions on relevant IROs and aligns them with the organization's strategic goals. The CSO reports directly to the CEO and, in the capacity of CComO, also reports to the AC, ensuring a direct line of accountability for compliance and sustainability matters.

Dedicated control functions for managing sustainability-related IROs are currently in development, with integration into broader internal functions to ensure consistency and accountability in governance. Reference see also link; Risk management and internal controls over sustainability reporting (ESRS 2 GOV-5).

Management is responsible for preparing and updating medium-term targets and goals, which are subject to BoD approval and monitored closely to ensure alignment with Odfjell's IROs as identified through the DMA process.

DESCRIPTION OF SKILLS AND EXPERTISE FOR SUSTAINABILITY OVERSIGHT

Odfjell conducts its own annual review across the BoD and management to ensure sustainability-related expertise is current and sufficient. Key roles, such as the chair of the AC and the CSO, regularly participate in external training programs to enhance their knowledge in emerging sustainability practices. In addition, periodic reviews and consultations with the ESG auditor are valuable for tapping into current trends and expertise.

Odfjell's organizational review processes evaluate the adequacy of skills and expertise for managing sustainability-related IROs. The organization prioritizes tailored training, professional development, and competence-building initiatives to meet the evolving demands of sustainability governance. This approach ensures that Odfjell's oversight bodies are equipped to respond effectively to material sustainability IROs in a complex and highly regulated shipping environment.

The role of the administrative, management and supervisory bodies – Governance (ESRS 2 GOV-1-G1)

The BoD holds ultimate responsibility for overseeing business conduct within the organization, ensuring alignment with Odfjell's ethical standards and regulatory requirements. However, oversight of business conduct has been delegated to the AC as part of its ESG mandate. Management conducts an annual integrity risk assessment to evaluate potential risks associated with business conduct, and the outcomes—including reported actions and improvement plans—are presented to the AC for review and discussion. This process reinforces transparency and accountability within Odfjell and its approach to maintaining high standards of business conduct.

To further support comprehensive oversight, any relevant external reviews, ratings or assessments concerning business conduct are presented to both the management team and the BoD. This practice ensures that the BoD remains informed of industry benchmarks and best practices, and is positioned to make decisions grounded in a thorough understanding of Odfjell's business conduct obligations and performance.

The expertise of Odfjell's oversight bodies regarding business conduct is reinforced through regular training and professional development initiatives. Key figures, such as the chair of the AC and the CSO, engage in specialized training programs to stay updated on evolving regulations and best practices in business conduct and ethics. This expertise is periodically evaluated and developed further as part of Odfjell's annual organizational review to ensure our leadership can effectively navigate business conduct matters relevant to the company's IROs.

By embedding business conduct within the broader ESG governance framework and prioritizing expertise development, Odfjell is committed to maintaining a responsible, transparent, and ethically robust organization. This alignment with regulatory expectations and industry standards further strengthens Odfjell's commitment to sustainable and ethical operations in a complex global environment.

Information provided to and sustainability matters addressed by the business's administrative, management and supervisory bodies (ESRS 2 GOV-2)

FREQUENCY AND PROCESS FOR INFORMING GOVERNANCE BODIES ON MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES (IROS)

In alignment with Disclosure Requirement IRO-1, Odfjell has established a robust process for regularly informing the BoD and the AC on material impacts, risks, and opportunities related to sustainability:

BoD: CSO provides a sustainability update at each of the seven annual board meetings, ensuring that sustainability remains an integral part of board discussions throughout the year. Climate and nature risks, as well as human rights impact assessments, are included in the BoD's annual review of IROs, forming a key component of the DMA process. These IROs serve as the basis for the board's annual strategic review and the setting of sustainability-related goals and targets, and they are also fundamental to management's annual priorities, which the BoD reviews. Essential IROs are listed in Odfjell's corporate risk register, which is reviewed at each board meeting to ensure ongoing alignment with Odfjell's strategic and sustainability ambitions and targets.

AC: The AC has a standing agenda item dedicated to ESG reporting, with the CSO present at each meeting to provide updates. The AC has the mandate to conduct in-depth reviews of specific IROs throughout the year, allowing for comprehensive evaluation of critical sustainability topics.

Management: Sustainability IROs are reviewed at all management meetings, with corporate risk discussed and assessed across departments. The management team also prepares the annual risk assessment and DMA, aligning IROs with operational priorities. The CSO is responsible for ensuring effective due diligence, monitoring the results, and assessing the effectiveness of sustainability policies, actions, metrics, and targets adopted to address these IROs.

CONSIDERATION OF IMPACTS, RISKS, AND OPPORTUNITIES IN STRATEGIC AND OPERATIONAL DECISIONS

Odfjell integrates sustainability IROs and ESG considerations into its strategic planning, decision-making processes, and risk management. Key sustainability matters are embedded in the strategy preparation, and all major transactions, investments, and target-setting activities consider these IROs. As an integral member of the executive management team, the CSO ensures that sustainability issues are addressed in relevant meetings and that these considerations guide Odfjell's approach to potential trade-offs.

In cases where trade-offs are required, the BoD and management evaluate factors such as compliance obligations, the materiality of specific ESG investments, and the expected return on these initiatives. For instance, decisions may involve determining whether to exceed compliance requirements or to proceed with less material ESG investments that may yield a lower or negative return. This balanced approach enables Odfjell to make informed, strategic decisions that align with its sustainability commitments while considering the broader business impact.

The list of the material impacts, risks and opportunities has been aligned with the administrative, management and supervisory for the relevant reporting period. No specific IROs have been identified by governance bodies that have not already been addressed by management (see also SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model, see link; SBM-3).

Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV-3)

ODFJELL STATEMENT ON INCENTIVE SCHEMES LINKED TO SUSTAINABILITY PERFORMANCE

Odfjell integrates sustainability-related performance metrics into its incentive schemes for all shore-based employees, including members of executive management, to ensure alignment with our strategic sustainability goals, specifically in safety and decarbonization. These incentive programs are structured to reinforce Odfjell's commitment to environmental and social responsibility within the organization. Members of the BoD are not included in the incentive schemes.

KEY CHARACTERISTICS OF THE INCENTIVE SCHEMES

Odfjell offers two primary incentive programs: a short-term incentive plan (STIP) for all shore-based employees and a long-term incentive plan (LTIP) for members of executive management. Since 2018, the STIP has offered eligible employees an annual bonus of up to four months' salary based on performance, with the executive management eligible for up to six months. The LTIP offers executive management the opportunity to earn shares vested over three years, with a target bonus of up to 33% of their annual salary (50% for the CEO).

PERFORMANCE ASSESSMENT AGAINST SPECIFIC SUSTAINABILITY-RELATED TARGETS

Both the STIP and LTIP include specific sustainability-related targets to promote safe and sustainable operations:

- For the shipping division, 17% of the STIP is dedicated to decarbonization objectives.
- For headquarters and terminal operations, 22% of the STIP is linked to safety and spill-prevention metrics.
- The LTIP dedicates 33% of its target to decarbonization performance, specifically aligned with Odfjell's annual efficiency ratio (AER) targets, measuring the degree to which emissions reductions align with Odfjell's climate commitments.

INCLUSION OF SUSTAINABILITY METRICS IN REMUNERATION POLICIES

Sustainability-related metrics, including safety and decarbonization, serve as key performance indicators within both the STIP and LTIP frameworks. These metrics are incorporated into Odfjell's annual remuneration policy and reflect the company's strategic focus on reducing environmental impact and ensuring safe operations.

APPROVAL AND UPDATING OF INCENTIVE SCHEME TERMS

The terms and metrics of both the STIP and LTIP are subject to annual review and approval. The Odfjell General Meeting approves guidelines for the incentive programs, while specific KPIs and targets are reviewed and approved by the Board of Directors' Renumeration Committee to ensure that they remain aligned with current sustainability ambitions and targets.

For additional information on the STIP and LTIP and other executive compensation details, please refer to the executive remuneration report available at Odfjell.com.

Integration of climate change-related performance in incentive schemes (ESRS 2 GOV-3-E1)

Climate change-related considerations are integrated into the remuneration of Odfjell's administrative and management bodies through short-term and long-term incentive plans. Specifically, decarbonization performance, tied to Odfjell's AER and GHG emission reduction targets, is a core component of these incentive programs.

For shore-based employees and executive management, 17% of the short-term incentive plan (STIP) is linked to decarbonization goals within the shipping division, while the long-term incentive plan (LTIP) for executive management dedicates 33% to decarbonization-related performance. Performance is hence linked to climate targets.

Statement on due diligence (ESRS 2 GOV-4)

Statement on due diligence with regard to sustainability matters

Core elements of Due Diligence	Addressed under ESRS topic	Reference
a) Embedding due diligence in governance, strategy and business model	• ESRS 2 GOV-2 • ESRS 2 GOV-3 • ESRS 2 SBM-3 • ESRS 2 SBM-3-E1 • ESRS 2 SBM-3-E2 • ESRS 2 SBM-3-S1 • ESRS 2 SBM-3- S2 • ESRS 2 SBM-3-G1 • ESRS 2 SBM-3-ENT1	• ESRS 2 GOV-2 • ESRS 2 GOV-3 • ESRS 2 SBM-3 • ESRS 2 SBM-3-E1 • ESRS 2 SBM-3-E2 • ESRS 2 SBM-3-S1 • ESRS 2 SBM-3- S2 • ESRS 2 SBM-3-G1 • ESRS 2 SBM-3-ENT1
b) Engaging with affected stakeholders in all key steps of the due diligence	• ESRS 2 GOV-2 • ESRS 2 SBM-2 • ESRS 2 IRO-1 • ESRS 2 SBM-2-S1 and ESRS 2 SBM-2-S2	• ESRS 2 GOV-2 • ESRS 2 SBM-2 • ESRS 2 IRO-1 • ESRS 2 SBM-2-S1 and ESRS 2 SBM-2-S2
c) Identifying and assessing adverse impacts	• ESRS 2 IRO-1 • ESRS 2 SBM-3	• ESRS 2 IRO-1 • ESRS 2 SBM-3
d) Taking actions to address those adverse impacts	• ESRS E1-3 • ESRS E2-2 • ESRS S1-4 • ESRS S2-4 • ESRS 2 MDR-A-ENT1	• ESRS E1-3 • ESRS E2-2 • ESRS S1-4 • ESRS S2-4 • ESRS 2 MDR-A-ENT1
e) Tracking the effectiveness of these efforts and communicating	• ESRS E1-4 • ESRS E1-5 • ESRS E1-6 • ESRS E2-3 • ESRS E2-4 • ESRS S1-5 • ESRS S1-6 • ESRS S1-9 • ESRS S1-14 • ESRS S1-16 • ESRS S1-17 • ESRS E2-5 • ESRS 2 MDR-M-ENT1 • ESRS 2 MDR-T-ENT1	• ESRS E1-4 • ESRS E1-5 • ESRS E1-6 • ESRS E2-3 • ESRS E2-4 • ESRS S1-5 • ESRS S1-6 • ESRS S1-9 • ESRS S1-14 • ESRS S1-16 • ESRS S1-17 • ESRS E2-5 • ESRS 2 MDR-M-ENT1 • ESRS 2 MDR-T-ENT1

Risk management and internal controls over sustainability reporting (ESRS 2 GOV-5)

a. SCOPE, MAIN FEATURES, AND COMPONENTS OF THE RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES AND SYSTEMS IN RELATION TO SUSTAINABILITY REPORTING

Odfjell's risk management and internal control processes over sustainability reporting are based on the COSO Internal Control–Integrated Framework, addressing five key components:

Control Environment: Odfjell fosters a strong ethical foundation and clear governance structures, supported by the AC and BoD. The AC oversees the effectiveness of sustainability reporting controls, ensuring alignment with regulatory requirements (e.g., EU Taxonomy, ESRS).

Risk Assessment: Risks, including data inaccuracies and regulatory non-compliance, are systematically identified and prioritized, through a risk assessment process described in our risk policy. Internal control risk over sustainability reporting is assessed in the process and aligned with the AC and external auditor.

Control Activities: Policies, automated system checks, validation procedures, and regular internal and external audits mitigate identified risks.

Information and Communication: Effective communication systems ensure that internal functions and external stakeholders receive timely and accurate sustainability data.

Monitoring: The internal audit team regularly evaluates control effectiveness, reporting its findings to the AC, which informs the BoD. External auditors provide assurance over ESG reporting to further enhance credibility.

b. RISK ASSESSMENT APPROACH AND RISK PRIORITIZATION METHODOLOGY

Odfjell employs a structured methodology to assess and prioritize sustainability reporting risks:

Defining Objectives: Objectives align with ESRS requirements and other sustainability and emission reporting standards and regulations (e.g., CDP, Poseidon Principles, IMO DCS, EU MRV).

Identifying Risks: Comprehensive reviews identify risks such as errors in scope 1, 2, and 3 data, pollution reporting inaccuracies, and recycling compliance gaps.

Prioritizing Risks: Risks are ranked based on their potential financial, reputational, and operational impact. Priority is given to regulatory compliance and high-impact areas like emissions and financial disclosures.

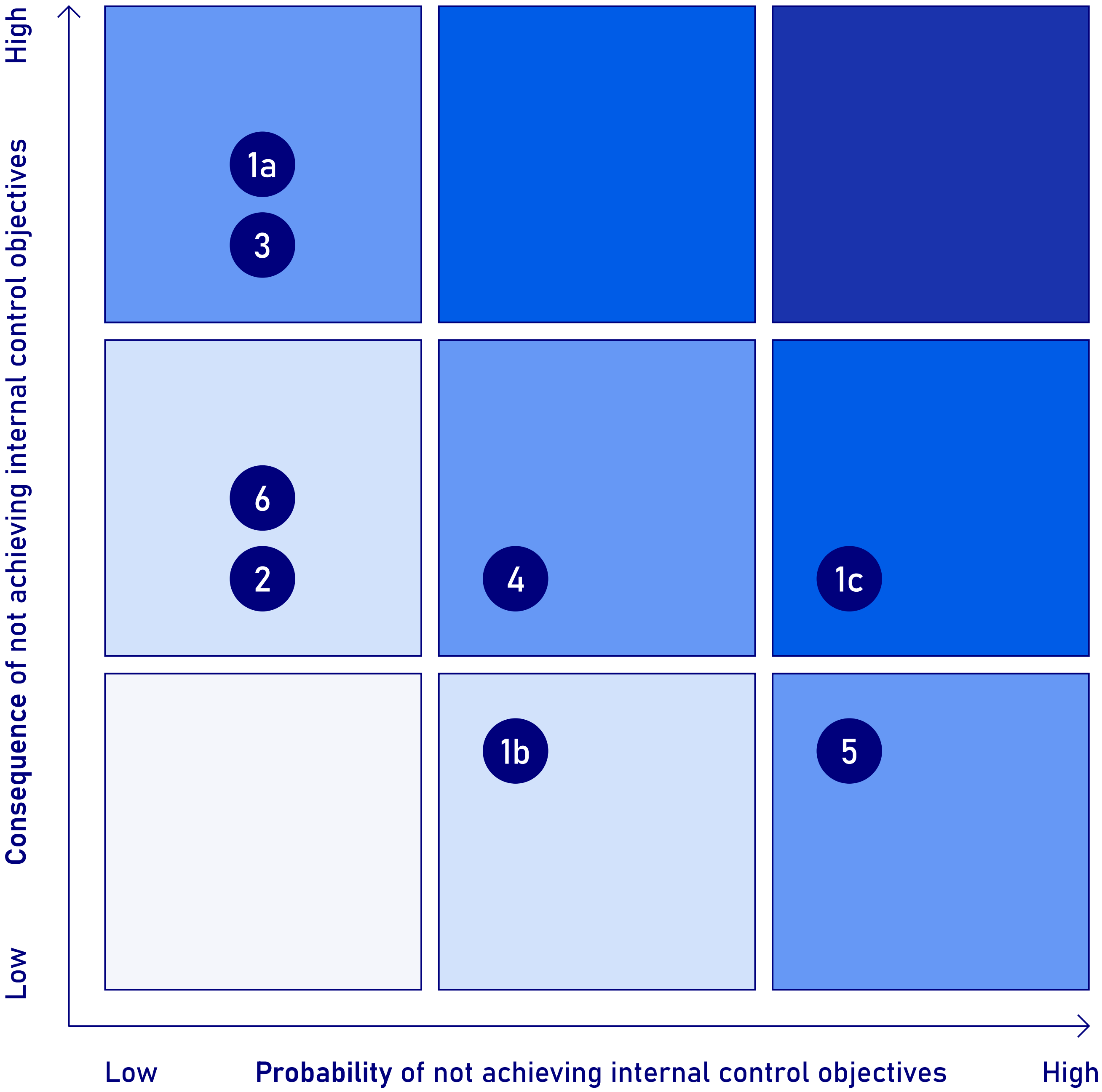
The AC reviews the company's risk assessment methodologies, ensuring they adequately address sustainability reporting requirements.

c. MAIN RISKS IDENTIFIED AND THEIR MITIGATION STRATEGIES

Topic	Description	Internal Control Risk	Control Actions in place
1. Climate Change Mitigation and Energy Consumption **a) Scope 1** **b) Scope 2** **c) Scope 3**	Covers emissions and energy use for ships (Scope 1), offices (Scope 2), and value chain emissions (Scope 3).	Scope 1: Errors in emission data could affect compliance with regulations (IMO DCS, EU MRV), climate targets, and financial reporting. Scope 2: Minimal risk due to immateriality. Scope 3: Risk of incomplete data or inaccuracies in spend-based calculations, affecting total emission numbers.	Odfjell conducts annual third-party verification of Scope 1 data by IMO-assigned verifiers and uses internal calculation controls for sustainable finance data. Multiple personnel review Scope 1 datasets to ensure accuracy. For Scope 2, data is verified against historical office utility bills. For Scope 3, Odfjell works with a third-party verifier and has strong controls on fuel consumption and procurement data for spend-based calculations.
2. Pollution	Covers pollution risks to air, water, and the environment, including GHGs, SOx, black carbon emissions, and potential spills.	Errors in emission and spill data could lead to regulatory non-compliance and financial penalties. Inherent risk of spills during chemical and fuel handling poses reputational and environmental risks.	Odfjell has implemented strict systems to prevent spills and mitigate their effects, including real-time monitoring, robust emergency response procedures, and compliance with international pollution prevention standards. Additionally, spill incidents are tracked and reported with immediate corrective actions, and fines are managed under a structured response framework.
3. Recycling	Covers vessel recycling risks related to compliance and ESG considerations.	Risk of non-compliance with recycling standards and terms, particularly concerning environmental and social obligations.	Odfjell has a recycling policy that ensures compliance through detailed control and oversight mechanisms, including mandatory third-party supervision. Recycling activities are conducted under rigorous terms of agreement, and processes are documented and reviewed for adherence to ESG considerations.
4. Own Workforce	Covers HR metrics and information provided under S1.	Risk of incorrect workforce metrics, affecting transparency and compliance with reporting standards.	Odfjell uses dedicated HR systems to maintain data accuracy and reliability. Metrics are cross-checked against financial and payroll systems to prevent discrepancies. Regular reviews and reconciliations ensure that workforce data aligns with reporting standards.

5. Workers in the Value Chain	Covers information provided under S1, focusing on workers in the broader value chain.	Limited metrics and controls over S2 data. Risk of incomplete consideration of workers further down the supply chain, particularly with sub-suppliers to shipyards.	Odfjell incorporates contractual terms requiring suppliers to adhere to ethical and labor standards. The company conducts due diligence on key suppliers and collaborates with partners to improve visibility and accountability in the value chain. Internal systems track potential risks and escalate findings for further review.
6. Business Conduct	Covers material G-1 topics, including compliance, ethics, and code of conduct.	Risk of undetected facilitation, bribery, or illegal activities due to lack of reporting or monitoring.	Odfjell requires annual compliance and ethics training for employees, with participation tracked. A mandatory reporting system for facilitation requests is in place, monitored at headquarters. The company has implemented whistleblower protections and conducts periodic internal audits to identify and address potential misconduct.

The identified risks are then scored on the probability of not achieving the internal control objective, and the impact if objective is not achieved.



Legend: 1 Climate Change mitigation and Energy Consumption | 1a Scope 1 | 1b Scope 2 | 1c Scope 3 | 2 Pollution | 3 Recycling | 4 Own Workforce | 5 Workers in the Value Chain | 6 Business Conduct

d. INTEGRATION OF RISK ASSESSMENT AND INTERNAL CONTROLS INTO INTERNAL FUNCTIONS AND PROCESSES

Odfjell integrates risk assessment findings into internal functions and processes through:

- Embedding control activities, such as emissions monitoring and supplier evaluations, into routine operations.
- Leveraging internal audit findings to refine policies and procedures, ensuring alignment with ESRS and other standards.
- Using IT systems for secure and accurate data collection, with automated validation checks and audit trails.
- Establishing a feedback loop where risk assessment results inform operational adjustments and continuous improvement.

The AC discusses the findings with management and external auditors, ensuring compliance and the effectiveness of internal controls.

e. PERIODIC REPORTING OF FINDINGS TO ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Odfjell has established robust mechanisms for reporting findings related to sustainability reporting:

AC Oversight:

- The AC reviews and evaluates the internal control framework, discussing sustainability reporting standards (e.g., ESRS, EU Taxonomy) and their assurance processes with management and external auditors.
- The AC reviews the results of annual external assurance and ensures compliance with relevant standards and regulations.

BoD:

- The AC informs the BoD about assurance results, explaining their role in ensuring the integrity of sustainability reporting. The BoD provides strategic oversight and monitors progress against sustainability ambitions and targets.

Internal Audit:

- The internal audit team conducts periodic evaluations of corporate risks and control processes, reporting findings to the AC and senior management.

External Assurance:

- Annual assurance reviews by external auditors are discussed and reviewed by the AC to ensure data credibility and compliance.

Through these reporting mechanisms, Odfjell upholds transparency and accountability, ensuring sustainability reporting meets the highest standards of accuracy and reliability.

Strategy, business model and value chain (ESRS 2 SBM-1)

Odfjell's strategy centers on providing safe, efficient handling and transportation of hazardous liquids, a crucial function within the global supply chain that supports a wide range of industries. Our core services include specialized chemical tanker shipping and terminal operations in strategic hubs, linking sea and land for safe storage and transit. With a global network and diverse product portfolio, we serve over 600 customers, including major chemical producers, across all continents.

KEY ELEMENTS OF GENERAL STRATEGY AFFECTING SUSTAINABILITY MATTERS

a. Products, Markets, and Workforce:

Products and Services: Odfjell specializes in transporting chemicals and other liquid products, focusing on specialty and easy chemicals, as well as vegetable oils and, in specific cases, clean petroleum products (CPP). Our vessels, primarily equipped with stainless steel tanks, offer unique versatility, allowing us to handle a broad range of liquid products. This flexibility enables Odfjell to adapt to changing market demands and underscores our resilience within the cyclical shipping industry.

Significant Markets and Customer Base: We operate on a global scale, serving key markets across the Americas, EMEA, Asia, and the Pacific. This global reach connects us with a broad spectrum of customers, including major chemical producers, and industrial manufacturers, supporting essential sectors from food production to construction.

Workforce Composition: The composition of Odfjell's workforce reflects the nature of our operations, divided between seafarers and shore-based employees, as shown in the table below. Further details on workforce composition are provided in S1-ESRS 2-SBM-3.

Workforce Composition

Employee Category	Number of Employees 2024
Shore-Based Employees	391
Seafarers	1742

b. Revenue Breakdown by Sector:

Odfjell only operates in one sector, as our revenues from terminals are dividend from joint ventures where we do not have operational control. Gross revenue from sea transport in 2024 was USD 1184.6 million.

Notably, while our fleet does not specialize in transporting fossil fuels, we occasionally transport them. Fossil fuel revenue for 2024 was USD 13 million, down from USD 24 million in 2023, representing 1.4% of total revenues.

c. Sustainability-Related Goals:

Odfjell's sustainability-related goals apply uniformly across our services, customer categories, geographical areas, and stakeholder relationships. These objectives center on decarbonization, safety, and reducing our environmental impact, in line with our overarching climate targets outlined in the sections, see links; Climate Targets and Progress in E1-1.

d. Assessment of Products, Markets, and Customers in Relation to Sustainability Goals:

Shipping remains the most energy-efficient mode of transporting large volumes over long distances. Odfjell's specialized chemical shipping operations play a vital role in supporting industries that produce essential goods, including food ingredients, pharmaceuticals, and fertilizers. These products are fundamental to global food security, healthcare, and agriculture.

Our commitment to sustainability is reflected in our adherence to stringent safety and environmental standards. By optimizing our fleet operations, reducing emissions, and continuously improving efficiency, we enable the safe and responsible transport of critical products while aligning with global sustainability goals.

e. Strategy Elements Impacting Sustainability:

Odfjell's vision is to be a world-class, preferred provider of transportation and storage for specialty bulk liquids. Sustainability is a core pillar of our strategy, ensuring the safe and efficient handling of hazardous liquids while supporting industries essential to global development.

A key challenge in achieving our sustainability goals is the decarbonization of shipping. This requires navigating evolving regulations, securing access to sustainable fuels, and overcoming technological and financial barriers—all while maintaining the highest safety standards. As regulations tighten and market expectations shift, we must continuously adapt to ensure compliance, operational efficiency, and long-term resilience.

Our approach prioritizes sustainability as a competitive advantage, embedding it into every aspect of our operations. By leveraging innovation, strategic partnerships, and our expertise in safe and responsible shipping, we are committed to driving meaningful change in the industry and contributing to a more sustainable future.

BUSINESS MODEL AND VALUE CHAIN

Odfjell operates an integrated business model centered on chemical tanker shipping and terminal storage, positioning us as a key link within the broader supply chain. Our business model allows for flexibility in product handling and rapid adaptation to market changes, contributing to stability within the cyclical tanker segment. See also our chapter in resilience under SBM-3.

a. Inputs:

Our primary inputs include fuel and vessels designed for safe chemical transport, produced and maintained by shipyards that meet our stringent quality standards. Terminals and voyage materials also form part of our upstream value chain, essential for supporting our transportation and storage operations.

b. Outputs and Outcomes:

Odfjell provides various services, from chemical storage and ship management to reliable and cost-effective product transport. These services yield benefits for customers by ensuring safe, compliant delivery of essential chemicals, contributing to investor confidence and supporting sustainable growth within the chemical shipping sector.

c. Value Chain Overview:

Our value chain consists of upstream activities, such as ship production and fuel supply, and downstream activities, such as shore based cargo transport, terminal operations, and ship recycling. Our close relationships with key suppliers and customers, vital to Odfjell's value chain, enable us to serve as a lynchpin in the global chemical supply network. This integrated structure supports a sustainable business model, providing transparency and resilience across all aspects of our operations.

Upstream activities

Production and transportation of fuel, ships and voyage materials > Technical maintenance at yard > Trans-shipment > Terminals operations > Authorities and inspections

Own activities

Planning > Ship operations (at sea) > Cargo operations > Crewing > Port operations > Asset management

Management and administrative tasks

Downstream activities

Trans-shipment > Terminals operation > Rail and road transportation > Recycling of ships > Waste & wastewater management

Ultimate driver

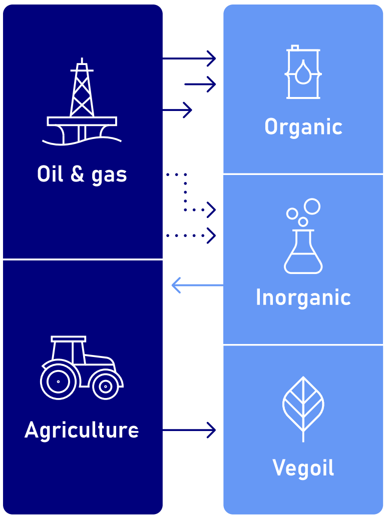
Feedstocks for the products we ship are to a large degree derived from the oil, gas, and agricultural sectors

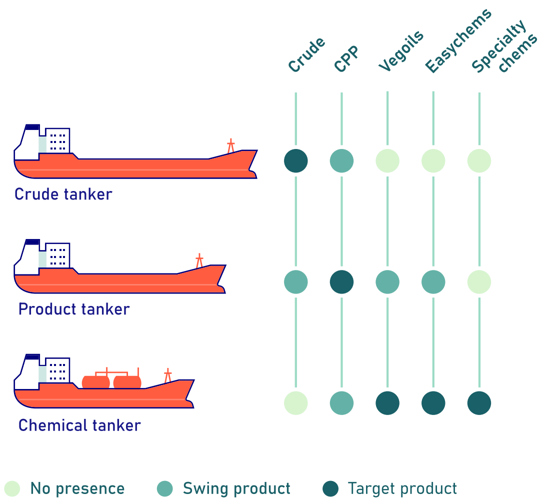
Vessels supply dynamics

Ships trade most efficiently when lifting the cargoes they were designed for, but interchangeable fleets lead to correlation between crude, product, and chemical tanker markets

End-user demand

Most people are in daily contact with products that were once transported on our vessels





Interests and views of stakeholders (ESRS 2 SBM-2)

At Odfjell, we are committed to developing and implementing our strategy and business model by considering the interests and perspectives of all our stakeholders. Our approach to sustainability is shaped through proactive engagement with our stakeholders, including employees, investors, banks, customers, tonnage providers, suppliers, regulators, and communities. This engagement fosters a comprehensive understanding of their interests, views, and expectations, which we integrate into our strategic decisions.

Our key stakeholders comprise employees, possible employees, investors, banks, customers, regulators, and local communities. Engagement with each group occurs through regular dialogue, facilitated by our commercial, technical, finance, and administrative teams. These interactions are organized to cover key topics, ranging from sustainability, ethics, and safety to efficiency, quality, and business terms. Relevant environmental, social, and governance (ESG) topics are always covered. Specifically:

Commercial Team: Engages continuously with customers and tonnage providers on efficiency, safety, and sustainability expectations.

Technical Team: Regularly interacts with ships, suppliers, and service providers to drive sustainable practices in our operations.

Finance and Administrative Teams: Maintain a constructive dialogue with banks, investors, and community representatives, focusing on sustainable finance and ESG commitments.

Local Offices: Actively involve local stakeholders and communities to ensure our operations meet regional expectations and contribute to local sustainability.

Each engagement is designed to not only understand stakeholder interests but also to translate them into actionable insights. Our commitment to integrating these insights is reflected in our DMA and identified IROs, ensuring a holistic consideration of stakeholder needs in our decision-making.

UNDERSTANDING STAKEHOLDER INTERESTS AND INCORPORATION IN STRATEGY

Through ongoing stakeholder engagement and our due diligence processes, we gain valuable insights that inform Odfjell's strategy and business model. We benchmark our materiality assessments against industry peers and align our approach with inputs gathered through participation in industry groups and events. We address regulatory requirements proactively, adjusting our strategy in response to transition risks and evolving regulations. This ongoing benchmarking and regulatory responsiveness reinforce our competitive position while addressing stakeholder concerns.

Our structured engagements have revealed that our stakeholders are particularly focused on:

Sustainable operations: Emphasis on minimizing environmental impact through innovative practices.

Compliance and ethics: A commitment to uphold the highest standards of safety and integrity.

Operational efficiency: Delivering quality and timely services in line with global standards.

Feedback from stakeholders is regularly presented to management and incorporated into our DMA and IROs. In addition, feedback from multiple ESG ratings, including those from banks, analytics and ratings companies, informs our updates across reporting, communication, and key business elements. Odfjell also participates in reporting through platforms like EcoVadis, CDP, UNGC Communication on Progress, SHE, Euronext, Position Green, and DNV, and using these disclosures as a basis for continuous improvement.

STRATEGIC AMENDMENTS IN RESPONSE TO STAKEHOLDER VIEWS

Odfjell's strategy is dynamically updated to reflect stakeholder feedback. For instance, we have committed to expanding our sustainability initiatives by increasing investment in green technologies and pursuing industry partnerships for sustainable solutions. We recognize that these steps, to be implemented over the next five years, will strengthen our relationship with stakeholders and meet their expectations for sustainable growth. We anticipate enhanced stakeholder satisfaction and alignment with our strategic objectives by fostering transparent and active engagement.

GOVERNANCE AND STAKEHOLDER FEEDBACK

Odfjell's BoD and management are frequently informed of stakeholders' views, especially concerning our sustainability impacts. Management receives regular updates, which are then used to refine our strategy and prioritize sustainability goals. This inclusive governance approach allows us to proactively respond to stakeholder expectations and work towards our sustainability ambitions.

Interests and views of stakeholders

	Employees	Investors	Customers	Suppliers	Community
Examples	• Own employees, potential employees, students, retirees	• Banks, shareholders, book holders • Financial market • Analysts • Insurance companies	• Oil majors, chemical producers, agriculture producers, trading houses, brokers	• Shipyards, technological providers, equipment, ship suppliers, port agents, logistic providers, ship handlers, real estate • Bunkers suppliers • Time Charter (TC) shipowners	• Government, regulations • Media, general public • Associations, seminars, conferences

Key Topics	• Safety • Engagement • Commitment • Collaboration • Training & development • Performance evaluations • Recruiting • Career • Diversity, Equity & Inclusion (DEI)	• ESG Performance • Emissions data • Sanctions • Due Diligence process • Anti-Money Laundering • ESG Reporting • Climate risk	• Safety • Quality performance • Emissions • Satisfaction • Use of data • Vetting data • Carbon credits/ETS • Sanctions	• Quality and performance • Contributions to emission reduction • Integrity Due Diligence (IDD) • Human Rights Impact Assessment • Sanctions • Waste • Circularity • TC contracts	• Climate and social impact • Emissions and pollution risk and mitigation • Safety and security • Energy transition • Green shipping • Governance • Compliance • Employment (jobs)
How we engage	• International communication • People managers • Surveys • Work councils • Employee board • Officers Council • Working Environment Committee • Performance management • Policies • Social interests/ sports committees • Townhalls • Whistleblowing systems • Student engagements	• Annual and quarterly reports • Presentations • Bank and Capital market days • Press and stock exchange releases • Investor meetings • IR Activities • Roadshows • Annual General Meeting (AGM)	• Emission reports • Customer meetings • Daily dialogue • Roadshows and industry events • Quarterly reporting • Customer portal • Sanction screening	• Policies • IDD • Pre-qualification/ Screening • Business review • Supplier Code of Conduct principles • Responsible procurement • Contracts • Supplier visits and audits • Event handling system • Procurement collaboration • TC owners dialogue meetings/seminars	• Participation in associations and partnerships • Proactive Contacts with media • Signatory and collaboration with UN GC • Dialogue NGOs • Presentations • Visits • Membership in Maritime Anti-Corruption Network (MACN) • Shipowners` Association • Getting to Zero Coalition • BIMCO ESG Network • Future-Proof on Human Rights • Website and Reporting • School visits and guest lectures
Outcome of the engagement taken into account	• Focus on present safety, security and also through transition • Leadership program established in 2024 following engagement survey • Inputs from works council on several topics that have been approved • Cooperation in a large reorganization project	• New transition finance framework in place on collaboration with banks • Inputs to ESG reporting and transition plan • Dialogue and input on what is regarded as material. • Input to possible updates on SLF Framework	• ETS Clauses • Contract terms • Discussion on risk sharing • Alignment of reporting through CDP and EcoVadis	• Signatures on supplier principles • Ambitions on scope-3 reporting	• External presentations and sharing of experience and perspectives • Multiple media cases • Collaboration in industry forums and calls to actions

Interests and views of stakeholders – Own workforce (ESRS 2 SBM-2-S1)

We engage with our employees in various ways, including intranet updates, town halls, workers' councils, working environment councils, officers' (seafarers') councils, employee boards, social interests/ sports committees, annual individual performance dialogues, and bi-annual employee engagement surveys. Outcomes from our employee engagement survey are analyzed and integrated into decision-making processes.

Our commitment to gender equality, and the prevention of discrimination, is carried out systematically and continuously and in collaboration with employee representatives. In our drive to prepare our workforce for the future, we have clear objectives: retain and develop our current employees, establish a diverse talent pool, and create an inclusive workplace for all. Diversity is not the objective in itself, though. Research has shown it may promote well-being, contribute to improved decision-making, and help attract and retain talent. In the long run, that will contribute to the safety and quality of our operations.

Safety is more than a priority at Odfjell. It is a core value and part of our license to operate. We are relentless about ensuring the safety of our employees, our contractors and surrounding communities by improving the way we operate as a company. We continuously develop and monitor our safety training, and we do not compromise on safety

The company has no corporate assembly. The interests of the employees are safeguarded through an agreement between the employees and Odfjell. The employees have established a permanent employee representative body consisting of up to six representatives from the main office in Bergen and the maritime officers' council. Employee involvement at corporate level, and in most subsidiaries abroad, is also secured by various committees and councils in which management and employee representatives – both onshore personnel and seafarers – meet to discuss relevant issues.

As a central group of stakeholders, engagement with our employees drives key aspects of our people strategy. Our people's health, safety, well-being, and rights are vital to us and our business. Respect for human rights is integral to our organization.

Employees can also raise concerns through our independent whistle-blowing mechanism see link; G1-1.

Interests and views of stakeholders – Workers in the value chain (ESRS 2 SBM-2-S2)

We also recognize that our business impacts people in our supply chain. As such, we have set out clear standards and expectations for our suppliers and partners in our corporate supplier conduct principles to ensure people's safety and human rights. We have dedicated functions in the organization responsible for communications with our suppliers and partners including agents, external ship managers, T/C vessel owners and shipyards, which employ most of our value chain workers.

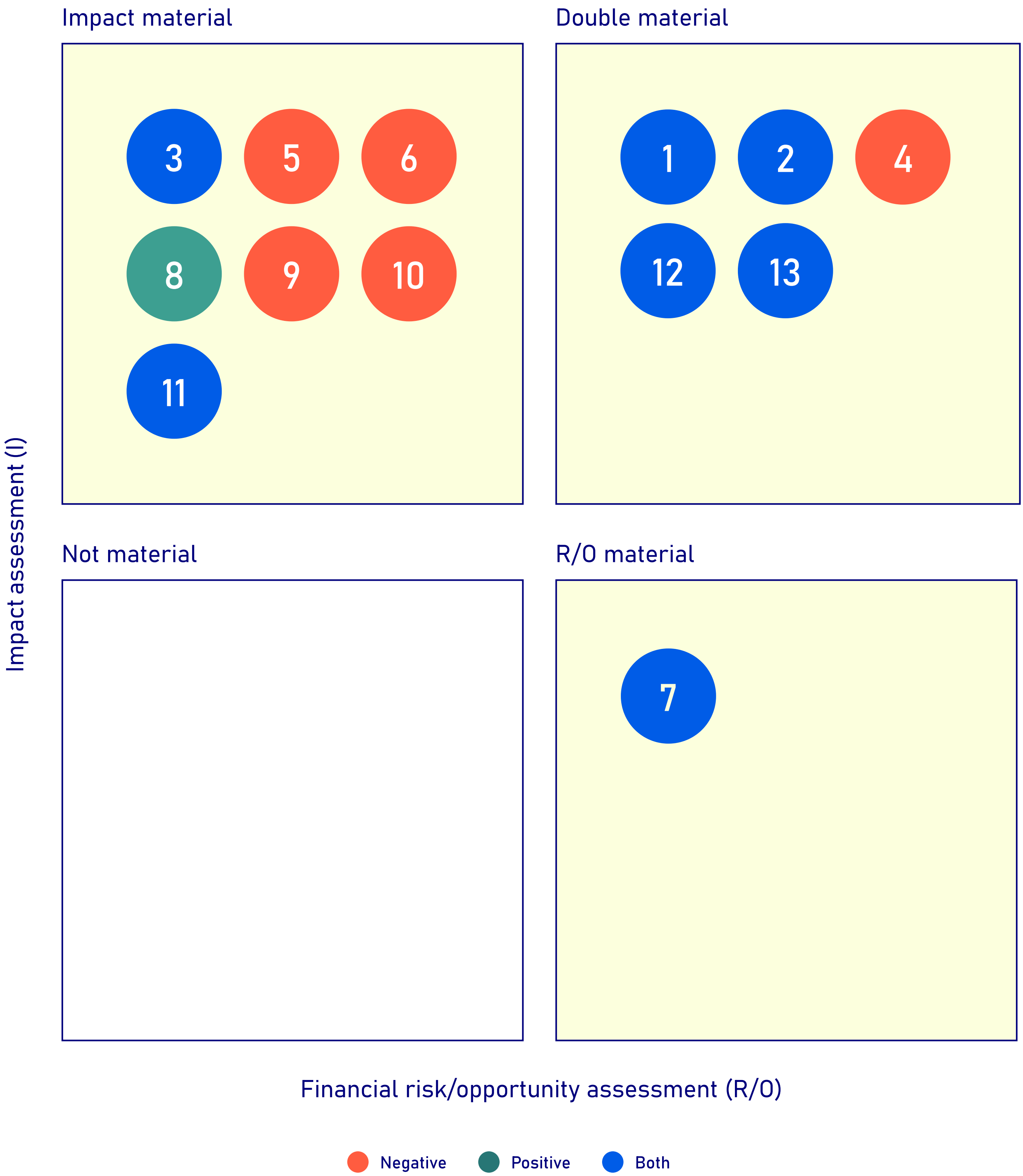
Workers in the value chain can also raise concerns through our independent whistle-blowing mechanism see link; G1-1.

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

Since 2020, Odfjell has conducted materiality assessments, transitioning to the concept of double materiality in 2022. In 2024, we refined this process to comply fully with ESRS standards, leveraging extensive stakeholder engagement and internal evaluations. This systematic approach enabled us to identify material IROs, their origins, and potential effects on our business model, strategy, and financial performance.

BRIEF DESCRIPTION OF MATERIAL IROS AND THEIR CONCENTRATION IN THE BUSINESS MODEL AND VALUE CHAIN

Through our double materiality assessment, we identified key material IROs affecting our operations, upstream supply chain, and downstream activities. The IROs are presented in the following table, and specified under relevant topical standard.


Impact material
Double material
Not material
R/O material
3
5
6
8
9
10
11
1
2
4
12
13
7
Impact assessment (I)
Financial risk/opportunity assessment (R/O)
Negative
Positive
Both

		Material R/O	Material impact (I)				Value chain			Time horizon		
			Negative	Positive	Actual	Potential	Upstairs	Own	Downstream	Short- term	Medium-term	Long-term
E1 Climate change	1. Climate change mitigation	R/O	●	●	●		●	●	●	●	●	●
	2. Climate change adaption	R/O	●	●		●		●	●	●	●	●
	3. Energy		●	●	●		●		●	●	●	●
E2 Pollution	4. Pollution of water	R	●		●	●		●		●		
	5. Pollution of air		●					●		●	●	●
S1 Own workforce	6. Health & safety/working conditions		●		●			●		●	●	●
	7. Diversity and gender equality/ equal treatment and opportunities for all	R/O						●		●	●	●
	8. Impact of Training			●	●			●		●	●	●
S2 Workers in the value chain	9. Forced labour		●			●	●			●		
	10. Health and safety/ working conditions		●			●	●		●	●		
G1 Business conduct	11. Corruption and bribery		●	●	●		●	●	●	●	●	●
	12. Management of relationships w/ suppliers	R	●	●	●			●		●	●	●
	13. Ship recycling	R	●	●	●				●	●	●	●

CURRENT AND ANTICIPATED FINANCIAL EFFECTS OF MATERIAL IROS AND STRATEGIC RESPONSES

Current Effects: Transition risks associated with climate change and compliance with evolving regulations, such as the EU ETS, create financial implications in the short term. Transition costs related to scope 1 decarbonization are being managed through targeted investments and operational efficiencies and further described in our transition plan.

Anticipated Effects: Medium- to long-term impacts include capital allocation to low-carbon technologies, resilience investments, and potential financial penalties for non-compliance. Strategic responses include robust mitigation plans, outlined in our transition plan (see link; ESRS E1-1), and enhanced governance oversight.

Adaptations: Odfjell has integrated sustainability risks into corporate strategy, driving adjustments in fleet operations, procurement, and workforce management.

MATERIAL POSITIVE AND NEGATIVE IMPACTS ON PEOPLE AND ENVIRONMENT AND CONNECTION TO BUSINESS MODEL

The following table provides a high-level overview of the material IROs identified through our materiality assessment. These topics are regarded as having actual and/or potential positive and negative impacts on people and the environment. Reference table above for further description of the IROs. Climate-related impacts are further described in the climate risk assessment (CRA). They are further elaborated upon in the sections under IRO-1, see link; IRO-1. This table outlines the alignment of these IROs with our strategy and business model, focusing on their implications for Odfjell.

IRO	Negative Impact on People	Negative Impact on the Environment	Positive Impact on People	Positive Impact on the Environment	Connection to Business Model	Reference
Climate Change Mitigation	Displacement and health issues due to climate change effects. Ref also CRA	Increased emissions contributing to global warming from Scope 1 emissions of ships.	Supporting communities by mitigating climate risks.	Reduced global temperature increase with proactive emission reductions.	Significant contributor to climate change; transition to net-zero critical for long-term sustainability.	ESRS 2 SBM-3-E1
Climate Change Adaptation	Vulnerability to climate events like storms and extreme weather impacting workers and societies.	Potential unintended effects of adaptation measures (e.g., resource-intensive measures).	Protects workforce and communities from climate risks.	Enhances environmental resilience and ecosystems with adaptation efforts.	Adapting operations to withstand climate impacts ensures resilience and operational continuity.	ESRS 2 SBM-3-E1
Energy	High fuel consumption impacts workers exposed to energy-intensive processes.	Carbon emissions and depletion of non-renewable energy sources.	Developing low-carbon energy technologies benefits energy efficiency and innovation.	Reduces dependency on fossil fuels and fosters cleaner energy adoption.	Transition to sustainable energy supports decarbonization and cost optimization.	ESRS 2 SBM-3-E1
Pollution of Water	Health risks to communities dependent on marine ecosystems harmed by spills.	Damage to aquatic ecosystems from spills or discharges.	N/A	N/A	Robust spill prevention policies ensure compliance and protect the environment.	ESRS 2 SBM-3-E2
Pollution of Air	Health risks from particulate matter and pollutants near ports and shipping lanes.	Air quality degradation from ship emissions.	N/A	N/A	Implementing cleaner fuels and technologies aligns with environmental and social responsibility.	ESRS 2 SBM-3-E2
Health and Safety	Risk of injuries and accidents to crew and workers on board ships.	N/A	N/A	N/A	Strong safety programs reduce operational disruptions and support workforce resilience.	ESRS 2 - SBM-3-S1
Diversity and Gender Equality	N/A is a R/O only	N/A	N/A	N/A	Attracting diverse talent strengthens human capital and operational creativity.	ESRS 2 - SBM-3-S1
Impact of Training	N/A	N/A	Skill development improves employability and operational excellence.	N/A	Investing in training fosters a competent and agile workforce.	ESRS 2 - SBM-3-S1
Forced Labour in the Value Chain	Exploitation and poor working conditions in supplier operations.	N/A	N/A	N/A	Strengthening due diligence and collaboration with suppliers ensures safer working environments and reduces risks.	ESRS 2 - SBM-3-S2
Health and Safety for Workers in the Value Chain	Risk of injuries and unsafe conditions in supplier operations.	N/A	N/A	N/A	Strengthening due diligence and collaboration with suppliers ensures safer working environments and reduces risks.	ESRS 2 - SBM-3-S2
Corruption and Bribery	Undermines access to fair treatment and erodes trust in institutions.	N/A	Transparent practices enhance trust with stakeholders and governments.	N/A	Integrity in operations fosters long-term relationships and regulatory compliance.	ESRS 2 SBM-3-G1
Management of Relations with Suppliers	Late payments or poor relations can harm suppliers	N/A	Timely payments and strong relations support supplier stability and community development.	N/A	Ethical supplier management ensures supply chain stability and aligns with sustainability goals.	ESRS 2 SBM-3-G1

Ship Recycling	Safety risks to workers at recycling facilities, particularly in high-risk regions.	Environmental harm from improper recycling practices, such as pollution and waste.	Promotes safer recycling standards and worker protections.	Supports circular economy principles and reduces environmental waste.	Committing to sustainable recycling aligns with regulatory and environmental standards.	ESRS 2 SBM-3 ENT1

FINANCIAL EFFECTS OF MATERIAL RISKS AND OPPORTUNITIES

Financial Position: Current risks impact financial performance through cost of regulatory compliance (e.g. EU MRV, IMO DCS) and emission-related penalties. Opportunities arise from enhanced ESG ratings and access to sustainable finance.

Phase in: For the 2024 reporting period, Odfjell has incorporated financial assessments of material IROs; however, the specific financial impact assessment for each IRO is subject to a phase-in period. During this phase-in, we have used a guiding scale to evaluate anticipated financial effects, focusing primarily on qualitative assessments for this reporting cycle. Detailed financial assessments of individual IROs are still under development and will be completed in subsequent reporting periods. This approach aligns with the phase-in provisions outlined in ESRS 1 Appendix C and ESRS 2 SBM-3. Additionally, capital expenditure (CapEx) plans related to our transition strategies are included in the transition plan and provide further insights into our financial planning.

Short-Term Effects: Increased operational costs due to regulatory requirements and decarbonization measures.

Medium- to Long-Term Effects: Expected shifts include enhanced revenue streams from sustainable shipping services and improved access to green finance. Investments in fleet modernization and CapEx for decarbonization initiatives are planned and will be funded through sustainable financing.

RESILIENCE OF STRATEGY AND BUSINESS MODEL

Odfjell's business model for seaborne chemical transportation has demonstrated resilience through decades of operational expertise, strategic market positioning, and adaptability to evolving global dynamics. This resilience is assessed through a combination of qualitative and quantitative evaluations, incorporating historical data, market analysis, and climate scenario modeling.

In 2024, Odfjell conducted a comprehensive assessment of its business model's ability to address material impacts, risks, and opportunities. These evaluations, which are subject to continuous review, apply the previously defined time horizons and consider potential regulatory shifts, decarbonization trajectories, and economic fluctuations. Scenario modelling indicates that Odfjell's strategy remains robust under multiple plausible futures, with no identified risk of stranded assets. Fleet modernization efforts ensure compliance with evolving regulatory requirements while maintaining operational flexibility to adapt to market developments.

A key pillar of Odfjell's resilience lies in the flexibility of its fleet and commercial strategy. The company's stainless steel chemical tankers are fitted with advanced systems for heating, cooling, inert gas application, and cleaning, enabling the transportation of a wide range of chemical and specialty liquid products. This versatility makes the fleet highly robust to shifts in customer demand, ensuring continued relevance across a broad customer base of more than 600 clients. Furthermore, Odfjell's global fleet operations provide agility in adapting to route disruptions, supply chain bottlenecks, and geopolitical shifts.

This flexibility extends to Odfjell's commercial model, which balances long-term contracts with spot market exposure, allowing the company to optimize market opportunities while managing commercial risks effectively. The ability to adjust to fluctuations in demand, shifting trade patterns, and emerging market needs has been a cornerstone of Odfjell's business success. Highly trained crews, experienced in handling diverse and complex cargoes, further enhance operational resilience and ensure best-in-class service reliability.

Odfjell's long-term resilience is further supported by its industry's strong historical correlation with GDP growth and recovery patterns during economic downturns. While future uncertainties remain, the chemical transportation market is deeply integrated into global supply chains, and no fundamental risks to the continuity of core markets have been identified. The company's track record of successfully navigating geopolitical shifts, economic volatility, and external disruptions reinforces confidence in its ability to adapt to changing conditions.

Recognizing the inherent uncertainties in forward-looking projections, Odfjell remains committed to continuous monitoring and adaptation. By integrating quantitative scenario analysis with qualitative risk mitigation strategies, the company aims to sustain its resilience and ability to capture emerging opportunities, while addressing material risks, in an evolving regulatory and environmental landscape.

IROS COVERED BY ESRS DISCLOSURE REQUIREMENTS VS. ENTITY-SPECIFIC DISCLOSURES

Entity-Specific Disclosures: Ship Recycling, reflecting unique operational challenges in end-of-life vessel management.

Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1)

Odfjell undertook a thorough process in 2023 to identify, assess, and prioritize material IROs, adhering to the principles of double materiality as outlined in the European Sustainability Reporting Standards (ESRS). The process ensured that the organization's impacts on people and the environment, and the financial implications of sustainability-related risks and opportunities, were fully considered. This disclosure outlines the steps taken, methodologies applied, and integration mechanisms used to align with the ESRS framework.

FIVE PHASES

Odfjell conducted the DMA in five structured phases:

1. Understanding and Mapping: Defined the context and scope of Odfjell's operations and value chain.
2. Identification: Pinpointed actual and potential impacts, risks, and opportunities.
3. Assessment: Evaluated the materiality of identified IROs using qualitative and quantitative criteria.
4. Decision-Making and Strategy Integration: Prioritized and consolidated material IROs into strategic ESG focus areas.
5. Reassessment: Conducted reviews and refinements to ensure accuracy and relevance.

PROCESS TO IDENTIFY, ASSESS, PRIORITIZE, AND MONITOR IROS

The first phase involved understanding and mapping Odfjell's operational context, including its activities, value chain, and business relationships. All business segments and geographic regions were analyzed to identify areas of potential impact. This phase also included updating the stakeholder analysis to incorporate both qualitative and quantitative feedback. Stakeholder engagement was critical to understanding Odfjell's significant impacts on people and the environment, and in identifying new sustainability matters.

In the second phase, Odfjell identified actual and potential impacts, risks, and opportunities through consultations with internal and external stakeholders. The activities were mapped against ESRS topics, sub-topics, and sub-sub-topics to ensure alignment with the reporting framework. Past materiality assessments provided a foundation for this process, which also incorporated sector-specific and geographic considerations.

We have also considered the connections between our impacts and dependencies and the risks and opportunities identified from these. We have not identified any clear dependencies where the dependency itself is identified as a risk. We have integrated dependency assessments into our risk assessment in the DMA process.

During the third phase, Odfjell assessed the materiality of identified IROs. A comprehensive matrix was used to evaluate impact materiality based on scale, scope, rememberability, and likelihood. Financial materiality was assessed by analyzing the magnitude, likelihood, and nature of potential financial effects. The assessment also integrated climate and nature risk evaluations, employing scenario analysis to understand physical and transitional risks across short-, medium-, and long-term horizons.

In the fourth phase, decisions were made to prioritize material IROs. This process involved multiple discussions with senior management, the audit committee, and the board of directors. Material IROs were consolidated into eight strategic ESG focus areas, which informed Odfjell's corporate strategy. Internal controls and governance processes ensured that the prioritization adhered to ESRS requirements and aligned with Odfjell's sustainability goals.

The fifth and final phase involved reassessment to validate and refine the materiality assessment. Peer reviews and consultations with industry experts were conducted to benchmark findings. Minor adjustments were made to reflect evolving regulatory and market contexts. This reassessment ensured that the identified IROs remained accurate and relevant.

METHODOLOGIES AND ASSUMPTIONS APPLIED

Odfjell's double materiality assessment applied methodologies consistent with ESRS 1. Impact materiality was evaluated by assessing the scale, scope, irreversibility, and likelihood of impacts on people and the environment. Financial materiality was determined by analyzing the potential magnitude, likelihood, and nature of financial effects on Odfjell's position, performance, and cash flows. Specific thresholds for short-, medium-, and long-term impacts were defined, drawing on Odfjell's enterprise risk management (ERM) system to ensure consistency with corporate risk practices.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement played a crucial role in the DMA. Internal stakeholders provided insights into potential impacts and risks across Odfjell's operations, while external stakeholders, including suppliers and industry experts, contributed perspectives on value chain risks and opportunities. Interviews and workshops were conducted to gather input, with particular focus on high-impact areas such as ship recycling and dry-docking processes. This engagement ensured that the materiality assessment reflected a diverse range of perspectives and addressed the most significant sustainability matters.

INTEGRATION WITH RISK MANAGEMENT PROCESSES

The process to identify and assess IROs was fully integrated into Odfjell's broader risk management framework. ESG risks identified through the DMA were incorporated into corporate risk assessments and reviewed quarterly by the board of directors and senior management. Internal control measures were developed to ensure accurate and consistent reporting of material IROs. The audit committee oversaw the alignment of ESG risks with corporate governance processes, ensuring that sustainability considerations were embedded in decision-making.

INTEGRATION OF OPPORTUNITIES INTO MANAGEMENT PROCESSES

Opportunities identified during the DMA were incorporated into Odfjell's strategic planning and management processes. These included opportunities such as transitioning to low-carbon operations, leveraging green finance, and adopting innovative technologies. Each opportunity was evaluated for its alignment with Odfjell's long-term business goals and integrated into operational and financial planning.

RESILIENCE AND MONITORING

The outcomes of the DMA demonstrated the resilience of Odfjell's business model in addressing sustainability-related risks and opportunities. Scenario analyses were conducted to anticipate potential impacts under different sustainability scenarios, and periodic reassessment ensured the continued relevance of identified IROs. This approach enabled Odfjell to adapt proactively to emerging challenges and opportunities.

FUTURE STEPS

Odfjell remains committed to refining its processes for identifying and managing IROs. Annual reviews will be conducted to ensure that the DMA reflects the latest regulatory, market, and stakeholder developments. Plans are underway to integrate double materiality findings into Odfjell's ERM and management systems, further strengthening the alignment of sustainability considerations with corporate decision-making. This iterative process underscores Odfjell's commitment to sustainability and its alignment with ESRS standards.

Description of the processes to identify and assess material climate change-related impacts, risks and opportunities (ESRS2 IRO-1-E1)

SCREENING OF ACTIVITIES AND IDENTIFICATION OF GHG EMISSION SOURCES

We have comprehensively screened our activities and plans to identify actual and potential sources of GHG emissions and other climate-related impacts. This process involved:

Value Chain Mapping: We analyzed our business model and mapped all activities across our operations and the value chain. This value chain map provided a detailed overview of our operational footprint and was instrumental in identifying IROs through a DMA. All ESRS topics and subtopics have been evaluated for all activities in the value chain and in our business and assessed with regard to impact. We have included all GHG emissions, black carbon, and potential other emissions for the climate-related impact.

Scenario Analysis: Parallel to the value chain mapping, we conducted a climate change scenario analysis, assessing direct and transitional risks across short-, medium-, and long-term horizons. This enabled us to evaluate our business's resilience under varying climate and policy scenarios.

ASSESSMENT OF IMPACTS ON CLIMATE CHANGE

We employed a rigorous methodology aligned with international frameworks such as the GHG Protocol to assess our actual and potential impacts on climate change. Key aspects of this assessment included:

Scope 1 emissions: Scope 1 emissions, stemming from the direct operations of our ships in the fleet, represent the largest source of GHG emissions. Emissions are quantified based on fuel consumption. We have categorized our fleet as described under BP-2 Emission reporting and fleet categorization see link; BP-2.

Scope 2 emissions: constituting less than 0.1% of our total emissions, are linked to energy use in our offices.

Scope 3 Emissions: Scope 3 emissions comprise 42% of our total GHG emissions, with 85% of these attributed to fuel production and transport of fuel. These were calculated using a spend-based and volume-based approach and relevant carbon factors, acknowledging a degree of uncertainty.

GHG Categorization: In line with the GHG Protocol, we focused on emissions of carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O). Other GHGs were deemed irrelevant to our operations.

Black Carbon and Non-GHG Pollutants: We also evaluated emissions of NOx, SOx, and black carbon due to their broader environmental impacts, including climate change, acidification, and pollution. We also noted the reduced impact of SOx emissions due to the widespread adoption of very low sulphur fuel oil (VLSFO). Emissions of black carbon were examined due to their potential contribution to climate change and pollution.

Climate Adaptation Challenges: Transitioning to alternative fuels such as e-fuels will require significant green energy inputs. This presents challenges, as increased demand for renewable energy in shipping could displace its availability for other sectors, potentially leading to replacement emissions.

Through our systematic analysis of activities and value chain impacts, Odfjell has identified the primary sources of GHG emissions and potential drivers of climate-related risks in our business and value chain and for the identification of IROs.

CLIMATE SCENARIOS

To adopt a scientific and structured approach to climate risk, Odfjell has undertaken scenario assessments. Projecting climate developments and changes over the next 75 years involves substantial uncertainties. Climate change scenarios are indispensable tools for evaluating potential future climate conditions based on varying levels of greenhouse gas emissions and policy interventions.

We have referenced scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Network for Greening the Financial System (NGFS) to guide our analyses. Specifically:

IPCC Scenarios: These were used to identify climate-related hazards. From the AR6 synthesis report, we selected:

- Intermediate Scenario (SSP2-45)
- High Scenario (SSP3-7.0)
- Very High Scenario (SSP5-8.5)

These scenarios provide insights into potential direct and indirect climate effects, helping us address adaptation needs with increased global warming compared to the present.

IEA Scenarios: These informed our transition planning and decarbonization studies. The scenarios assessed include:

- Stated Policies Scenario (STEPS): Reflects current policies and measures.
- Announced Pledges Scenario (APS): Assumes all announced energy and climate targets, including net-zero goals, are met.
- Net Zero Emissions by 2050 (NZE): Aligns with a pathway to achieve global net-zero CO_2 emissions by 2050.

Parallel to these efforts, Odfjell has conducted proprietary studies to evaluate the requirements for achieving net-zero targets in the shipping industry, providing critical input to our fleet transition plan.

SUSTAINABILITY, DEPENDENCY, AND CLIMATE RISK

While comprehensive, IPCC scenarios are not industry-specific and require interpretation for our industry's unique impacts. These scenarios highlight highly interdependent risks, emphasizing the interconnectedness of sustainability challenges.

Odfjell incorporates insights from the World Economic Forum Risk Report, which underscores the interconnected nature of risks such as climate change, hunger, migration, and security. Recognizing that most climate models inadequately address non-linear impacts and risk interdependencies, we have sought to capture these complexities in our own analyses.

IDENTIFICATION OF CLIMATE RISKS AND HAZARDS RELEVANT TO ODFJELL

For each IPCC scenario, we identified climate impacts and adaptation challenges, as summarized in the following table.

	Intermediate Scenario (SSP2-4.5)	High Scenario (SSP3-7.0)	Very High Scenario (SSP5-8.5)
Emission and Warming	This scenario assumes a stabilization of emissions by mid-century, followed by a gradual decline.Projected global warming by 2081–2100: approximately 2.7°C (likely range: 2.1–3.5°C) above pre-industrial levels.	This scenario envisions a significant increase in emissions due to regional competition and limited global cooperation.Projected global warming by 2081–2100: approximately 3.6°C (likely range: 2.8–4.6°C) above pre-industrial levels.	Represents a fossil fuel-intensive future with rapid economic growth and minimal climate policy.Projected global warming by 2081–2100: approximately 4.4°C (likely range: 3.3–5.7°C) above pre-industrial levels.
Climate Impacts	Heatwaves: Increased frequency and intensity, with significant health implications, particularly in urban areas.Sea-Level Rise: Moderate rise causing heightened risk of flooding in low-lying coastal regions.Ecosystems: Biodiversity loss with some species nearing adaptation limits, especially in sensitive habitats like coral reefs and Arctic ecosystems.Agriculture: Moderate declines in crop yields in tropical and subtropical regions, impacting food security.	Extreme Weather: More frequent and severe heatwaves, droughts, and heavy rainfall events.Sea-Level Rise: Accelerated rise, threatening major coastal cities and small island nations.Cryosphere: Significant loss of Arctic sea ice, glaciers, and permafrost, leading to cascading impacts on hydrology and ecosystems.Health Risks: Increased mortality due to heat stress, vector-borne diseases, and food insecurity.Food Production: Severe declines in agricultural productivity, particularly maize and wheat, leading to global supply chain disruptions.	Unprecedented Extremes: Catastrophic heatwaves, flooding, and drought events becoming commonplace.Ecosystem Collapse: Irreversible loss of biodiversity, with widespread species extinctions.Sea-Level Rise: Drastic rise, submerging low-lying islands and coastal areas.Health and Mortality: Exponentially increased risk of mortality and morbidity due to heat, air pollution, and lack of access to resources.Economic and Social Disruption: Widespread disruption of economic activities, migration, and conflict over resources.
Adaptation Challenges	Gradual but insufficient adaptation efforts lead to growing disparities, particularly in vulnerable populations and regions.	Financial and governance barriers limit adaptation measures, particularly in developing countries, exacerbating inequalities.	Many systems reach hard adaptation limits, making mitigation and proactive measures critical but harder to implement.

Subsequently, we analyzed the implications of these impacts on our business model and geographic locations. This assessment is detailed in the table below.

Topic	Intermediate Scenario (SSP2-4.5)	High Scenario (SSP3-7.0)	Very High Scenario (SSP5-8.5)
Temperature	• Global warming of ~2.7°C by 2081–2100. • Shipping routes in Arctic may open seasonally due to ice melting. • Ports in tropical regions face +1.5–2.5°C increases, stressing cooling infrastructure and worker safety.	• Global warming of ~3.6°C. • Arctic becomes navigable for longer periods, increasing competition in northern routes. • Increased fuel consumption as ships operate under higher temperatures, reducing engine efficiency.	• Warming of ~4.4°C. • Critical risks to operations in ports near Persian Gulf, South Asia, and equatorial zones, where wet-bulb temperatures exceed 35°C, threatening outdoor work and logistics.
Rain	• Increase in extreme precipitation events by 10–20%, especially in monsoon regions. • Delays in port operations and damage to goods due to flooding. • Stormwater systems at key ports like Singapore may need upgrades.	• Extreme rainfall events increase by 20–40%, overwhelming urban and port drainage systems. • Disruption in supply chains due to delayed loading/unloading and damages to port infrastructure.	• Severe rainfall variability with increases of up to 50% in tropical regions. • Shipping hubs in Bangladesh, Jakarta, and similar regions face chronic disruptions due to flooding, affecting global trade flows.
Droughts	• Moderate increase in droughts, especially in Mediterranean, South Africa, and parts of Asia. • Lower water availability for hydropower at ports and increased dependency on desalination for operations in drought-affected regions.	• Severe droughts in key operational areas like California, Mediterranean Basin, and southern China. • Reduced water levels in navigable rivers (e.g., Rhine, Mississippi), limiting inland shipping and requiring costly alternatives.	• Persistent droughts in 20–50% of the world's arid regions, severely impacting freshwater availability. • Major disruptions to Panama Canal operations, with restricted transit due to insufficient water for locks.
Tropical Cyclones/ Hurricanes	• Moderate increase in cyclone intensity, particularly in the North Atlantic, Indian Ocean, and Western Pacific. • Insurance premiums for fleets rise 10–20% due to increased storm risks.	• Cyclones become 10–20% more intense with stronger storm surges and higher wind speeds. • Major hubs like Houston, Mumbai, and Shanghai face frequent storm-related port shutdowns.	• Extremely intense cyclones (category 4–5 becoming more frequent). • Damage to port infrastructure globally, including in Singapore, Manila, and Miami. • Loss of cargo and ships during operations becomes more likely.
Sea Level Rise	• Global rise of ~0.4–0.7 meters by 2100. • Low-lying port cities like Rotterdam, New York, and Shanghai face adaptation costs to raise flood barriers and infrastructure.	• Rise of ~0.7–1.1 meters. • Shipping hubs in Bangladesh, Jakarta, and Manila experience severe disruptions, requiring relocation or elevated infrastructure. • Coastal warehouses face 30–40% higher maintenance costs.	• ~1.5–2 meters rise by 2100. Permanent submergence of key coastal ports, forcing global supply chains to restructure. • 50% of global port operations require relocation or massive investment in flood defenses.
Migration	• Displacement of 10–20 million people annually, particularly in South Asia, Sub-Saharan Africa, and Southeast Asia. • Workforce challenges due to migration pressures in port cities.	• Climate migration rises to 40–50 million people annually, with major urban centers like Dhaka, Lagos, and Jakarta heavily affected. • Increased labor shortages for shipping operations in affected regions.	• Over 100 million people annually displaced by extreme weather and sea-level rise. • Port cities like Chennai, Manila, and Miami lose significant population and workforce. • Pressure on corporate offices in heavily impacted regions (e.g., Southeast Asia).

Further, we examined the temporal dimensions of these scenarios—short-term, mid-term, and long-term—using tools such as the Climate Impact Explorer by Climate Analytics. This analysis helped identify regions and operational areas prone to direct climate risks. The same scenarios were employed to evaluate nature-related risks and value chain vulnerabilities, with a focus on ports and terminals due to limited visibility into upstream production sites.

TIME HORIZON

The IPCC scenarios define three temporal perspectives for climate impacts:

- 2021–2040 (Near-Term): Represents immediate impacts and challenges.
- 2041–2060 (Mid-Term): Encompasses mid-range projections of climate risks.
- 2081–2100 (Late Century): Captures long-term implications under varying warming scenarios.

Time Horizon	Intermediate Scenario (SSP2-4.5)	High Scenario (SSP3-7.0)	Very High Scenario (SSP5-8.5)
2021–2040 (Near-Term)	• Warming reaches ~1.5°C. • Initial opening of seasonal Arctic routes. • 10–20% increase in extreme rainfall delays port operations in regions like Southeast Asia. • Some flooding at low-lying ports (e.g., Mumbai, New Orleans).	• Warming exceeds 1.5°C, approaches ~2°C. • More intense cyclones impact North Atlantic and Western Pacific routes. Operational disruptions in monsoon regions. • Insurance premiums begin to rise due to increasing weather risks.	• Warming exceeds 2°C, possibly reaching ~2.5°C. • Major flooding at ports like Bangladesh and Jakarta. • Early signs of workforce heat stress in Persian Gulf and Southeast Asia. Catastrophic cyclones become apparent in key regions.
2041–2060 (Mid-Term)	• Warming reaches ~2°C. • Arctic routes navigable for longer periods, reducing transit times. • Sea level rises by ~0.4–0.7 meters, requiring upgrades in ports like Rotterdam, Shanghai. • Moderate droughts disrupt water availability for inland waterways like the Rhine.	• Warming approaches ~3°C. 20–40% increase in extreme rainfall disrupts urban drainage systems near ports. • Cyclones intensify with 10–20% stronger winds, damaging Houston, Mumbai. • 7–1.1 meters sea-level rise threatens small island ports like Malé and Port Louis.	• Warming reaches ~4°C. Severe droughts affect water-dependent hubs like the Panama Canal, reducing capacity. • Chronic flooding impacts Jakarta, New York, and Manila. • Cyclone-related disruptions occur frequently, causing massive delays and damage.
2081–2100 (Late Century)	• Warming stabilizes at ~2.7°C. 0.4–0.7 meters sea-level rise requires elevated infrastructure in key shipping cities. • Moderate flooding and heatwaves become routine, but adaptation investments mitigate severe impacts. Supply chains remain mostly functional with adequate investments.	• Warming peaks at ~3.6°C. Sea-level rise of ~1.1 meters disrupts major port operations in Southeast Asia, Gulf of Mexico, and the Pacific Islands. • Ports without upgrades face abandonment. • Infrastructure damage costs rise significantly due to extreme weather events.	• Warming exceeds ~4.4°C. Sea-level rise of ~1.5–2 meters submerges critical ports like Miami and Chennai. • Migration from low-lying coastal areas causes workforce shortages in major ports. Cyclones and extreme weather render some trade routes nonviable, forcing industry-wide restructuring.

In Odfjell's climate risk analysis, we have adopted a time horizon that aligns with our operational and strategic planning:

Near-Term (0-5 years): This period aligns with our financial statement timelines and captures immediate risks and opportunities.

Long-Term (5-25 years): Reflects impacts on vessel lifetimes and strategic planning. Notably, this includes the mid-term impacts projected by IPCC scenarios.

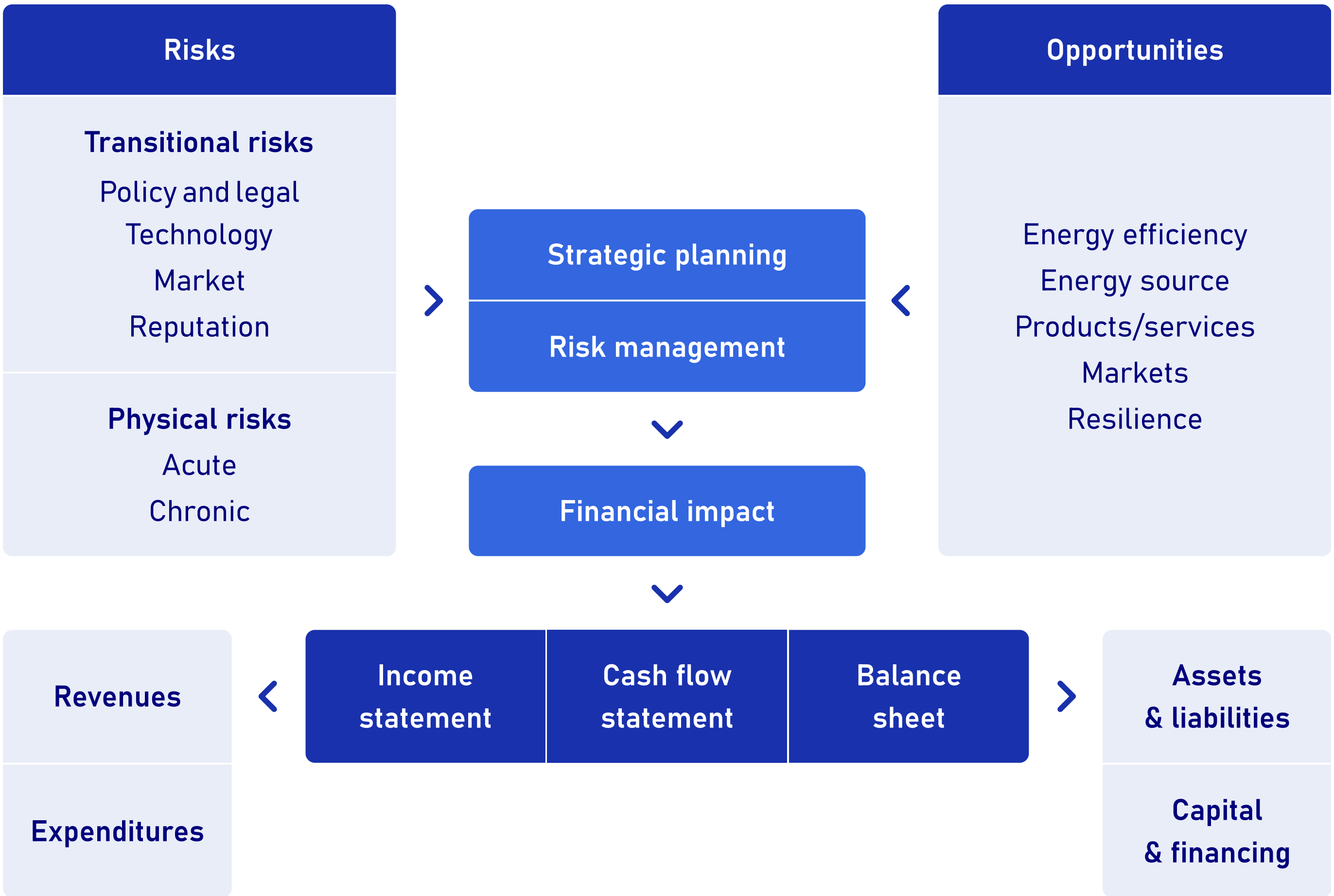
For our IRO assessment, we have used the following three time-horizons (Anticipated financial effects assessment is a phase-in requirement under ESRS, and not disclosed Ref ESRS2 -BP2):

- short-term (the period used in financial statements),
- medium-term (from the end of the short-term reporting period to 5 years), and
- long-term (more than 5 years).

The rationale for using these horizons lies in the limited variability in short-term climate scenarios and the need to account for vessel lifetimes, which can extend up to 32 years. For instance, our youngest ships will operate well into the IPCC's mid-term scenario timeline.

USE OF THE RISK MODEL

Odfjell applies the TCFD risk model to categorize identified hazards within the framework. Impacts from these hazards, along with risks and opportunities, are incorporated into our double materiality assessment and corporate sustainability risk framework. This includes assessments of climate, nature, value chain, reputation, and litigation risks.



Corporate climate and nature risks are analyzed for probability and consequence under the three climate scenarios. Transition and direct risks identified via the TCFD framework are evaluated for near-term (0-5 years) and long-term (5-25 years) impacts. Mitigating actions for these risks are integrated into our action plans.

Climate and Nature Risk Odfjell

CN1	**Climate Transitional Risk**	Ref Climate risk assessment, ie technological compliance, market, risk that emerge from the transition to ie low carbon society, includes decarbonization
CN2	**Climate Direct Risk**	Ref Climate risk assessment, ie direct and acute climate risk and effects of more frequent extreme weather events
CN3	**Climate and Nature Litigation Risk**	Litigation risk related to people and organizations seeking to hold companies to account for their impact, and negative contribution.
CN4a	**Value Chain and Cross Border Direct Climate Risk**	Direct nature and climate risks and Cross Border Direct Risk that can impact supply chains, migration and geopolitical risk
CN4b	**Value Chain and Cross Border Transition Climate Risk**	Nature and climate transition risk and Cross Border transition Risk that can impact supply chains, migration and geopolitical risk
CN5	**Climate and Nature Reputation Risk**	Ref Climate risk assessment. Risk of not following ambitions and goals, losing momentum as leader, greenwashing, unfavourable events like spills
CN6	**Nature-Related Direct Risk**	Risks related to dependence on nature. Physical risks arise when natural systems are compromised, due to the impact of climatic/geologic events.
CN7	**Nature-Related Transitional Risk**	Risks that result from a misalignment between strategy and management and the changing regulatory, policy or societal landscape for Nature
CN8	**Nature-Related Systemic Risk**	Risk that a critical natural system no longer functions e.g. tipping points are reached and the natural ecosystem collapses

Risk in 3 different Climate Scenarios (ref. IPCC AR6 scenarios)

Risks (Codes)	Intermediate		High		Very High	
	Prob.	Conseq.	Prob.	Conseq.	Prob.	Conseq.
CN1	4	3	5	3	5	3
CN2	4	2	4	2	4	2
CN3	2	3	2	3	3	3
CN4a	2	2	3	2	3	2
CN4b	4	2	4	3	4	3
CN5	3	3	3	3	3	3
CN6	3	2	3	3	3	3
CN7	3	2	3	2	3	2
CN8	2	3	2	4	3	5

Scale used in risk assessment for probability level

Probability level		(organization term below could mean company, business unit, vessel, terminal, office etc.)
1	Very unlikely	May only occur in exceptional circumstances; simple process; no previous incidence of non-compliance, has happened in the industry but very seldom
2	Unlikely	Could occur at some time; less than 25% chance of occurring; non-complex process &/or existence of checks and balances, has happened in organization but very seldom
3	Possible	Might occur at some time; 25 – 50% chance of occurring; previous audits/reports indicate non-compliance; complex process with extensive checks & balances; impacting factors outside control of organization, happens in organization 1-5 times per year
4	Likely	Will probably occur in most circumstances; 50-75% chance of occurring; complex process with some checks & balances; impacting factors outside control of organization, happens in organization 5-15 times per year
5	Certain	Can be expected to occur in most circumstances; more than 75% chance of occurring; complex process with minimal checks & balances; impacting factors outside control of organization, happens in organization more than 15 times per year

Scale used in risk assessment for consequence level

Consequence level		People (Safety and Health)	Strategic	Operational	Environment	Financial (loss in Mio USD)	Non-Compliance	Reputation
1	Insignificant	First Aid Case		Insignificant	Spill, leakage within containment, cleanup time <12 hour	0-1	Innocent procedural breach; evidence of good faith; little impa	Non-headline exposure, not at fault; no impac
2	Minor	Medical Treatment Case, Restricted Work Cas		Managable affect of busines	Spill with cleanup time >12hour	1-3	Breach; objection/complaint lodged; minor harm with investigati	Non-headline exposure, clear fault settled quickly; negligible impa
3	Moderate	Lost Workday Case	Market position affecte	Affecting business operations, delays, need to find alternative less favorable soluti	Pollution under reportable quantity with no irreversible effec	3-7	Negligent breach; lack of good faith evident; performance review initiat	Repeated non-headline exposure; slow resolution; Ministerial enquiry/briefi
4	Major	Permanent Partial Disability	Reduced market positio	Disruption operations, causing major los	Pollution in reportable quantity and irreversible effects in limited	7-20	Deliberate breach or gross negligence; formal	Headline profile; repeated exposure; at fault or unresolved

		or Permanent Total visabili			environment, exterresources or involvement		investigation; disciplinary action; ministerial involve	complexities; ministerial involvem
5	Catastrophic	Fatality	Major loss of market positio	Critical for business continuit	Pollution with irreversible effects on the outer environment, significant external resources or involve	>20	Serious, willful breach; criminal negligence or act; prosecution; dismissal; ministerial cens	Maximum high level headline exposure; Ministerial censure; loss of credibilit

CLIMATE-RELATED PHYSICAL RISKS AND CLIMATE-RELATED HAZARDS

The analysis of hazards, derived from the aforementioned processes, informs our DMA and climate risk assessments. The following table outlines climate-related risks and areas of sensitivity for Odfjell:

Climate risk for Odfjell – Direct CN2

				Intermediate		High		Very high	
Risk area		**Inherent Risk**	**Mitigating actions**	**Near Term**	**Long Term**	**Near Term**	**Long Term**	**Near Term**	**Long term**
Physical/Direct	Acute	• Extreme weather events like heatwaves and freezes will affect infrastructure, health & safety and operations • Storms and flooding cause harm to people, infrastructure and operations/shutdowns • Disruptions in waterway infrastructure, ie Panama-Canal • Weather events cause damages to port infrastructure and Terminals	• Use climate scenarios to build resilience short and long term • Update local climate risk assessments and plans for terminals • Climate change included in project modelling for Terminals • Regulations on working in hot weather in place • Weather routing to avoid adverse weather • Routing clauses in contracts	Med	Med	Med	High	NA	High
	Chronic	• Changing weather patterns and rising mean temperature and sea levels • Rising sea level creates problems for Terminals, e.g. cost of protection, regulation, and requirements in capex projects • Adaptation to storms and rising sea-levels increases cost for Terminals	• Use climate scenarios to build resilience in the short and long term	Low	Med	Low	High	NA	High

CLIMATE-RELATED TRANSITION RISKS AND OPPORTUNITIES

The identification of transition risks follows the same methodology as direct risks, leveraging scenarios to pinpoint risks and opportunities across the value chain. Key considerations include regulations, market dynamics, and technological advancements. These findings are incorporated into the DMA and the ESRS E1-1 transition plan.

The transition plan evaluates locked-in emission risks, EU Taxonomy alignment, and pathways to net-zero. While no industry-wide policy exists for achieving a 1.5°C target, frameworks such as the Science Based Targets initiative (SBTi) provide guidance. Odfjell has assessed SBTi requirements but has not yet aligned its targets with the initiative's guidelines.

Our transition plan is built on an IMO Net-Zero scenario, focusing on actions to achieve net-zero by 2050. Given the regulatory environment of the shipping industry, these actions depend on advancements in technology, infrastructure, and long-term policy development. Transition risks and opportunities are summarized in the table below:

Climate risk for Odfjell – Transition CN1

				Intermediate		High		Very high	
Risk area		**Inherent risk**	**Mitigating actions**	**Near term**	**Long term**	**Near term**	**Long term**	**Near term**	**Long term**
Transition	Policy & legal	• Carbon pricing and allowances • New and increased reporting obligations (CSRD, CSDDD) • IMO Regulation (CII, EEXI, other) • EU Regulation (ETS, FuelEU, other) • Scope-3 and LCA • Local regulations (ie permits terminals)	• Pass through of carbon tax and FuelEU cost • EU ESRS Alignment • Scenario analysis and Transition plan/Fleet transition plan • Scope-3 analysis and monitoring. LCA assessment of vessel • In house task force and competence monitor development	High	High	High	High	NA	High
	Technology	• Risk of lower residual value or stranded assets with existing technology/age/performance • Unsuccessful investment in new technologies • Increased cost of new technology • Too early/Too late decisions on propulsion technology	• Odfjell's future Tanker concept program • Fuel flex strategy • Monitor and understand new technology • Fleet transition plan • Long Term TC	High	High	High	High	NA	High
	Market	• Changing end-user behaviour to other products (e.g. reduced use of plastics) • Customers demand more reporting and access to data – we could lose flexibility • Focus on products related to climate change/deforestation, e.g. palm oil • Customers tighten expectations to, for example, CII rating and/or age	• Market analysis to understand development and changes • Educate customer/brokers • Customer dialogue regarding age	Low	Med	Med	Med	NA	Med

Climate opportunities for Odfjell – ref. DMA (Part 1)

			Intermediate		High		Very high	
Opportunity area	**Opportunities**	**How to capture**	**Near term**	**Long term**	**Near term**	**Long term**	**Near term**	**Long term**
Resource efficiency	• More efficient fleet than competitors, gives a competitive edge • Energy efficient/low emission fleet lowers cost for customer when CO2 is taxed and Scope-3 reporting comes into effect. Odfjell can be preferred provider • Efficient handling of waste and material reduce cost, and have a positive effect on circular economy	• Customer portal and sharing customers CO2 use • The opportunity is short/medium term as competitors can invest more in new ships/upgrades • Develop projects to improve our own Scope-3 data	High	Low	High	Low	NA	High
Energy	• Energy efficiency at offices and terminals reduces cost, reduces emissions and leads to higher ratings • Use of lower-emission sources of energy, and sustainable sourced energy (e.g. at terminals and offices)	• The daily work of SM Technology department and cooperation with Tankers • Cooperation and lobbying in the industry • Business development for Terminal	High	Low	High	Low	NA	High
Technology	• Digitalization and high-quality data improves decision making	• The daily work of SM Technology department and cooperation with Tankers	High	High	High	Med	NA	High

	• Transparent data on emissions gives better data (ETS and Scope-3) to customers • Future deep-sea zero emission tanker concept as a digital twin for new technology • Test and install energy saving devices to improve efficiency	• Digitalization initiatives like decarbonization dashboard and customer portal						
Products and services	• Demonstrate lower product footprint and lower emission cost for customers • Digital platform/Customer portal/Emission data will have value for customers	• Customer portal, Scope-3 reports • Share our analysis, data and capacity • Meet and educate customers, brokers	High	Low	High	Low	NA	High

Climate opportunities for Odfjell – ref. DMA (Part 2)

			Intermediate		High		Very high	
Opportunity area	**Opportunities**	**How to capture**	**Near term**	**Long term**	**Near term**	**Long term**	**Near term**	**Long term**
Procurement	• Further develop supplier relations through sustainable procurement • Improve ESG ratings, e.g. on EcoVadis, CDP and others, where we are rated on supplier relations and sustainable procurement • Overview of our own Scope-3 emissions, support re-manufacturing and low eco-footprint products	• Sustainable Procurement development and develop program for supplier development • Supplier expectations for Scope-3 reporting	High	Low	High	Low	NA	High
Markets	• Utilize our position to do sustainable financing, and to access new, beneficial financing • Access incentives/financing under green infrastructure subsidies (e.g. the Inflation Reduction Act) • Utilize our leadership position on sustainability in dialogue with customers, for Terminals and Shipping	• Customer dialogue • Business development and relevant green projects	Low	High	Low	High	NA	High
Resilience	• Continue building reputational capital • Continue our fuel-flex approach and monitor closely what the industry is doing and where it is going • Build knowledge and capacity in all areas, from technical to environmental practices • Understand regulation and drivers	• Communication strategy • Raising Odfjell's profile through participation presentations and market activities, within the industry, media and community	High	High	High	High	NA	High

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (ESRS 2 IRO-1-E2)

POLLUTION

Through a comprehensive assessment of our activities and value chain analysis, pollution to air and water has been identified as a material concern. Pollution to soil, however, is not considered material, as our maritime operations occur at sea, and our office activities do not constitute a significant source of pollution. Pollution, in this context, is defined as the direct or indirect introduction of pollutants into air and water resulting from our activities, which may harm human health and/or the environment or interfere with amenities and other legitimate uses of the environment. Pollutants are substances or other contaminants present in the air and sea that may adversely affect human health and/or the environment. For details on involvement of stakeholders please see policies related to pollution see link; E2-1.

The analysis indicates that actual pollution arises from greenhouse gas emissions (addressed under see link; ESRS E1), wash water from cleaning processes, and sulphur, nitrogen oxide and black carbon emissions from combustion engines. Potential pollution risks include cargo-related fuel or substance spills. Odfjell ensures full compliance with IMO MARPOL regulations as well as international and local pollution-related regulations. Waste and wastewater, which may have environmental impacts, are addressed under see link; IRO-1-E5 and are therefore excluded from IRO-1-E2.

Other forms of pollution, such as light and noise pollution, are deemed non-material. Underwater noise is addressed under see link; IRO-1-E4. Similarly, pollution from microplastics and marine debris is considered non-material based on findings from our LEAP analysis and DMA. Possible pollution from building and recycling of vessels is addressed under see link; IRO-1-E5, and in the company specific IRO on ship recycling.

LEAP PROCESS AND FINDINGS

Odfjell has been one of the TNFD early adopters and previously reported on nature risk in line with the TNFD framework. Through this process, we have used the LEAP model in line with TNFD's guidance on the identification and assessment of nature-related issues: the LEAP approach. We have used this approach to assess impact, risk, and opportunities related to pollution.

The table below describes the process and outcomes.

Phases	Odfjell Work	Activities and locations with actual and potential pollution
Locate	Our initial step involved a comprehensive value chain analysis in conjunction with a double materiality assessment. This process aimed to identify critical segments within our value chain and operational locations that exhibit potential impacts on the environment and biosystems. Through this review, we identified areas within our operations and geographical locations that require closer scrutiny due to their significant environmental implications and dependencies.It is important to note that the products and cargo transported by Odfjell are not considered part of the company's value chain. However, these cargos represent a material potential risk to the environment.	Areas of pollution risk own operations • Cargo operations in port/at terminals • Ship-to-ship transfers • Tank cleaning at sea • Accidents at sea Areas of pollution risk in the value chain • Production of goods and fuel • Terminal operations • Residuals from scrubbers
Evaluate	Following the identification phase, we conducted an in-depth evaluation of Odfjell's business operations and activities, focusing specifically on their environmental and ecosystem impacts. This evaluation assessed their materiality within the broader context of our operational and environmental responsibilities. The evaluation has been seamlessly integrated into our Double Materiality Assessment process to ensure a holistic understanding of the risks and dependencies.	Outcome of LEAP and DMA on locations and activitiesActual Own Operations • Sulphur and black carbon from the combustion of fuel • Wash water from tank cleaning allowed to discharge to sea Potential Own Operations • Cargo spill • Fuel Spill • Waste at sea • Slop and wash water delivered in port Value ChainLargest possible source for pollution is related to fuel production and possible spills at terminals, where both are highly regulated industries ti ensure compliance with applicable pollution regulations.We deliver slop only at terminals with relevant permissions to accept slopProduction of supplied goods can potentially represent pollution risk in production, but due to volume it is not regarded as materialSome of our charted vessels operate open loop scrubbers. Use of scrubbers are restricted in many locations due to potential harm to the environment.
Assess	Building on the findings from the evaluation phase, we performed a detailed assessment of potential risks and impacts associated with our identified environmental dependencies and interactions. Operating within the shipping industry, which faces common environmental challenges, our approach to risk assessment remains both sector-specific and tailored to Odfjell's operations. While certain challenges in quantifying these risks	The actual pollution has been calculated to assess the impact and reported under E2Assessment of transition risk and direct risk from this process is presented in the tables below.

	persist, the assessment phase has been instrumental in prioritizing and addressing nature-related risks effectively. This process forms a critical component of our double materiality assessment and underpins our environmental strategy.	
Prepare and report	The insights gained from the risk assessment and double materiality assessment have provided the foundation for setting targeted environmental goals. While Odfjell has established specific objectives for pollution reduction, we recognize the ongoing need to develop clearly defined nature-related targets. Addressing this gap remains a key focus of our environmental strategy. Reporting on pollution-related aspects is presented in section E2.	Odfjell has a zero-spill policy, and we operate in line with all environmental protection regulations.Odfjell has strict policies and procedures in place to mitigate the risk of spills and handle waste. All spills, including contained spills, are regarded as spills and reported.

IDENTIFIED TRANSITION RISK RELATED TO POLLUTION

Category	Risks	Opportunities
Policy and Legal	• Stricter international and regional regulations targeting emissions (e.g., tighter sulphur caps, black carbon) could require significant operational and technological adaptations. • Potential exposure to sanctions and litigation, especially in cases of negligence leading to ecosystem harm (e.g., accidental cargo spills, and banned use of scrubbers). • Enhanced reporting obligations under frameworks such as the EU Taxonomy or the CSRD.	Adoption of best practices and advanced compliance strategies to gain competitive advantage.Development of industry-leading transparency initiatives to enhance stakeholder trust.
Technology	• Accelerated transition away from high-impact substances may necessitate investment in alternative fuels and cleaner technologies. • Competitive pressure to adopt advanced emission-reduction technologies.	Adoption of innovative technologies like Wind Assisted Ship Propulsion (WASP) and alternative fuels to lower emissions.Transition to digital solutions for emission monitoring and efficiency improvement.
Market	• Increased costs and potential supply volatility for low-impact substances and alternative fuels. • Shifting customer and investor demand towards sustainable shipping solutions.	Expansion of green logistics and shipping services to meet growing demand for sustainable solutions.Strengthened relationships with eco-conscious customers and stakeholders.
Reputation	• Negative societal perceptions due to perceived inaction on pollution control. • Criticism from communities and NGOs regarding pollution incidents.	Enhanced brand equity by proactively preventing pollution and engaging stakeholders.Recognition as an industry leader in sustainability.

IDENTIFIED PHYSICAL RISK RELATED TO POLLUTION

	Description
Sudden Interruption of Clean Water	Port operations or cargo handling disruptions due to pollution-related incidents (e.g., oil spills).
Acid Rain	Potential exposure to long-term environmental degradation affecting operations in regions with high industrial pollution.
Sulphur and SO2 Emissions	Sulphur emissions from fuel combustion may contribute to acid rain and respiratory issues in nearby populations.
NOx Emissions	Nitrogen oxide emissions may lead to ozone formation and eutrophication, impacting marine biodiversity and air quality.
Black Carbon	Black carbon emissions from incomplete combustion contribute to local air pollution and can accelerate climate change and contribute to Arctic ice melting.
Oil and Cargo Spills	Accidental spills pose a severe risk to marine ecosystems, causing long-term damage to biodiversity and habitats.

CONSIDERATIONS OF COMMISSION RECOMMENDATION (EU) 2021/2279 ON THE USE OF THE ENVIRONMENTAL FOOTPRINT METHODS

Odfjell has considered the Environmental Footprint (EF) methods outlined in EU Recommendation 2021/2279 to measure and communicate the environmental performance of the fleet throughout the lifecycle. The EF methods provide a structured approach for evaluating and disclosing environmental impacts using life cycle assessment (LCA) principles.

The life cycle of a ship encompasses all stages, from design and construction through to operation and decommissioning or recycling. This life cycle has been used in the LEAP process and in the DMA to identify environmental, social and governance IROs, and the results of these assessment are presented in the relevant topical standards.

Odfjell initiated a study in 2023 to determine the emissions throughout the life cycle of vessels, focusing on GHG emissions and using ISO 14040/14044 standards, a recognized method for evaluating environmental impacts during a product's life cycle.

Below is an outline of the key phases:

Phase	Description
1. Concept and Design	• Initial design process where functional and environmental requirements are defined. • Includes feasibility studies, environmental impact assessments, selection of materials, and regulatory compliance considerations.
2. Construction	• Building the ship using multiple raw materials and products. • Includes fabrication, assembly, coatings, and installation of machinery, systems, and outfitting.
3. Operation	• The ship's active service life where it performs its intended functions (e.g., transporting goods or passengers). • Management of inventory hazards. • Includes fuel consumption, maintenance, crew operations, and port activities. • The longest and most environmentally impactful phase due to emissions and energy use.
4. Maintenance and Repair	• Regular servicing to ensure safety, efficiency, and regulatory compliance. • Includes activities like hull cleaning, engine overhauls, and replacement of parts. • Generates operational waste such as oil, filters, and worn components.
5. End-of-Life Recycling	• Sale of ships to new owners. • Decommissioning the ship when it reaches the end of its operational life. • Includes dismantling, material recovery (recycling), and waste handling in line with IHM and applicable regulations. • Re-use and sale of relevant components.

Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities (ESRS 2 IRO-1-E3)

INTRODUCTION

Water and marine resources are indispensable for biodiversity, human communities, and economic activities. These interconnected systems regulate the climate, provide fresh water, and sustain ecosystems, making them vital for global sustainability. This chapter outlines Odfjell's considerations of our impacts, mitigation measures, and contributions to water-related global and regional sustainability ambitions.

Water and marine resources play key roles:

- Foundational for biodiversity: Supporting ecosystems and delivering critical services essential for life.
- Essential for human needs: Ensuring access to clean water for drinking, agriculture, and industries and supporting livelihoods through fishing and trade.
- Linked to climate resilience: Directly impacted by sea level rise, saline intrusion, and changing precipitation patterns caused by climate change.

LINKAGES TO OTHER ESRS TOPICS

Water and marine resources are closely linked to:

- ESRS E1 Climate Change: Addressing risks from sea level rise and ocean acidification.
- ESRS E2 Pollution: Managing emissions to water, including microplastics.
- ESRS E4 Biodiversity: Conserving aquatic ecosystems to sustain biodiversity.
- ESRS E5 Circular Economy: Promoting wastewater recycling and reducing reliance on resource extraction.

IDENTIFICATION OF MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES (IROS)

Odfjell conducted a comprehensive assessment to identify material IROs concerning water and marine resources in its operations and across its value chain. This included:

- Assessing water use, including consumption of surface and groundwater, withdrawals, and discharges.
- Evaluating marine resources to determine whether activities fall under extraction and associated economic activities.

ASSESSMENT PROCESS

1. LEAP Methodology: The LEAP process, as outlined under ESRS E2 Pollution, was used to screen sites and activities for water-related impacts, risks, and opportunities.
2. Value Chain Evaluation: Water-related topics and sub-topics were assessed for all activities in the value chain as part of the DMA.
3. Water Scarcity Analysis: Scenarios and climate risk assessments included evaluations of water scarcity.

KEY FINDINGS

Own Operations:

- Water consumption is limited to office use (non-material)
- Freshwater on board ships is produced from seawater using reverse osmosis systems.
- No material volume of water is discharged from Odfjell's operations.

Value Chain:

- Water use includes cleaning and discharge activities at terminals, addressed under ESRS E2 Pollution.
- Water consumption at suppliers of products used in Odfjell has been assessed in the DMA, but not in interaction with the suppliers.

Community Impacts:

- Odfjell's operations do not significantly impact local communities with regard to water, so no consultations have been conducted with affected communities.

Marine Resources:

- Activities involving the extraction and use of marine resources, as defined under ESRS E3, are outside the scope of Odfjell's operations.

RESULTS

Based on the LEAP methodology, DMA, and climate risk assessments, water and marine resources are not considered material topics for Odfjell. Given the limited material impacts identified, these topics are not reported in the topical standard. However, Odfjell remains committed to ongoing monitoring and will reassess if circumstances change.

Description of the processes to identify and assess material biodiversity and ecosystems-related impacts, risks and opportunities (ESRS 2 IRO-1-E4)

INTRODUCTION

Biodiversity and ecosystems are essential for sustaining life on Earth, providing critical services such as food, water, clean air, and climate regulation. These interconnected systems underpin the health of the planet and human well-being. This chapter outlines Odfjell's approach to managing its impacts on biodiversity and ecosystems, mitigation actions, and alignment with global and regional sustainability ambitions.

Biodiversity and ecosystems are:

- Foundational for ecosystem services: Supporting essential functions like nutrient cycling, pollination, and climate regulation.
- Critical for human well-being: Providing food, medicine, and raw materials while maintaining cultural and recreational values.
- Linked to climate resilience: Biodiversity enhances ecosystem stability, aiding in adaptation to climate change and mitigating its effects.

THE INTERRELATION TO OTHER ESRS

Biodiversity and ecosystems are closely connected to other environmental matters. The main drivers of biodiversity and ecosystem degradation are climate change, pollution, land- freshwater- and sea- use change, direct exploitation of organisms and invasive alien species.

- ESRS E1 Climate Change: Addressing greenhouse gas emissions and energy consumption, which impact habitats and species.
- ESRS E2 Pollution: Managing pollution to air, water, and soil, which directly affects biodiversity.

- ESRS E3 Water and Marine Resources: Highlighting water consumption and marine ecosystem impacts.
- ESRS E5 Circular Economy: Promoting practices that reduce resource extraction and waste generation, supporting ecosystem preservation.

ASSESSMENT PROCESS

Odfjell's assessment of biodiversity and ecosystems follows a structured approach, leveraging methodologies used in other ESRS assessments:

LEAP Methodology: The LEAP process was applied to screen sites and activities to identify actual and potential biodiversity and ecosystems-related impacts, risks and opportunities in own operations and upstream and downstream value chain. The methodology is explained under E2 Pollution, see link; ESRS 2 IRO-1-E2.

Double Materiality Assessment (DMA): Biodiversity-related topics and subtopics were assessed across Odfjell's operations and value chain.

Climate Risk Assessment: Scenarios included evaluations of biodiversity risks and dependencies, consideration of habitat changes, species loss, and ecosystem degradation.

Odfjell's operations do not significantly impact local communities with regard to biodiversity and eco-systems, so no consultations have been conducted with local communities.

FINDINGS

The table below presents key findings based on the ESRS E3 impact areas and evaluates whether the identified impacts, risks, and opportunities may constitute significant impacts or risks.

Requirement	Odfjell's Contribution/Impact	Comments	IRO
a. Contribution to direct impact drivers			
Climate change	Addressed under ESRS E1		
Land- freshwater- and sea-use change	Not engaged in land- or sea-use changes; freshwater-use limited to on board systems, and systems in offices. Ref also ESRS E3	No land-based activities involve artificialization or habitat change; sea-use activities involve only shipping in standard operational routes.	Low
Direct exploitation	Not applicable.	Odfjell does not engage in resource extraction or direct exploitation of biodiversity.	NA
Invasive alien species	Ballast water is taken on by ships to provide stability and balance during voyages. However, it can contain invasive species such as plants, animals, and microbes from one part of the world that can be introduced to a new environment where they can thrive and displace native species.	Odfjell has fitted our ships with systems to treat ballast water to reduce risk of invasive species. The systems complies with IMO guidelines for invasive species management. Odfjell has fitted its ships with an ultrasound system to reduce biofilm on the hull, and a system that cleans the hull underway. With all these systems in place are the risk of invasive species low.	Low
Pollution	Oil spills from ships can have a devastating impact on marine biodiversity. Oil can kill or harm marine animals such as fish, birds, and mammals, and can also contaminate habitats and ecosystems, leading to long-term damage.	Addressed under ESRS E2.	ESRS E2
Others (e.g., underwater noise, mammal strikes)	Noise from shipping activities such as ship engines, propellers, and sonar, can have a negative impact on marine biodiversity. It can disrupt the behavior and communication of marine animals, leading to stress, injury, and even death.	Odfjell has retrofitted ships with Propeller Boss Cap Fin (PBCF), and operate with an optimal speed, that reduces noise from propeller. Odfjell does not have othe activities that creates underwater noise, and follows the IMO guidelines for the reduction of underwater noise from commercial shipping to address adverse impacts on marine life.	Low
b. Contribution to impacts			
Impacts on species (population size, extinction risk)	Ships can collide with marine animals such as whales, dolphins, and sea turtles, leading to injury or death. Ships can contribute to marine debris such as plastics, ropes, and general waste. This waste can entangle, marine animals, or be ingested, leading to injury or death	Mitigating measures include noise reduction initiatives, waste management, and strict targets and actions to mitigate risk of pollution. Odfjell operates in compliance with marine environmental protection protocols.	Low
Impacts on ecosystems (extent, condition)	Ocean debris can accumulate in marine habitats and have a negative impact on biodiversity.	Addressed under ESRS E2	Low

Impacts and dependencies on ecosystem services	Limited direct dependency: Mitigation focuses on maintaining marine ecosystem services through compliance and innovation.	Low

Based on the assessments, analyses, and findings, Odfjell recognizes its impact on biodiversity. While multiple mitigating actions are in place, the level of impact, risks, and opportunities associated with biodiversity is not considered material and is therefore not reported under the Topical Standard ESRS E4.

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (ESRS 2 IRO-1-E5)

INTRODUCTION

At Odfjell, we recognize the increasing importance of circular economy principles in advancing sustainable practices globally. Circular economy, as described under ESRS E5 AR 4, encompasses resource inflows, resource outflows, and waste management. As a provider of transportation services, Odfjell does not engage in activities that generate significant resource inflows or outflows in the conventional sense. Consequently, our operations produce limited waste, which is managed in compliance with all applicable regulations. Based on these considerations, we do not regard Circular Economy as a material topic for Odfjell.

However, we have assessed its relevance through our LEAP process and other rigorous methodologies to ensure alignment with sustainability reporting standards.

ASSESSMENT OF LIFE CYCLE IMPACTS AND SHIP RECYCLING

A comprehensive lifecycle assessment of our vessels has been conducted, with regards to carbon emissions.

Ship recycling has been identified as a distinct topic but falls outside the scope of ESRS E5 since it does not involve direct resource inflows, outflows, or waste as defined by ESRS E5 AR 4. Ship recycling is defined as a company specific topic and addressed separately.

Description of the processes to identify and assess material business conduct-related impacts, risks and opportunities (ESRS 2 IRO-1-G1)

INTRODUCTION

The shipping industry operates in a dynamic, globally interconnected environment, engaging with diverse regulatory frameworks, cultures, and business practices. This complexity increases exposure to integrity-related risks, such as facilitation payments and corruption. Maintaining strong business conduct practices is crucial for ensuring compliance, fostering trust, and upholding ethical standards.

This chapter on ESRS G1 Business Conduct outlines Odfjell's approach to business ethics, governance, and transparency. Through comprehensive disclosures, we provide insights into our strategy, policies, and performance, reinforcing our commitment to corporate integrity and responsible stakeholder engagement.

Key focus areas of this standard include:

- Business Ethics and Corporate Culture: Policies and measures addressing anti-corruption, anti-bribery, and whistleblower protection.
- Supplier Relationship Management: Ensuring fair payment practices, particularly with small and medium-sized enterprises.
- Political Influence and Lobbying: Transparency in commitments and activities related to political engagement.

While human rights are integral to Odfjell's business conduct assessments, they are covered separately under ESRS S1 in this report.

To proactively manage integrity risks, Odfjell employs a structured approach, utilizing various methodologies and tools to assess and mitigate potential impacts, risks, and opportunities. By embedding ethical business conduct into our operations, we strengthen resilience, enhance stakeholder confidence, and contribute to a responsible and sustainable shipping industry.

RISK ASSESSMENT FRAMEWORK

Odfjell's integrity risk assessment draws on insights from various authoritative sources and tools, enabling a comprehensive understanding of the risks related to corruption, human rights, and business conduct matters. The following elements form the foundation of our approach:

1. Integrity Risk Assessment

Conducted annually to map out potential risks and exposures across all operational areas and value chains.

Uses data from key indexes such as Transparency International's Corruption Perceptions Index (CPI), the Maritime Anti-Corruption Network (MACN), and various human rights indexes including the Global Rights Index and the Global Slavery Index.

2. Geographical Exposure

- Risk assessments focus on countries with low CPI scores, high MACN incident rates, and identified human rights vulnerabilities.
- Examples include regions such as India, Egypt, and Bangladesh where facilitation payment requests have been reported. Ports frequently visited by Odfjell in high-risk countries are also prioritized in assessments.

3. Sector and Activity Analysis

- Specific activities, such as vessel operations and supply chain interactions, are assessed for integrity risks.
- The shipping sector's exposure to practices such as facilitation payments during port calls and customs clearance is a focal point of our evaluations.

4. Inputs from Established Frameworks

- The Odfjell Anti-Corruption Framework aligns with the UK Bribery Act's principles and the OECD's Due Diligence Guidance for Responsible Business Conduct.
- Human Rights Due Diligence (HRDD) follows the OECD's guidelines, ensuring a systematic approach to identifying and addressing potential human rights impacts. These are addressed under ESRS S1.

CRITERIA AND METHODOLOGIES FOR IDENTIFYING IROS

To identify material IROs, Odfjell applies the following criteria:

1. Location-Specific Factors

- CPI scores and other risk indexes to gauge corruption
- Historical data on incidents and requests for facilitation payments in specific countries and ports.

2. Activity-Specific Factors

- Vessel operations and interactions at ports where integrity risks are historically prevalent.
- Supply chain activities, including procurement and relationships with suppliers.

3. Sectoral Considerations

- Shipping industry-specific risks, such as customs clearance and interactions with government officials.
- Alignment with industry best practices as guided by MACN.

4. Engagement and Monitoring

- Regular reporting and monitoring of integrity incidents through platforms such as the PortLog system.
- Continuous engagement with internal and external stakeholders, including whistleblower reports and industry collaborations.

KEY TOOLS AND SOURCES

Odfjell employs a range of tools and data sources to inform its integrity risk assessment process:

Transparency International's CPI: Provides country-specific corruption risk insights.

MACN Data: Offers detailed port-level integrity incident data.

Human Rights Indexes: Includes the Global Rights Index, Global Slavery Index, and other metrics to assess human rights vulnerabilities.

Internal Monitoring Tools: Dashboards and reports that track facilitation payment requests, whistleblower incidents, and compliance metrics.

OUTCOMES OF THE ASSESSMENT

The outcomes of Odfjell's integrity risk assessment have been incorporated into our broader sustainability and compliance strategies:

1. Proactive Mitigation Measures

- Strengthening policies and procedures to address identified risks.
- Enhancing employee training on anti-corruption and human rights principles.

2. Stakeholder Collaboration

- Engaging with industry bodies such as MACN to share best practices and drive collective action.

3. Continuous Improvement

- Regular reviews of the integrity risk framework to ensure relevance and alignment with emerging risks and regulatory changes.

Odfjell's structured approach to assessing and mitigating risks related to corruption, human rights, and facilitation payments underscores our commitment to upholding the highest standards of integrity and ethical business conduct. By leveraging comprehensive methodologies and tools, we ensure that material impacts, risks, and opportunities are identified and managed effectively, fostering trust and sustainability across our global operations.

Disclosure Requirements in ESRS covered by the business's sustainability statement (ESRS 2 IRO-2)

ESRS CONTENT INDEX LIST

A list with all disclosure requirements in ESRS covered by the undertaking's sustainability statement (Disclosure Requirement ESRS 2 IRO-2 paragraph AR 19 & ESRS 2 Appendix C) can be found at the beginning of the Sustainability Statement, see link; content index.

LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS

A list of data points in cross-cutting and topical standards that derive from other EU legislation (Disclosure Requirement ESRS 2 IRO-2 paragraph 56 & ESRS 2 Appendix B) can be found in Appendix A, see link; Appendix A.

EXPLANATION OF HOW MATERIAL INFORMATION TO BE DISCLOSED IN RELATION TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES HAS BEEN DETERMINED

Odfjell has employed a structured process to determine the material information to be disclosed in relation to the IROs assessed as material. This approach is in line with the criteria outlined in ESRS 1, section 3.2, on Material Matters and Materiality of Information. Below is a detailed explanation of our methodology:

- Materiality Determination Process The material topics were identified through a double materiality assessment process. The material topics are described in detail under IRO-1 and SBM-3 of this report. This process enabled us to identify topics deemed material to Odfjell's business, stakeholders, and the environment.

- Mapping and Assessment Using the EFRAG Guidance Following the identification of material topics, we used the EFRAG Guide ID 177 – Links between AR16 and Disclosure Requirement (July and Nov. 2024). This guidance was instrumental in mapping the link between the sustainability matters listed in AR 16 and the disclosure requirements in the topical standards. Each topic, sub-topic, and sub-sub-topic identified as material was assessed for its corresponding data points.

- Categorization and Disclosure of Data Points We categorized data points based on their status as mandatory, conditional, if applicable, or phase-in:
- Mandatory: Fully addressed in our disclosures.
- Conditional and If Applicable: Addressed where relevant to our operations.
- Phase-In: Not addressed in this reporting period, as these data points are not yet applicable.

- If policies, actions, or targets were unavailable, this has been explicitly mentioned in our comments, ensuring transparency in our reporting. Additionally, for all required metrics, estimates have been provided where actual figures were unavailable.

- Use of Thresholds and Judgement No fixed quantitative thresholds were applied during the materiality assessment. Instead, professional judgement was exercised to determine applicability and materiality, ensuring a tailored and context-specific approach to each data point.

Environmental Information

EU Taxonomy Report

EXECUTIVE SUMMARY

This report provides disclosure on Odfjell's activity and its eligibility and alignment with the EU Taxonomy criteria.

The EU Taxonomy, a classification system developed by the European Union, aims to determine the environmental sustainability of economic activities. It was incorporated into Norwegian law in December 2021 and became effective under the EES Agreement on December 15, 2022.

Odfjell has been reporting on the EU Taxonomy since 2022, focusing on sustainable maritime operations and regulatory compliance. The company's core activities under the EU Taxonomy include seaborne transportation and storage of bulk liquids, with a focus on climate change mitigation and adaptation objectives.

However, while all of Odfjell's activities are Taxonomy-eligible, they do not currently meet all requirements for full Taxonomy alignment.

The report outlines Odfjell's methodology, governance structure, data collection, and reporting practices. It highlights that Odfjell's eligible activities include sea and coastal freight transport and retrofitting, but the company does not meet the alignment criteria due to its failure to meet required emission thresholds.

Odfjell plans to invest in new ships and sustainable technologies, including retrofitting vessels with wind-assisted propulsion to improve fuel efficiency. These investments will contribute to achieving our climate goals and may also help Odfjell meet taxonomy alignment criteria.

BACKGROUND AND PERSPECTIVE ON THE EU TAXONOMY

Background

The EU Taxonomy is a classification system developed by the European Union to provide a clear framework for determining whether economic activities are environmentally sustainable. It was introduced as part of the European Green Deal to drive sustainable investment and align financial flows with climate objectives. The Taxonomy Regulation (EU) 2020/852 came into effect to support the transition to a low-carbon, resilient, and resource-efficient economy.

Since its inception, the EU Taxonomy has evolved through delegated acts and supplementary guidelines to cover additional sectors and clarify technical screening criteria. The proposal to incorporate the EU Taxonomy into Norwegian law was approved by Stortinget (the Norwegian Parliament) in December 2021. However, implementation in Norway was delayed until taksonomiforordningen and offentliggjøringsforordningen came into force under the EØS Agreement. These regulations became effective within the EØS framework on December 15, 2022. Consequently, the Norwegian government formally enacted the law on December 20, 2022, with an effective date of January 1, 2023.

The EU Taxonomy is now part of Norwegian law through the newly established "Lov om offentliggjøring av bærekraftsinformasjon i finanssektoren og et rammeverk for bærekraftige investeringer".

The law references Taksonomiforordningen and Offentliggjøringsforordningen as they are implemented and amended over time. The Taxonomy regulation mandates that the European Commission assess potential expansions of the framework, making it likely that further amendments will be introduced in the future.

Odfjell has been reporting on the EU Taxonomy since 2022, demonstrating its commitment to sustainable maritime operations and regulatory compliance. This report outlines Odfjell's approach to taxonomy alignment, including eligible activities, environmental objectives, and financial disclosure as a part of the environmental report in its sustainability statement in line with ESRS.

The EU Commission adopted a new package of simplification initiatives (the Omnibus package, released February 26, 2025) that will affect future taxonomy reporting. It is therefore likely that the taxonomy reporting will be different for 2025.

Relevance

The EU Taxonomy applies to large companies that meet specific criteria related to turnover, employee count, and total balance sheet assets. Companies are in scope if they meet at least two of the following thresholds in the table below. Odfjell SE, as a listed entity on the Oslo Stock Exchange with headquarters in Norway, is subject to the EU Taxonomy and falls under the scope of the Corporate Sustainability Reporting Directive (CSRD). Odfjell meets the scope requirements based on the following key financial and operational figures:

Requirement	Threshold	Odfjell's Figures
Net Turnover	Exceeding EUR 40 million	USD 1,248.6 million

Balance Sheet Total	Exceeding EUR 20 million	USD 2,168.2 million
Employee Count	More than 250 employees	2133 employees worldwide

METHODOLOGY AND ELIGIBILITY

Activities and consolidation

Odfjell's core business includes the seaborne transportation of bulk liquids and their storage through our joint venture terminals. These activities are relevant under the EU Taxonomy framework, particularly in relation to climate change mitigation and adaptation objectives.

However, our EU Taxonomy reporting does not include Odfjell's investments in terminals and its associated activities. This is because Odfjell does not consolidate revenues from its joint venture terminals, nor does it have operational control over these entities. While ESRS follows assets on the balance sheet plus operational control, the EU Taxonomy solely follows how revenue, CapEx, and OpEx are recorded in consolidated financial statements.

For reporting revenue from eligible and aligned activities, the Taxonomy's definition of the turnover KPI refers to IAS 1 82(a), which means that sales revenue from consolidated entities is included, while revenue from investments in associates and joint ventures (JVs) is excluded. Based on this, Odfjell's terminals should not be included in the 2024 Taxonomy reporting.

This approach is different from our 2023 reporting, where terminals were included. The level of control and consolidation has not changed, but our interpretation has been updated in 2024 to align with CSRD and Taxonomy guidance.

Governance and Ownership Structure of Terminals

Odfjell is an integrated shipping company with ownership stakes in terminals located in the United States, Belgium, and South Korea.

- The United States and South Korea terminals are structured as joint ventures, where Odfjell holds a 50% ownership stake.
- The Belgium terminal is an associated company.

In our financial reporting, Odfjell Terminals (Terminals) are accounted for using the equity method rather than full consolidation. Although these terminals support chemical storage and transportation, they are independently operated as public terminals and not specifically integrated into Odfjell's shipping activities. Governance of these terminals is managed through shareholder agreements, which allocate equal control among shareholders and establish a board with equal representation from each shareholder. As such, Odfjell does not have operational control over these terminals and is not a controlling owner.

Due to the lack of operational control, terminals are not consolidated in Odfjell's financial statements nor included in our sustainability reporting. Instead, these terminals are considered part of the upstream value chain for Odfjell's activities and are accounted for as such.

Our sustainability statement includes material topics identified through the double materiality assessment, covering upstream, core operations, and downstream activities. A value chain analysis (VCA) has been developed to evaluate sustainability topics across the entire value chain (Ref. ESRS 1). This analysis has also played a key role in disclosing scope 3 carbon emissions, assessing human rights impacts, and managing supplier relationships.

The sustainability statement consolidates all controlled entities in the Odfjell Group, using the same methodology as our financial reporting.

Data collection

The EU Taxonomy has six environmental objectives; however, well-defined criteria have only been developed for two objectives relevant to Odfjell's activities: climate change mitigation and adaptation.

The data used in the taxonomy assessment consists primarily of qualitative evaluations under the substantial contribution criteria, the Do No Significant Harm (DNSH) principle, and Minimum Safeguards (MS). No quantitative data has been employed, and Odfjell does not meet the alignment criteria.

This report further details the calculations of OpEx, CapEx, and revenue. The data aligns with ESRS reporting and is consistent with Odfjell's financial statement, and is subject to limited assurance. Emissions data play a crucial role in sustainability reporting and in evaluating compliance with the taxonomy criteria. These emissions data undergo external review and verification by DNV, ensuring their accuracy and reliability.

ELIGIBILITY AND COMPLIANCE

Eligibility and Transitional Activity

The EU Taxonomy establishes criteria to determine whether an economic activity qualifies as environmentally sustainable. To be considered Taxonomy-eligible, an activity must fall under the environmental objectives defined in the Taxonomy and meet the substantial contribution criteria outlined in Regulation (EU) 2020/852.

Odfjell's possible Taxonomy-eligible activities include:

- Sea and coastal freight water transport (6.10)
- Retrofitting of sea and coastal freight and passenger water transport (6.12)

These activities align with the delegated acts adopted under Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2), and Article 15(2) of Regulation (EU) 2020/852, which specify the technical screening criteria for substantial contribution to climate change mitigation and adaptation.

The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852, provided it complies with the remaining technical screening criteria.

Odfjell has not had activity under 6.12 that meets the eligibility criteria in 2024, as the results of the retrofitting investments in 2024 will be clear in 2025. This means that investments in 2024 can be reclassified.

Assessment of Compliance with Article 3 Criteria

To qualify as Taxonomy-aligned, an activity must:

- Contribute substantially to at least one environmental objective
- Do no significant harm (DNSH) to other environmental objectives
- Comply with minimum social safeguards
- Meet the technical screening criteria established in the delegated acts

Odfjell assessed its activities using these compliance criteria and found that while its operations are Taxonomy-eligible, they do not currently meet all requirements for full Taxonomy alignment. This assessment is based on qualitative reviews of compliance with the substantial contribution and DNSH principles.

Interpretation of alignment

As outlined in this report, Odfjell's eligible activities do not meet the criteria for substantial contribution to the climate change mitigation objective, as they fail to comply with the required emission thresholds.

The criteria for alignment with the climate change adaptation (CCA) objective are more qualitative in nature; however, they do not align well with Odfjell's or the broader shipping industry's activities. Based on climate risk assessments and evaluations of climate-related hazards, the only relevant adaptation solution for Odfjell is weather routing. However, as this solution does not qualify as a nature-based adaptation measure under the substantial contribution criteria, Odfjell cannot claim alignment with the CCA criteria.

Given that 100% of Odfjell's turnover falls under the same sea freight transport activity, classifying this activity as non-aligned with one environmental objective while considering it aligned with another would be inconsistent.

As a result, Odfjell has determined that the activity should be classified as not aligned with the EU Taxonomy. This approach ensures consistency with the intent and spirit of the EU Taxonomy Regulation, reinforcing the principle that an activity can only be classified as green if it meets all applicable alignment requirements in a coherent and transparent manner.

ACCOUNTING PRINCIPLES

Accounting Policy

Odfjell's accounting principles are presented in note 2 of the Group's financial statement. The Odfjell Group prepares its consolidated financial statements in accordance with International Financial Reporting® (IFRS) as adopted by the EU.

For 2023 reporting, Odfjell included its share of joint ventures (JVs) in the taxonomy calculations. However, for 2024 reporting, terminal activities in joint ventures have been excluded as previously described. Storage is not a screened activity under the EU Taxonomy and, therefore, is not an eligible economic activity.

We refer to the EU commission delegated regulation 2021/2178 annex 1 and 2013/34 for use of KPIs, and follow the guidance for KPIs.

Changes in Calculation Approach

For 2024, Odfjell has updated its Taxonomy reporting approach to align with CSRD and EU Taxonomy guidance, leading to the following changes:

- Exclusion of joint ventures and terminals from Taxonomy reporting, as previously explained

Material Changes in CapEx Plan

Odfjell remains committed to investing in sustainable technologies, with a particular focus on retrofitting vessels for fuel efficiency and initiating investments in wind-assisted propulsion. While Odfjell has not yet developed a dedicated CapEx plan to ensure future EU Taxonomy alignment, ongoing investments in retrofits and fleet renewal may support alignment in the future. As of 2024, no material CapEx investments have been reclassified as Taxonomy-aligned, but this may change in future reporting cycles.

Key CapEx Changes in 2024:

- No new Taxonomy-aligned investments were made, affecting the timeline for potential future alignment.
- A restatement of CapEx and OpEx KPIs was required due to the exclusion of terminals from the reporting scope.
- Impact on alignment expectations: While Odfjell continues investing in sustainability-driven improvements, no current investments meet the EU Taxonomy alignment criteria.
- Odfjell has initiated investments in retrofit activities, specifically for wind-assisted propulsion. While these investments may qualify under a separate economic activity (Retrofits), they will not contribute to the alignment of activity 6.10 (Sea and Coastal Freight Water Transport) under the EU Taxonomy.

Odfjell will continue to evaluate investment strategies to enhance sustainability while monitoring regulatory developments for future Taxonomy alignment opportunities.

KPI CONTEXTUAL INFORMATION

Contextual Information about Turnover KPI

Odfjell's turnover is determined by gross revenue from sea transport (Ref Financial Statement, note 4).

Odfjell does not have amounts related to Taxonomy-aligned activities pursued for internal consumption.

The key change in the Turnover KPI during the reporting period is the exclusion of terminals, which were included in prior reporting.

Odfjell has issued sustainability-linked bonds and loans as well as transition finance loans. Activities under these frameworks are the same activities as the defined eligible activity. Future activities under the Transition Finance Framework may be aligned when they meet CapEx criteria or retrofit activity criteria.

	Eligible Turnover KPI	**Aligned Turnover**	Turnover in USD Million
Numerator	Turnover for Odfjell' s taxonomy reporting is determined by gross revenue from sea transport.Odfjell has no material lease revenues.	Odfjell has zero net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities, as Odfjell does not yet have such aligned activities.	Eligible turnover: 1 248.6 Aligned Turnover: 0
Denominator	Turnover for Odfjell' s taxonomy reporting is determined by gross revenue from sea transport.Odfjell has no material lease revenues		1 248.6
KPI			0

Contextual Information about Taxonomy CapEx KPI

	Aligned CapEx KPI	CapEx KPI
Numerator	Odfjell does not have capital expenditure related to assets or processes that are associated with Taxonomy-aligned economic activities, and the CapEx of aligned economic activity is zero.Odfjell has plans to invest in zero-emission capable ships but has not yet formalized a plan to expand Taxonomy-aligned economic activities that meet the Taxonomy requirements. Plans to develop our activities are presented but under ESRS E-1-1 – Transition plan. The CapEx plan, under E1-1, presents an estimate but this is not a Taxonomy CapEx plan. The plans for fleet development and investments are not committed.Odfjell invests in retrofitting activities in the category 6.12 (Retrofitting of sea and coastal freight and passenger water transport), but no single investment will meet the criteria.Going forward we believe investments in novel technology like wind-assisted propulsion can qualify. We have started this process, and if these propulsion systems meet the criteria of fuel reduction under 6-12, these investments will be classified and reclassified as aligned.Odfjell has not purchased output from Taxonomy-aligned economic activities and individual measures to enable shipping or terminals to become low-carbon or to lead to greenhouse gas reductions in 2024.	0
Denominator	CapEx covers costs that are accounted based on IAS 16 and 38The denominator covers the total CapEx for Chemical Tankers as listed in the Financial Statement Note 11 for owned vessel • Investments in ships, property, plans and equipment, USD 32.9 Million • Investments in newbuilding, USD 9.2 million • Purchase of former leased bareboat, USD 35.5 million We also include right of use of assets USD 250.2 million ref Note 7 for IFRS 16 vessels.	327.8

KPI	0

Contextual Information about OpEx KPI

	Aligned OpEx KPI	OpEx KPI
Numerator	Odfjell reports Taxonomy OpEx from three perspectives in line with regulations. • Operational expenses related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalized costs that represent research and development. Odfjell does not have any Taxonomy-aligned activities, and therefore no related expenses and this OpEx component is zero. • Operational expenses related to a CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned. The transition plan under E1-1 describes CapEx. The Transition Plan is a forward-looking plan, and all actions are not committed. Odfjell do R&D in preparation of these investments, but the investments cannot yet be verified to be aligned. That is why these operational expenses are reported to be zero. • Operational expenses related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. Odfjell does not purchase significant output from taxonomy aligned activities. Ref break-down of OpEx in the Denominator. We focus on purchasing renewable energy for our offices where available, but this is not related to economic activity. We have established ESG reporting criteria for our suppliers, to encourage suppliers to use taxonomy-aligned activities in their production. Currently we do not have data on whether suppliers deliver supplies in an aligned activity.	0
Denominator	The OpEx denominator includes direct non-capitalized costs that relate to research and development, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of Odfjell or third parties to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.The number reported includes • Technical accounts/maintenance USD 31.9 million • Projects USD 2.0 million • Short-term leases of vessels (labelled “Time Charter Expenses” in consolidated profit and loss statement) USD 9.3 million	43.2
KPI		0

The denominator has, since 2023, been adjusted to exclude operational expenses at JV terminals.

TAXONOMY CRITERIA AND ALIGNMENT ENVIRONMENTAL OBJECTIVES

Approach

Odfjell has assessed the criteria provided in the EU Climate Delegated Act published on December 9, 2021, which has been applicable since January 1, 2022 and updated in the EU Taxonomy Compass, Regulation 2021/2139 (Screening criteria objective 1 and 2) , 2021/2178 (Reporting requirements and templates), 2022/1214 (Supplement on nuclear and gas), 2023/2486 (criteria for objective 3-6) and 2023/2485 (new technical criteria or objective 1 and 2) supplementing EU 2020/852. Odfjell has not included the full text of the criteria but rather a shorter version in this report to aid the reader's understanding. For the complete text, we refer to the applicable regulation and the Compass.

Substantial contribution to Objective 1 - Climate Change Mitigation

Criteria	Comments and assessment	Meeting criteria
1. The activity complies with one or more of the following criteria (a-f):		
a. the vessels have zero direct (tailpipe) CO2 emissions;	Odfjell has no ships with zero tailpipe	No
b. until December 31, 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation at sea and in ports;		No
c. where technologically and economically not feasible to comply with the criterion in point (a), until December 31, 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels have direct (tailpipe) CO2 emissions	Not meeting the criteria – criteria c) is a short-sea criteria to enable change from road to sea, so we regard the criteria as not applicable for Odfjell's deep-sea operations	N/A

d. where technologically and economically not feasible to comply with the criterion in point (a), until December 31, 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on April 1, 2022(279) if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources(280)	It is possible to meet the criteria on a ship basis on some vessels in the Odfjell fleet, but not on an activity basis	No
e. where technologically and economically not feasible to comply with point • (I) from January 1, 2026, the vessels that are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources(281) have an attained Energy Efficiency Design Index (EEDI) value equivalent to reducing the EEDI reference line by at least 20 percentage points below the EEDI requirements applicable on April 1, 2022(282), and • (II) are able to plug-in at berth; for gas-fuelled ships, demonstrate the use of state-of-the-art measures and technologies to mitigate methane slippage emissions.	Odfjell's vessels are not able to plug-in at berth and are not gas fueled, so these criteria are not applicable for Odfjell	N/A
f. where technologically and economically not feasible to comply with the criterion in point (a), from January 1, 2026, in addition to an attained Energy Efficiency Existing Ship Index (EEXI) value equivalent to reducing the EEDI reference line by at least 10 percentage points below the EEXI requirements applicable on January 1, 2023(283), the yearly average greenhouse gas intensity of the energy used on-board by a ship during a reporting period(284) does not exceed the following limits • (I) 76,4 g CO2e/MJ from January 1, 2026 until December 31, 2029; • (II) 45,8 g CO2e/MJ from January 1, 2035 until December 31, 2039; • (III) 30,6 g CO2e/MJ from January 1, 2040 until December 31, 2044; • (IV) 15,3 g CO2e/MJ from January 1, 2045.	Odfjell is compliant with the EU FuelEU Maritime limits, but the Taxonomy limits go beyond the FuelEU Maritime limits, and Odfjell's ships do not meet the criteria	No
2. Vessels are not dedicated to the transport of fossil fuels.	Meeting the criteria, Odfjell fleet is not dedicated to transport fossil fuel, but to transport organic and inorganic chemicals	Yes

Odfjell only meets one of two criteria.

Do No Significant Harm Criteria for Climate Change Mitigation

Criteria (excerpt)	Comments	Meeting criteria
Climate change adaptation • Activity complies with criteria set out in Appendix A (p 140) to Annex 1 • Climate Risk Assessments	Odfjell performs climate risk assessments IAW the criteria described in the regulation and presented in the ESRS reporting under ESRS2 General Disclosures.	Yes
Water • Activity complies with criteria set out in Appendix B (p 142) to Annex 1 • Identified and addressed environmental degradation risks related to preserving water quality and avoiding water stress. • Developed water use and protection management plan, for potentially affected water body or bodies, in consultation with relevant stakeholders. Developed an Environmental Impact Assessment which includes an assessment of the impact on water.	• Environmental impact assessment is integrated into the double materiality assessment presented under ESRS2. Water management is regarded as not material. • Water management risk and opportunities are assessed in our TNFD report, but impact, risk and opportunities are regarded as low. • Odfjell's activity does not hamper the achievement of good environmental status of marine waters and does not deteriorate marine waters.	Yes
Circular Economy • Waste management • Compliance with inventory of hazardous materials on board • Recycled in facilities included in the European list of ship recycling facilities • Protection of the marine environment from the negative effects of waste discharges from ships. • Operations in accordance with IMO MARPOL	• Odfjell is in compliance with all applicable regulations and specified criteria in the delegated act. • More information is provided under ESRS E1/E2 and ESRS2 IRO 1. • Odfjell has not recycled any vessels in 2024.	Yes
Pollution Prevention • Sulfur, IAW IMO Regulation • NOX, black and grey water • Toxicity of anti-fouling and biocides	Odfjell is in compliance with all applicable regulations on pollution prevention (see disclosures under ESRS2 E2).	Yes
Biodiversity • Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM).	• Odfjell has fitted the fleet with Ballast Water Treatment System (BWTS) and in compliance with convention and regulations on BWTS and fouling.	Yes

• Prevent the introduction of non-indigenous species through biofouling of ship's hull • IMO Guidelines for the Reduction of Underwater Noise	• Odfjell follows the IMO guidelines for the reduction of underwater noise and has adopted noise-reduction devices like the Propeller Boss Cap Fins (PBCF). • See Odfjell's TNFD report 2023 and ESRS2 for 2024

Substantial Contribution to Objective 2 - Climate Change Adaptation

Substantial contribution Criteria (excerpt)	Odfjell's activity and comments.	Meeting criteria
Implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity.	• Climate Risk and Nature risk assessment with mitigation actions available in ESRS2 and TNFD report from 2023. • Adaptation of weather routing for our ships to avoid adverse weather. • Contingency plans for our offices. • Fleet transition plan to decarbonize the fleet.	Yes
The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment. (Screening, assessment, adaptation solutions)	Climate risk assessment IAW TCFD available in ESRS2	Yes
The climate projections and assessment of impacts are based on best practice and available guidance and take into account state-of-the-art science for vulnerability and risk analysis and related methodologies, in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.	Climate risk assessment and assessment of scenarios using state-of-the-art science are conducted and assessed in ESRS2.	Yes
The adaptation solutions implemented: • do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; • favor nature-based solutions or rely on blue or green infrastructure to the extent possible; • are consistent with local, sectoral, regional or national adaptation plans and strategies; • the solution complies with the do no significant harm technical screening criteria for that activity	• Climate risk and nature risk assessment with mitigation actions available in ESRS2. • See Odfjell's double materiality assessment on our website available in ESRS 2. • Adaptation solutions are integrated in the business, and assessed against these criteria. • Odfjell cannot argue or document that the solutions are nature-based.	No

Do No Significant Harm Criteria for Climate Change Adaptation

Substantial contribution criteria (excerpt)	Odfjell's activity and comments.	Meeting criteria
Climate mitigation • The vessels are not dedicated to the transport of fossil fuels.	Odfjell's ships are not dedicated to the transport of fossil fuel.	Yes
Water • Identified and addressed environmental degradation risks related to preserving water quality and avoiding water stress. • Developed water use and protection management plan for the potentially affected water body or bodies, in consultation with relevant stakeholders. • Alternative developed an Environmental Impact Assessment Plan that includes an assessment of the impact on water based on risk	• Environmental impact assessment is integrated into the double materiality assessment presented under ESRS2. Water management is regarded as not material, and hence a separate plan has not been developed. • Water management risk and opportunities are assessed in our TNFD report, but impact, risk and opportunities are regarded as low. • Odfjell's activity does not hamper the achievement of good environmental status of marine waters and does not deteriorate marine waters.	Yes
Circular Economy • Waste management • Compliance with inventory of hazardous materials on board	• Odfjell is in compliance with all applicable regulations and specified criteria in the delegated act. • More information is provided under ESRS E1/E2 and ESRS2 IRO 1.	Yes

• Recycled in facilities included in the European list of ship recycling facilities • Protection of the marine environment from the negative effects of waste discharges from ships. • Operations in accordance with IMO MARPOL	• Odfjell has not recycled vessels in 2024.	
Pollution Prevention • Sulfur, IAW IMO Regulation • NOX, black and grey water • Toxicity of anti-fouling and biocides	Odfjell is in compliance with all applicable regulations on pollution prevention (see disclosures under ESRS2 E2).	Yes
Biodiversity • Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM). • Prevent the introduction of non-indigenous species through biofouling of ship's hull. • IMO Guidelines for the Reduction of Underwater Noise • In the EU, the activity does not hamper the achievement of good environmental status, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to biodiversity, non-indigenous species, seabed integrity, contaminants, marine litter, noise/energy	• Odfjell has fitted the fleet with BWTS and in compliance with conventions and regulations on BWTS and fouling. • Odfjell follows the IMO guidelines for the reduction of underwater noise, and has adopted devices that reduce underwater noise, like the PBCF. • See Odfjell's TNFD report 2023 and ESRS2 for 2024.	Yes

GOVERNANCE AND MINIMUM SAFEGUARDS

Minimum Safeguards

Criteria	**Odfjell's activity and comments.**	**Meeting criteria**
Alignment with: • OECD Guidelines for Multinational Enterprises and the • UN Guiding Principles on Business and Human Rights, • Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work • International Bill of Human Rights	• Odfjell operates in compliance with these regulations. How these guiding documents are implemented into Odfjell's procedures are elaborated on under ESRS2 and ESRS S1 and S2. • Odfjell also complies with the Norwegian Transparency Act, which references these guidelines, and provides human rights due diligence reporting available on the Odfjell website. • Relevant policies that adopt these regulations are available on the Odfjell website.	Yes
Adhere to the principle of 'do no significant harm' IAW definition in Article 2, point (17), of Regulation (EU) 2019/2088	Ref. above	Yes

Minimum safeguards Platform on Sustainable Finance criteria

The Platform on Sustainable Finance delivered its final report on minimum safeguards in October 2022, advising on the application of minimum safeguards (MS) in relation to the Taxonomy Regulation Articles 3 and 18. It does so by a) embedding MS in existing EU regulation, b) identifying substantive topics relating to the standards and norms referenced in Article 18 of the Taxonomy regulation and c) presenting advice on compliance with MS. The report highlights following indicators of non-compliance with MS.

Odfjell does not meet any of the criteria for non-compliance and therefore meets the criteria for minimum safeguards.

REPORTING OF NUCLEAR AND GAS

All companies will have to report on nuclear and gas as part of the requirements 2021/2178 and 2022/1214. Odfjell does not operate ships with gas as fuel, use nuclear energy, or invest in any such activity. Nuclear is, therefore, not included in our DNSH assessments. Ref. tables below for disclosure on use of nuclear energy- and fossil gas-related activities.

Nuclear energy-related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No

2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas-related activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

DOUBLE COUNTING

All Odfjell's activities are regarded as eligible and related to one activity and so avoiding the risk of double counting.

EU TAXONOMY TEMPLATES

Template 1: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024, retrieved from Commission Delegated Regulation (EU) 2023/2486

Financial year 2024			2024	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		(USDm)	(%)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(E)	(T)
A. Taxonomy -eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
none																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				(El; N/EL)	(El; N/EL)	(El; N/EL)	(El; N/EL)	(El; N/EL)	(El; N/EL)										
Sea and coastal freight water transport	CCM 6.10	1 249	100,0 %	EL	EL	N/EL	N/EL	N/EL	N/EL								100%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1 249	100,0 %																
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		1 285	100,0 %																

B. Taxonomy-non-eligible activities		
Turnover of Taxonomy non-eligible activities	0	0,0 %
Total	**1 249**	0,0 %

Template 2: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024, retrieved from Commission Delegated Regulation (EU) 2023/2486

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		(USDm)	(%)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(E)	(T)
A. Taxonomy -eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
none																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				(El; N/EL)	(El; N/EL)	(El; N/EL)	(El; N/EL)	(El; N/EL)	(El; N/EL)										
Sea and coastal freight water transport	CCM 6.10	327	100,0 %	El	EL	N/EL	N/EL	N/EL	N/EL								100%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		327	100,0 %																

A. CapEx of Taxonomy-eligible activities (A.1+A.2)	327	100,0 %
B. Taxonomy -non-eligible activities		
CapEx of Taxonomy non-eligible activities	0	0,0 %
Total	**327**	0,0 %

Template 3: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024, retrieved from Commission Delegated Regulation (EU) 2023/2486

Financial year 2024			**2024**	**Substantial contribution criteria**						**DNSH criteria ("Does Not Significantly Harm")**									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		(USDm)	(%)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(E)	(T)
A. Taxonomy -eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
none																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				(El; N/EL)	(El; N/EL)	(El; N/EL)	(El; N/EL)	(El; N/EL)	(El; N/EL)										
Sea and coastal freight water transport	CCM 6.10	43	100,0 %	El	EL	N/EL	N/EL	N/EL	N/EL								100%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		43	100,0 %																

A. OpEx of Taxonomy-eligible activities (A.1+A.2)	43	100,0 %
B. Taxonomy -non-eligible activities		
OpEx of Taxonomy non-eligible activities	0	0,0 %
Total	**43**	0,0 %

Climate Change (E1)

INTRODUCTION TO CLIMATE CHANGE

This chapter of the Sustainability Statement addresses the reporting requirements of ESRS E1. Odfjell has developed a transition plan for climate mitigation, which is closely linked to climate risk and impact, risk, and opportunity (IRO) disclosures in the General Disclosures section, as well as other aspects of the topical standard in E1.

The transition plan also incorporates considerations for a just and equitable transition, which are relevant to the S1 and S2 disclosures. Due to the disclosure requirements of the ESRS, there is a risk of overlapping topics related to climate change.

Furthermore, the implementation guidance document from EFRAG on transition plans is still under development. As a result, updates to the guidance may occur after Odfjell's initial disclosure.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION (E1-1)

Introduction

In line with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS), Odfjell presents this Transition Plan for Climate Change Mitigation, outlining our strategic roadmap toward net-zero emissions. This plan is integral to our sustainability strategy, demonstrating our commitment to addressing climate change while aligning with regulatory requirements and stakeholder expectations.

Our primary objective is to reduce greenhouse gas (GHG) emissions across all operations, contributing to global climate goals, including the Paris Agreement. The plan details key actions to mitigate climate risks, transition to a low-carbon economy, and navigate evolving regulations while ensuring that our climate targets align with operational strategies and financial investments.

By integrating decarbonization goals with capital expenditure (CapEx), operating expenditure (OpEx), and revenue generation, we embed sustainability across our business. Investments will focus on newbuildings, fleet upgrades, retrofitting, and sustainable fuels, reinforcing our commitment to emissions reduction.

Operational efficiency, stakeholder engagement, and continuous monitoring are crucial to achieving our climate objectives. We aim to balance compliance, technological advancements, and financial prudence to ensure resilience amid regulatory and market shifts.

While sectoral pathways for shipping are still undefined in public policy, Odfjell has developed a robust transition plan to achieve net-zero emissions. Though we cannot currently confirm explicit alignment with a 1.5°C trajectory, our plan outlines concrete measures to reduce carbon intensity in the short term, supporting the broader decarbonization of the industry.

This transition plan serves as a high-level framework, with further details available in Odfjell's sustainability statement. Due to its strategic sensitivity, the fleet transition plan remains confidential.

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 63.7% 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 36.3% of total emissions. 45.6% 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, E-1-4):

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.

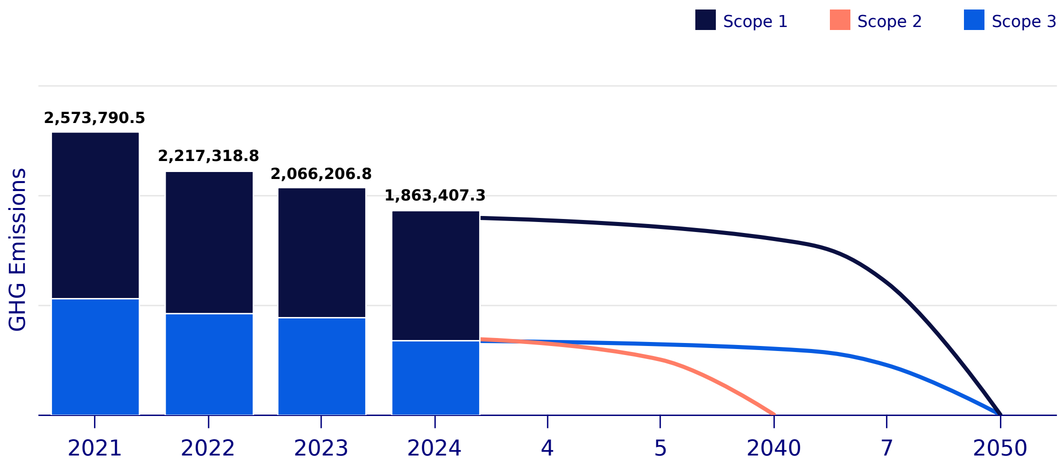
NAVIGATING TOWARD NET ZERO

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 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 (CO2), methane (CH4), and nitrous oxide (N2O). 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).

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 excludes time charter and pool vessels.

Net zero emissions for Odfjell means achieving a balance where any greenhouse gas emissions produced are fully neutralized. 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°C

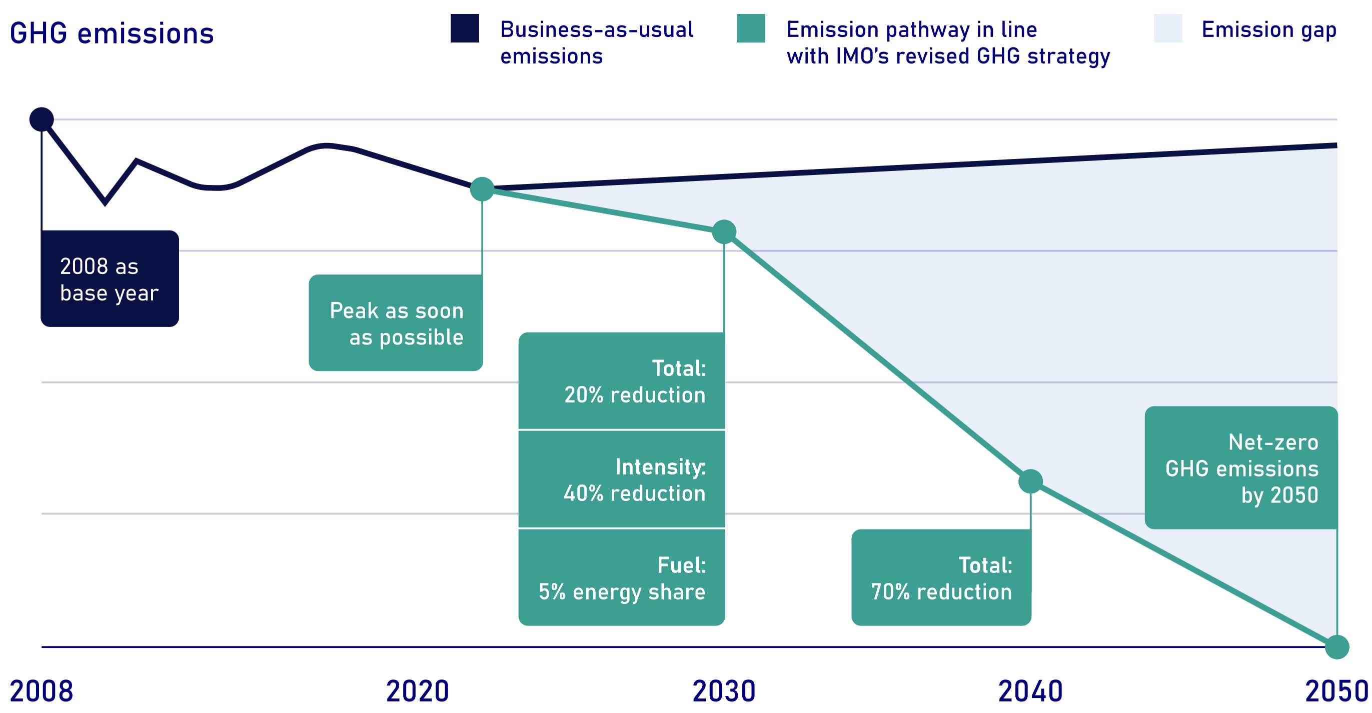
The Paris Agreement on climate change was agreed in 2015 by Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and entered into force in 2016. The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature 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

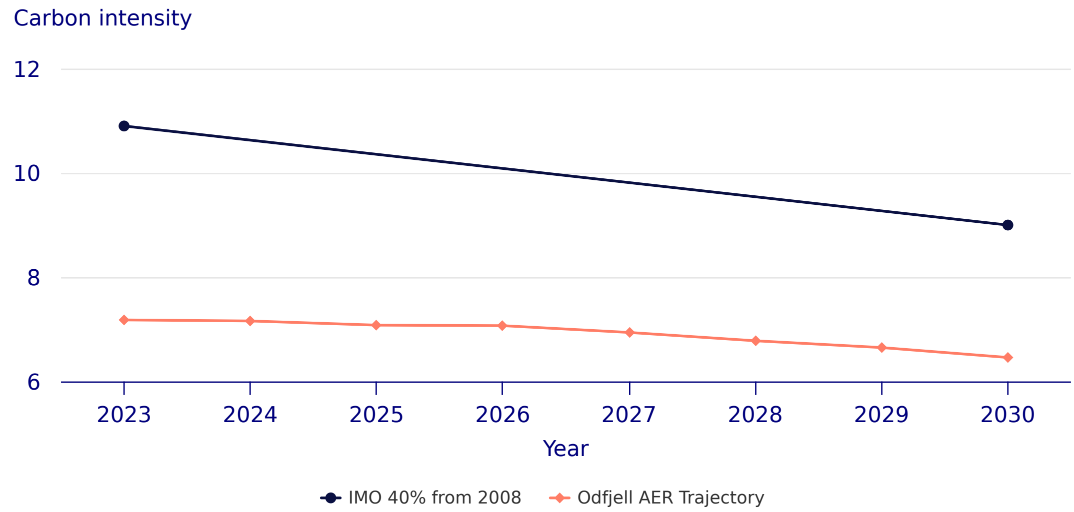


Total: Well-to-wake GHG emissions; **Intensity:** CO_2 emitted per transport work;
Fuel: Uptake of zero or near-zero GHG technologies, fuels and/or energy sources

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.



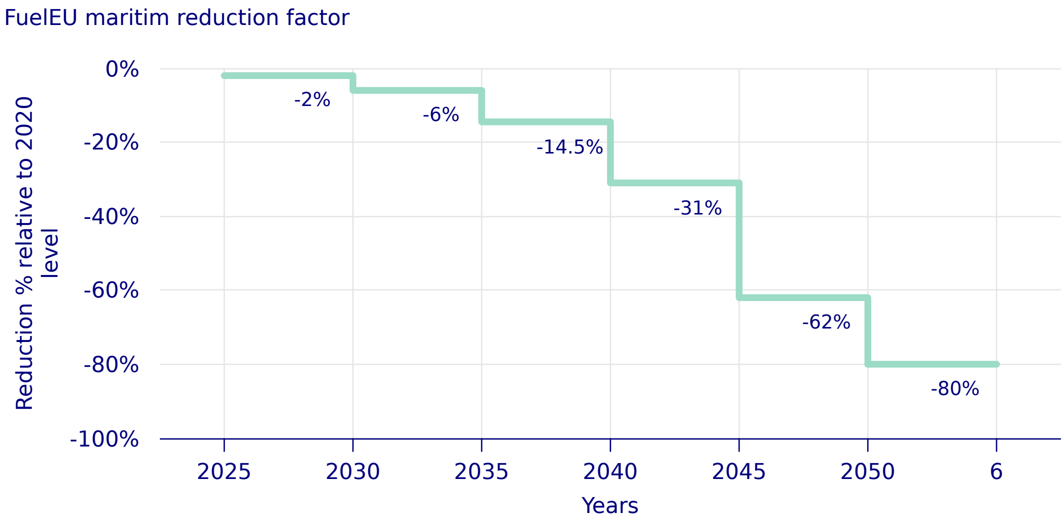
FUEL INITIATIVES

FuelEU Maritime regulations (FEM) will be implemented in 2025 and targets a reduction in the carbon intensity of maritime fuels used within EU waters. The regulation mandates ships to reduce their carbon intensity by 2%, escalating to 50% by 2050 for voyages in scope of the EU regulation. The regulation incentivizes 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-based1 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.

1 Goal-based standards (GBS) in the IMO are high-level standards and procedures that are to be met through regulations, rules and standards for ships.



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. Revised technical and economic regulations are expected in 2025, with implementation planned for 2027.

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:

1. Ship retrofit projects
2. Energy-efficient solutions
3. Research and development and transition strategy
4. Infrastructure
5. Vessel lifetime extensions
6. 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.

Operations and digitalization	Hydro-dynamics	Machinery	Energy	After treatment
Speed Utilization Size Routing	Hull Coating Hull Form Air Lubrication Cleaning	Efficiency Heat Recovery De-Rating Hybrid/Fuel Cell	LNG, LPG Biofuel Electro Methanol Ammonia Hydrogen Wind power Nuclear	Carbon Capture and Storage (CCS)
> 20%	5–15%	5–20%	0–100%	0–90%

Implemented at Odfjell   Testing/tested   Possible

Source of effects: DNV Maritime Forecast 2040

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 by 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 • Update strategy following IMO MEPC 83 decisions and roadmap	• Ensure compliance with new IMO regulations • 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	• 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

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).

We recognize that the replacement of our large stainless steel ships (supersegregators) will need to form part of our owned and controlled fleet. These vessels, which feature multiple segregations and stainless steel tanks, will incorporate the latest in energy efficiency and fuel technology. However, the cost of these vessels remains difficult to estimate due to their advanced configurations.

As part of our fleet transition plan, we are considering the potential construction of 6-12 newbuildings to replace part of our ageing fleet of supersegregators. While these vessels are not yet committed or ordered, we anticipate commencing construction in 2027, contingent on shipyard capacity and market conditions. This initiative could potentially require investments in the range of USD 500-900 million over the next 3-8 years, although these estimates are subject to vessel configurations, shipyard availability, pricing and market considerations. Odfjell's overall investments may also be lower if some of these vessels are committed through long-term time charters.

As of 2024, Odfjell has committed to the acquisition of 18 new vessels, comprising 2 owned ships and 16 vessels on long-term time charter (TC), scheduled for delivery between the second quarter of 2024 and 2028. These modern stainless steel chemical tankers, secured under TC arrangements, frequently include purchase options and are designed to be retrofitted for operation with net-zero fuels. Of these vessels, one is under construction in China, and the remaining 17 are being built in Japan.

Odfjell has a long history of investing in energy-saving devices on our vessels, which have not only reduced fuel costs but have also delivered a net positive return, with payback periods ranging from 1 to 7 years.

While specific CapEx figures related to these investments have not been publicly disclosed, Odfjell is expected to align its CapEx with the EU Taxonomy criteria for sustainable activities. It should be noted that deep-sea chemical tankers are not eligible under the taxonomy until they achieve zero tailpipe emissions. In line with Odfjell's sustainability targets, all newbuildings will be net-zero capable, and as such, will be aligned with the EU Taxonomy provided they operate on net-zero well-to-wake fuels, as defined by the Commission Delegated Regulation (EU) 2021/2178.

OPERATIONAL EXPENSES

It is worth noting that OpEx in this transition plan are different from OpEx under the EU Taxonomy reporting, and from the OpEx in Odfjell's financial statement. In the transition plan we include all operational expenses that are incurred as a result of performing our operations.

As it will take time for new fuels to become commercially available, it is crucial that Odfjell maintains flexibility by using both fossil and green fuels during the transition.

To align with FuelEU Maritime regulations and Odfjell's climate objectives, the company anticipates a shift towards biofuels, which are expected to be more expensive than conventional fuels. Significant uncertainties regarding future fuel prices and biofuel costs compound this transition.

Odfjell's contracts include bunker adjustment clauses designed to help manage fuel expense fluctuations. Additionally, to address the financial impact of EU emissions trading, Odfjell has incorporated clauses in its contracts that ensure customers bear the increased costs of EU emission allowances, safeguarding the economic viability of compliance efforts.

It is important to note that industry bodies like BIMCO and other stakeholders are actively working on developing standardized contract clauses. These will clarify the allocation and sharing of increased compliance costs associated with international regulations, including the IMO Carbon Intensity Indicator (CII), EU FuelEU Maritime, and the IMO Global Fuel Intensity standard . Odfjell is committed to incorporating these evolving standards into our contractual agreements as they develop to ensure fair and transparent cost distribution.

In the interim, we expect the availability of e-fuels to be limited, with material adoption in the fleet likely some time away. Currently, e-fuel prices are multiple times those of very low sulfur fuel oil (VLSFO), presenting a significant financial consideration. Odfjell will continue monitoring fuel technology advancements and collaborating on sustainable, cost-effective solutions as they emerge in the market.

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 2024.

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 the newly acquired 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 the new vessels enter service 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 partnering with Odfjell, customers will see a reduction in their scope 3 emissions, contributing positively to their sustainability goals and reporting obligations.

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.

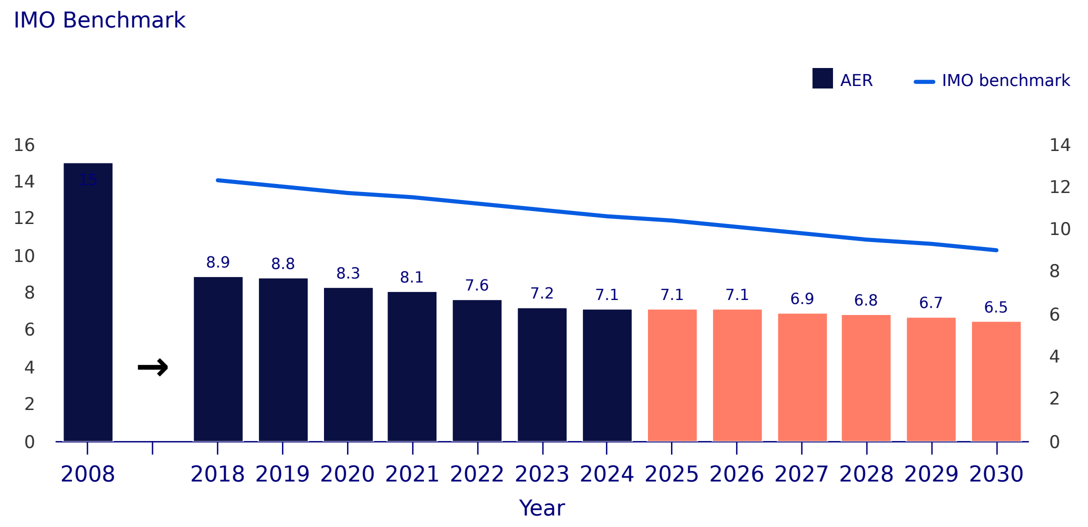
Sustainability is a fundamental part of our overall business strategy and a critical goal for Odfjell. This is reflected in how we align actions to drive the energy transition and decarbonization efforts with our long-term incentive plan for management and short-term incentive plan for all shore-based employees. 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 2024, the company has achieved a 53% reduction in carbon intensity compared to the 2008 baseline. Odfjell report progress on carbon intensity and significant energy efficiency projects in quarterly reporting. We report the GHG emission reduction progress 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.

MATERIAL CLIMATE CHANGE-RELATED IMPACTS, RISKS, AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (ESRS 2 SBM-3-E1)

The double materiality assessment outlined in ESRS IRO-1 (see link, IRO-1) identified the following material impacts, risks and opportunities: climate change mitigation, climate change adaptation and energy consumption, as described in the table below.

E1 Climate change	Material impacts, risks, and opportunities				Location in value chain			Time horizon		
	Impact	**Actual/ Potential**	**Risk**	**Opport-unity**	**Up-stream**	**Own operations**	**Down-stream**	**Short term**	**Medium term**	**Long term**
Climate change mitigation	Negative	Actual	X	X	X	X	X	X	X	X
Climate change adaptation	Negative and positive	Potential	X	X		X	X	X	X	X
Energy consumption	Negative and positive	Actual			X		X	X	X	X

At Odfjell SE, our strategic ambition regarding climate change is rooted in a profound commitment to sustainability and long-term value creation. Recognizing the critical importance of mitigating climate risks, we have integrated comprehensive climate strategies into our core business operations. Our approach is guided by the principles of transparency, accountability, and continuous improvement, ensuring that we not only meet, but exceed regulatory requirements and stakeholder expectations. We aim to achieve climate neutrality by 2050, aligning our efforts with the goals of the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels. Odfjell's climate targets do not claim to be compatible with the 1.5-degree pathways, as there are multiple challenges to being able to assert this. Our targets are set to achieve net-zero GHG emissions by 2050.

Our actual negative impact on climate change occurs in our own operations and across our whole value chain in the short, medium and long term. Our biggest environmental impact is our emission of GHG from our operated fleet. The main source of GHG emissions is carbon dioxide (CO2) from the combustion engines on our vessels (Scope 1). The most significant factors for emitted CO2 are:

- Fleet size (number of operated ships)
- Efficiency of the ships (technology, fuel efficiency)
- Operation of the ships (speed, routing, port time)

These factors will vary from year-to-year. The most important factor for absolute emissions is the size of the fleet. The Odfjell fleet consists of the controlled fleet (owned, financial lease, bareboat) and the operated fleet (controlled fleet, time chartered vessels and pool vessels), see link; ESRS 2 IRO-1-E1.

Odfjell mitigates its material climate change impacts by focusing on reducing scope 1 emissions from our operations, improving energy efficiency in our offices, and engaging with upstream value chain partners to address and minimize scope 3 emissions.

This actual reduction of a negative impact occurs in our own operations over the short, medium and long term by reducing GHG emissions through optimized route planning and improved energy efficiency through retrofits. See our fleet transition plan E1-1 for further descriptions, see link; E1-1.

Our analysis has identified an inherent risk that ships may not be able to meet emissions and energy-efficiency requirements. For more details, see link; E1-1. However, the same analysis indicates that, due to Odfjell's initiatives to reduce emissions across our existing fleet and the estimated lifespan of our vessels, we do not consider the risk of stranded assets to be significant. Reference, see link; ESRS 2 IRO-1-E1 and notes on financial risk in Financial Statement. Despite these risks, Odfjell's commitment to sustainability position Odfjell as a preferred provider, offering lower costs for customers when CO2 is taxed and scope 3 emissions are reported.

In our climate risk assessment, we have identified relevant climate physical and transitional risks, using the TCFD framework. We have presented an analysis of the most significant risks with a potential financial impact related to climate risk. For results, see link; ESRS 2 IRO-1-E1.

Resilience of our strategy and business model related to climate change related impacts.

Odfjell has assessed the resilience of its strategy and business model through comprehensive climate and nature risk assessments, as well as a double materiality assessment. These analyses incorporate climate scenario assessments to evaluate potential future risks and opportunities associated with climate change. Our approach ensures a holistic understanding of how climate-related factors may impact our operations, financial stability, and long-term strategic positioning.

The resilience analysis has been conducted as part of our ongoing risk management and strategic planning efforts. We have systematically assessed transition risks, direct physical risks, and financial implications using climate scenario analysis aligned with the requirements set out in ESRS 2 IRO-1. These assessments consider multiple time horizons to evaluate both short- and long-term risks to our fleet, business operations, and financial performance.

Our risk assessments include evaluating the financial impact of transition risks, such as regulatory changes, carbon pricing mechanisms, and evolving market expectations. The analysis also considers direct risks posed by physical climate hazards, including extreme weather events and long-term shifts in environmental conditions. The findings from these assessments are integrated into our broader corporate strategy and sustainability roadmap.

The results of our resilience analysis indicate that Odfjell's business model is currently robust when considering the impacts of climate change and transition risks as they are presently understood. Our strategic initiatives to reduce emissions across our existing fleet, coupled with the estimated lifetime of our vessels, ensure that we do not face a risk of stranded assets. Additionally, our approach to fleet renewal and energy-efficiency improvements mitigates the risk of locked-in emissions, supporting our long-term decarbonization strategy.

We have developed a clear pathway to align with industry standards and achieve net-zero emissions. This includes investments in energy-efficient technologies, operational efficiencies, and ongoing engagement with regulatory and industry bodies to remain ahead of evolving requirements. While our current analysis supports the resilience of our business model, we acknowledge that the regulatory landscape is continuously evolving. New regulations could pose additional challenges, particularly if they impose restrictions that limit our ability to trade ships. As part of our commitment to proactive risk management, we will continue to monitor and adapt our strategy to ensure ongoing compliance and alignment with global climate objectives.

Additionally, we actively engage with stakeholders to incorporate their insights into our risk management and strategic planning processes, ensuring our business model remains adaptable and forward-looking. Please also see link; ESRS 2 SBM-3 Resilience of Strategy and Business Model.

The financial effects of our material risks and opportunities on our financial position, financial performance and cash flows were evaluated in the financial materiality assessment in the DMA process and follow our corporate risk level definitions for consequences. Please also see link, ESRS 2 SBM-3 Financial Effects of Material Risks and Opportunities and ESRS 2 IRO-1 Methodologies and Assumptions Applied.

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (E1-2)

Odfjell's environmental policy is part of a comprehensive framework designed to manage material IROs related to climate change mitigation and adaptation. The policy's general objectives include reducing greenhouse gas emissions, enhancing energy efficiency, and supporting the transition to renewable energy sources. It addresses key material issues such as operational emissions, regulatory compliance, and technological advancements. The environmental policy sets Odfjell's climate targets. The process for monitoring involves regular assessments and reporting to ensure continuous improvement and adherence to environmental standards.

The scope of Odfjell's environmental policy encompasses all company activities, including upstream and downstream value chains, across all geographies where the company operates. It includes stakeholders such as employees, customers, suppliers, and regulatory bodies. The policy excludes no significant activities or geographies, ensuring a holistic approach to environmental management. As part of our governance structure, the board of directors and executive management hold ultimate responsibility for overseeing the company's environmental strategy and ensuring adherence to this policy. The chief sustainability officer (CSO), operational and ship management teams are tasked with implementing environmental initiatives and regularly updating the board on progress.

Odfjell's Environmental Policy aligns with third-party standards and initiatives, such as the International Maritime Organization (IMO) regulations and the Paris Agreement ambitions. In setting the policy, Odfjell considers the interests of key stakeholders, including customers and regulatory authorities, to ensure it meets their expectations and requirements. The policy is made available to all potentially affected stakeholders through the company's website and internal communication channels, ensuring transparency and accessibility.

The policy addresses climate change mitigation by investing in low and zero-carbon capable ships, net-zero fuels, and optimizing route planning to reduce emissions. For climate change adaptation, Odfjell supports the development of zero-emission technologies and infrastructure to enhance resilience. Energy efficiency is a core focus, with continuous improvements in operational practices and technological upgrades. Additionally, the policy promotes the deployment of renewable energy sources to further reduce the company's environmental footprint.

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES (E1-3)

Odfjell has identified several key decarbonization levers to achieve its emission reduction targets like a fleet transition plan, transition activities, decarbonization initiatives, operational efficiency measures, indirect and value chain emission reductions, and ship life-time extension. For details, please see link; Decarbonization Levers and Key Actions in ESRS E1-1.

At Odfjell, we recognize that achieving our net-zero ambitions requires collaboration across the entire value chain. Odfjell believes that the costs and risks associated with the energy transition should not be borne solely by one party. Instead, these should be distributed across the value chain, from our operations to our customers and ultimately, to the end consumers. For more details see link; Customers and value chain in ESRS E1-1.

Odfjell is making investments to support the achievement of the climate targets as described in the transition plan, with a focus on fleet renewal and technological innovation. Please see link; Investments and Funding in ESRS E1-1, for more details.

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (E1-4)

Odfjell has set climate targets to manage climate change mitigation and adaptation (material IRO's). Please see link; ESRS E1-1 Climate Targets. We describe our emission reduction targets in detail in ESRS E1-1 Transition Plan, see link; About the targets and Carbon intensity.

Odfjell has made significant progress in implementing its transition strategy. Regarding the progress of the targets please see ESRS E1-1 Transition Plan, see link; Progress. Regarding definition of Annual Efficiency Rate (AER) please see ESRS E1-1 Transition Plan, chapter About the Targets, see link; About the targets.

Annual Efficiency Rate (AER) for Controlled fleet (scope-1 emission reduction target)

	Retrospective					Milestones and target years			
	Base year (2021)	**2022**	**2023**	**2024**	**% N / N-1**	**2025**	**2030**	**2050**	**Annual % target /Base year (2021)**
AER (tCO2/dwt-mile)	8.1	7.6	7.2	7.1	-1.4	7.1	6.5	0.0	1.8

ENERGY CONSUMPTION AND MIX (E1-5)

Transportation is a high climate impact sector according to NACE Sections A to H and Section L (as defined in Commission Delegated Regulation (EU) 2022/1288). The energy values are calculated per quantity of fuel type with the energy consumption calculator tool by the Sustainable Energy Authority of Ireland (SEAI) since 2011. All conversion factors in this tool are based on net calorific values. Please find energy consumption and mix in the following table.

Energy consumption and mix (Ref. ESRS E1 AR 34)

Energy consumption and mix		**2021**	**2022**	**2023**	**2024**
	1. Fuel consumption from coal and coal products (MWh)	0.0	0.0	0.0	0.0
	2. Fuel consumption from crude oil and petroleum products (MWh)	5 399 162.8	4 640 550.2	4 240 929.5	4 286 987.6
	3. Fuel consumption from natural gas (MWh)	0.0	0.0	0.0	0.0
	4. Fuel consumption from other fossil sources (MWh)	520.2	298.5	310.9	166.0
	5. Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	750.4	1 868.8	279.8	301.5
	6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**5 400 433.3**	**4 642 717.4**	**4 241 520.1**	**4 287 455.1**
Fossil energy	Share of fossil sources in total energy consumption (%)	100.00	100.00	99.97	99.97
	7. Consumption from nuclear sources (MWh)	0.0	0.0	0.0	0.0
Nuclear energy	Share of consumption from nuclear sources in total energy consumption (%)	0.0	0.0	0.0	0.0
	8. Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen etc) (MWh)	0.0	0.0	74.0	32.7
	9. Consumption of purchased or acquired electricity, heat steam and cooling from renewable sources (MWh)	0.0	0.0	1 220.9	1 141.4
	10. The consumption of self-generated non-fuel renewable energy (MWh)	0.0	0.0	0.0	0.0
	11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**0.0**	**0.0**	**1 294.9**	**1 174.1**
Renewable energy	Share of renewable sources in total energy consumption (%)	0.00	0.00	0.03	0.03
Total	**Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)**	**5 400 433.3**	**4 642 717.4**	**4 242 815.1**	**4 288 629.2**

Note: all numbers, excluding Terminals JV, not comparable with earlier reported numbers in previous annual reports

Energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors (Ref. ESRS E1-5 AR 37) and connectivity of energy intensity based on net revenue with financial reporting information (Ref. ESRS E1-5 AR 38)

Energy intensity per net revenue	2021	2022	2023	2024	% N / N-1
Energy intensity					
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/USD)	0.005208	0.003549	0.003559	0.003434	-3.5
Net revenue					
Net revenue from activities in high climate impact sectors used to calculate energy intensity (USD mill)	1 037.0	1 308.0	1 192.0	1 248.6	4.8
Net revenue (other) (USD mill)	0.0	0.0	0.0	0.0	0.0
Total net revenue (financial statements) (USD mill)	1 037.0	1 308.0	1 192.0	1 248.6	4.8

Note: all numbers, excluding Terminals JV, not comparable with earlier reported numbers in previous annual reports. Net revenue from activities in high climate impact sectors (Tankers) and total net revenue from annual report 2024, Note 4 Segment information and disaggregation of revenues

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS (E1-6)

About scope 1 emissions

The direct emissions from our vessels (scope 1) are the biggest source of emissions for Odfjell. This is the factor that has biggest impact on the environment. The absolute emissions do not tell the full story, as it is so dependent on fleet size. That is why Odfjell also reports on the carbon intensity for the controlled fleet. The scope 1 GHG emissions in this reporting (see table below) contain CO2, CH4 and N2O emissions of our vessels. These emissions are calculated based on fuel consumption per fuel type with the applicable emission factors according to EU regulation 2023/1805. For fleet categorization, please see link; Emission reporting and fleet categorization in BP-2.

About scope 2 emissions

Scope 2 covers the indirect emissions created by the production of energy we buy (i.e power for offices). We calculate location- and market-based scope 2 emissions. The national electricity generation emission factors and/or the national electricity residual mix factors for Norway, The Philippines, Singapore and Brazil by Carbon Footprint Ltd. were used. Since 2023, the Bergen office in Norway has a 100% renewable energy certificate of origin, which accounts for 11.6% of the total location-based scope 2 emissions. No other contractual instruments were used. Other scope 2 emissions, other than the consumption of electricity, came from the consumption of biofuel and kerosene (until 2021) in the Bergen office. The emissions factor for biofuel by the Norwegian Environmental Department (Miljødirektoratet) and the emissions factor for kerosene from the SEAI were used. Scope 2 emissions account only for about 0.01% of Odfjell's total emissions and are therefore regarded as not material.

About scope 3 emissions

Scope 3 covers our upstream and downstream value chain emissions. Scope 3 is divided into 15 different categories, where nine are relevant for Odfjell.

Purchased goods and services (category 1) and fuel and energy-related activities (category 3) of scope 3 emissions were included from 2022. The values for the 2021 baseline year were extrapolated for this report from the years 2022-2023. Odfjell has been supported by ReFlow ApS, a carbon footprint consultation and software solution company (https://re-flow.io/). For more details, please see link; Value Chain Estimation – emissions in scope-3.

The spend-based method was used by ReFlow for category 1 calculations. In 2024, a new category, covering port costs (including towage), IT purchases and all provisions on board was introduced and included using the spend-based method.

The main reason for the difference in category 3 emissions between 2023 and 2024 is the methodological shift in calculations. In previous years, emissions were calculated by ReFlow using a spend-based approach, while for 2024, the emissions were calculated based on IPCC 2021 GWP100 factors and fuel-specific well-to-tank (WTT) emission factors derived from Ecoinvent 3.9.1. This change in methodology leads to a more accurate evaluation of supply chain emissions, focusing on extraction, refining, and transportation, while excluding direct combustion emissions (tank-to-wake, or TTW).

Capital goods (category 2) and upstream transportation and distribution not included in scope 1 or scope 2 (category 4) were calculated on spend-based basis with the GHG Quantis scope 3 emission evaluator up until 2022. The evaluator was decommissioned in 2023. The same percentage from total location-based GHG emissions from 2022 were extrapolated for 2021-2024 (0.3% for category 2 and 0.1% for category 4).

Waste generated in operations (category 5) includes waste from the main offices in Bergen, Manila, Singapore and Sao Paulo. Waste emissions calculation is based on the average-data method using primary data. The emission factor for municipal waste from the Norwegian Emission Inventory 2016 by Statistics Norway was used. Waste amount from ships was not measured for 2023. The first measurements from ships will be available in 2024.

Business travel (category 6) includes travel by plane and car by the crew on Odfjell managed ships and the employees of the offices in Bergen, Manila, Singapore and Sao Paulo. It is calculated on the distance-based method using primary data

Employee commuting (category 7) is calculated on the distance-based method, based on average kilometer commute by car or public transport per employee for the offices in Bergen, Manila, Singapore and Sao Paulo.

Investments (category 15) includes scope-1, scope-2 and scope-3 emissions from JV terminals in USA and South Korea. In the scope-3 emissions from JV terminals category 5 waste, category 6 business travel and category 7 employee commuting are included. The 2024 date is estimated from the reported data in 2023 and account only for 3.9% of all scope-3 emissions.

The following scope 3 categories are not relevant to Odfjell:

- Upstream leased assets (category 8) – Odfjell has no leased assets
- Downstream transportation and distribution (category 9) – Odfjell does not have downstream transportation or distribution processes of sold products (including retail and storage)
- Processing of sold products (category 10) - Odfjell does not sell products or have processing of sold intermediate products by third parties
- Use of sold products (category 11) – Odfjell provides only transport and storage services for products owned by others. We report our scope 1 emissions for these services to our customers, but we do not sell or have any responsibility for the products that are stored or transported.
- Downstream leased assets (category 13) - Odfjell has no leased assets
- Franchises (category 14) - Odfjell does not have any franchises.

Scope 3 emissions account for 36.3% of Odfjell's total location-based GHG emissions. 1.2% of scope 3 emissions were calculated using primary data for category 5 and 6.

GHG emissions

In 2024, the total GHG emissions reduction was 27.9%, compared to the 2021 emissions base year. The reduction in scope 1 emissions for 2024 was 21.9%, compared to the 2021 emissions base year. The reduction in scope 3 emissions for 2024 was 36.4%, compared with the 2021 emissions base year.

Total GHG emissions disaggregated by scope 1, scope 2 and significant scope 3 (Ref. ESRS E1 AR 48)

GHG emissions by scope	Retrospective					Milestones and target years			
	Base year 2021	**2022**	**2023**	**2024**	**% N / N-1**	**2025**	**2030**	**(2050)**	**Annual % target / Base year**
Gross scope 1 GHG emissions Odfjell Operated fleet (Mt)	1 513 603,1	1 302 233,6	1 181 995,0	1 182 349,0	0.0	NA	NA	NA	NA
Gross scope 1 GHG emissions Financial control iaw ESRS (Mt)	1 179 407.8	1 061 128.2	1 129 590.2	1 135 519.2	0.5	NA	NA	NA	NA
Gross scope 1 GHG emissions Operational control iaw ESRS (Mt)	1 513 603,1	1 302 233,6	1 181 995,0	1 189 279,1	0.6	NA	NA	NA	NA
% of scope 1 GHG emissions Odfjell Operated fleet from regulated emissions trading schemes	0.0	0.0	0,0	16,3	100.0	NA	NA	NA	NA
Gross location-based scope 2 GHG emissions (tCO2eq)	107,7	203,6	146,6	176,6	20.5	NA	NA	NA	NA
Gross market-based scope 2 GHG emissions (tCO2eq)	313,6	720,5	137,8	170,7	23.9	NA	NA	NA	NA
Total Gross indirect (scope 3) GHG emissions (tCO2eq)	**1 060 079,7**	**914 881,6**	**884 065,2**	**673 951,6**	**23.8**	**NA**	**NA**	**NA**	**NA**
1. Purchased goods and services	107 035,0	103 650,0	110 420,0	324 978,4	194.3	NA	NA	NA	NA
2. Capital goods	7 690,6	6 625,5	6 173,9	5 547,2	-10.2	NA	NA	NA	NA
3. Fuel and energy-related Activities (not included in scope 1 or 2)	914 751,0	768 257,0	731 147,0	307 232,9	-58.0	NA	NA	NA	NA
4. Upstream transportation and distribution	2 563,5	2 208,5	2 058,0	1 849,1	-10.2	NA	NA	NA	NA
5. Waste generated in operations	15,1	22,0	23,3	40,0	71.7	NA	NA	NA	NA
6. Business travel	3 901,5	4 927,2	7 916,4	8 060,5	1.8	NA	NA	NA	NA
7. Employee commuting	142,0	183,4	330,6	247,5	-25.1	NA	NA	NA	NA

12. End-of-life treatment of sold products	0,0	3 593,0	0,0	0,0	0.0	NA	NA	NA	NA
15. Investments	23 981,0	25 415,0	25 996,0	25 996,0	0.0	NA	NA	NA	NA
Total GHG emissions (location-based) Odfjell Operated fleet (Mt)	**2 573 790,5**	**2 217 318,8**	**2 066 206,8**	**1 856 477,2**	**-10.2**	**NA**	**NA**	**0**	**NA**
Total GHG emissions (market-based) Odfjell Operated fleet (Mt)	**2 573 996,4**	**2 217 835,7**	**2 066 198,0**	**1 856 471,3**	**-10.2**	**NA**	**NA**	**0**	**NA**
Total GHG emissions (location-based) Operational control iaw ESRS (Mt)	2 573 790,5	2 217 318,8	2 066 206,8	1 863 407,3	-9.8	NA	NA	0	NA
Total GHG emissions (market-based) Operational control iaw ESRS (Mt)	2 573 996,4	2 217 835,7	2 066 198,0	1 863 401,4	-9.8	NA	NA	0	NA

Total GHG intensity per net revenue (Ref. ESRS E1-6 AR 53-55)

GHG intensity per net revenue for Operated fleet	Base year 2021	2022	2023	2024	% N / N-1
GHG intensity					
Total GHG emissions Operated fleet (location-based) per net revenue (tCO2eq/USD)	0.002482	0.001695	0.001733	0.001487	-18.6
Total GHG emissions Operated fleet (market-based) per net revenue (tCO2eq/USD)	0.002482	0.001695	0.001733	0.001487	-18.6
Net revenue					
Net revenue used to calculate GHG intensity (USD mill)	1 037.0	1 308.0	1 192.0	1 248.6	4.8
Net revenue (other) (USD mill)	0.0	0.0	0.0	0.0	0.0
Total net revenue (in financial statement) (USD mill)	1 037.0	1 308.0	1 192.0	1 248.6	4.8

Note: Net revenue from activities in high climate impact sectors (Tankers) and total net revenue from annual report 2024, , Note 4 Segment information and disaggregation of revenues

GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS (E1-7)

Odfjell does not have any GHG removals or GHG mitigation projects financed through carbon credits.

INTERNAL CARBON PRICING (E1-8)

Odfjell does not apply internal carbon pricing schemes in its business.

ANTICIPATED FINANCIAL EFFECTS FROM MATERIAL PHYSICAL AND TRANSITION RISKS AND POTENTIAL CLIMATE-RELATED OPPORTUNITIES (E1-9)

Odfjell has opted to exercise the phase-in allowance to omit the financial effects from material physical and transition risks and potential climate-related opportunities required in E1-9 standards. The transition plan and climate risk assessment present a thorough insight into the risks and opportunities and financial effects.

Pollution (E2)

MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (ESRS 2 SBM-3-E2)

Our double materiality assessment (DMA), described in IRO-1, determined the following pollution-related material impacts in the table below. For more details, please see the Description of the Processes to Identify and Assess Material Pollution-Related Impacts, Risks and Opportunities, see link ESRS 2 IRO-1-E2.

E2 Pollution	Material impacts, risks, and opportunities	Location in value chain	Time horizon

	Impact	Actual/ Potential	Risk	Opportunity	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Pollution of air	Negative	Actual				X		X	X	X
Pollution of water	Negative	Actual/ Potential	X			X		X		

POLICIES RELATED TO POLLUTION (E2-1)

Pollution of air and water

Pollution-related objectives of Odfjell's environmental policy (see also link; E1-2) focus on eliminating accidental pollution, minimizing emissions, and phasing out harmful substances. Specific measures include compliance with IMO regulations (e.g., on SOx, NOx, and particulate matter), implementation of advanced waste and ballast water management systems, and ongoing monitoring of pollutant emissions using best practices and technologies. Pollutants, or substances included in our environmental policy, are GHG, SOx, NOx and particulate matter, as well as harmful and hazardous substances and substances of very high concern. The policy is explicit about minimizing the use of hazardous substances and phasing out those of very high concern (SVHC), particularly in shipbuilding and maintenance processes. Odfjell adopts a "zero accidents" philosophy, prioritizing the prevention of environmental incidents and minimizing risks.

The policy targets material aspects such as emissions (air pollutants, greenhouse gases), marine pollution (wastewater, ballast water), and hazardous substances. Its efficacy is monitored through regular reporting aligned with frameworks like the Carbon Disclosure Project (CDP) and the Task Force on Climate-Related Financial Disclosures (TCFD), with progress reviewed annually in sustainability reports featuring metrics like the IMO's Carbon Intensity Indicator (CII).

The policy encompasses Odfjell's entire operational value chain, including its fleet and supporting logistics. Affected stakeholders include employees, suppliers, local communities, and global maritime regulators, all of whom are integral to implementing and monitoring the policy.

At the most senior level, the chief sustainability officer (CSO) is responsible for implementing the policy, supported by the ship management teams and operational teams. Ultimate oversight lies with the board of directors and executive management, ensuring alignment with the company's strategy.

The policy aligns with global standards and initiatives, such as the International Maritime Organization (IMO) GHG Strategy, MARPOL regulations, the Paris Agreement, and the United Nations Global Compact. It also adheres to the European Union's Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) and national regulations.

In formulating the policy, key stakeholders such as regulators, customers, employees, and local communities are considered. For instance, the collaboration with suppliers to reduce scope 3 emissions highlights Odfjell's commitment to engaging with its value chain. Additionally, the company works with tonnage providers and industry partners to ensure collective progress toward environmental goals.

The policy is available to stakeholders through Odfjell's webpage, transparent reporting and disclosures, including annual sustainability reporting. It is also integrated into training programs to educate employees and other implementers, ensuring widespread understanding and adherence.

ACTIONS AND RESOURCES RELATED TO POLLUTION (E2-2)

Odfjell's strong commitment to pollution prevention and control is demonstrated through a comprehensive suite of actions and dedicated resources. These measures address pollution in air, water, and waste streams, ensuring compliance with international regulations and promoting sustainable operations. The following actions related to pollution are implemented in our own operations.

Advanced Waste and Ballast Water Management

To prevent marine pollution, Odfjell's fleet is equipped with advanced waste and ballast water treatment systems (BWTS), aligning with the IMO Ballast Water Management (BWM) Convention. As of the end of 2024, all 42 controlled vessels within the requirements have installed BWTS. Effluent, wastewater, and oily water management systems on all vessels meet class-approved standards and are subject to regular inspections by authorities to ensure effective operation. Odfjell enforces MARPOL Annex V regulations through ship-specific Garbage Management Plans (GMPs), which cover waste segregation, disposal, and record-keeping. Garbage is categorized into plastics, food waste, incinerator ashes, and electronic waste, among others, with compactors implemented fleet-wide to optimize waste handling and recycling. Operational waste, including mooring lines, is delivered to reception facilities to ensure responsible disposal.

Air Emission Compliance and Monitoring

Odfjell adheres strictly to IMO regulations and EU directives, such as the FuelEU Maritime Regulation, to manage air emissions, including SOx, NOx, and black carbon. Odfjell's policy avoids retrofitting the fleet with scrubbers, focusing instead on low sulphur fuel usage to meet sulfur regulations.

Hazardous Substances and Material Assessment

The company prioritizes substituting non-essential hazardous substances with safer alternatives. Regular assessments of shipbuilding and maintenance materials ensure alignment with best environmental practices, minimizing the environmental footprint of operations.

Emergency Preparedness and Incident Management

All vessels operate under a Shipboard Marine Pollution Emergency Plan (SMPEP), supported by regular training and readiness drills to manage potential environmental incidents effectively. Collaboration with port authorities, local communities, and emergency services facilitates the development of rapid response plans to control and minimize the impact of pollution incidents.

Certification and Environmental Management Systems

Odfjell has an environmental management system. This system is audited several times a year as part of the Tanker Management Self-Assessment (TMSA), and this is reported to the Oil Companies International Marine Forum (OCIMF). Among others, our vessels hold the following certifications, covering compliance with international environmental rules and policies: the International Safety Management (ISM) certification, IOPP (International Oil Pollution Prevention), ISPP (International Sewage Pollution Prevention), International Ballast Water Management Certificate and IAPP (International Air Pollution Prevention) certificates. These certifications ensure compliance with the IMO MARPOL convention and international environmental standards.

Actions for the future

Odfjell will enhance the monitoring of suppliers through the Achilles platform to improve insight into suppliers' use of materials and actions to mitigate pollution in the value chain. We anticipate this will be refined in the coming years. We aim to improve how we monitor and report NOx emissions, obtaining more activity-based data, and expect to report on this in 2026 for the year 2025.

TARGETS RELATED TO POLLUTION (E2-3)

Odfjell maintains a zero-accident philosophy to avoid and minimize the impact of our activity on the environment. The target is zero spills for the environment. For our fleet, all spills of any substance, harmful or not, are registered and handled as a spill. We also register whether the spill has been contained on board or affected the environment beyond (pollution).

We have set a voluntary target for 2024, for Odfjell managed vessels, to limit pollution to below two (total number of cases) and a long-term target of one pollution. Odfjell managed vessels involve our own operations in Fleet Bergen and Fleet Flumar, as well as upstream value chain operations in the external fleet Thome. The base period for which progress is measured is per year. The targets related to pollution are not based on scientific evidence and we have not involved stakeholders in the target setting.

Odfjell has not set a target for SOx, NOx, and black carbon emissions to the air, as we must adhere strictly to IMO regulations and EU directives, such as the FuelEU Maritime Regulation regarding mandatory carbon emission thresholds, and the IMO for sulfur content. Emission to air is closely connected to the volume of fuel consumed and must follow the IMO MARPOL regulations. As such, no further targets have been set. Since pollution to soil is not material, according to our DMA, no targets were set regarding this topic.

POLLUTION OF AIR AND WATER - METRICS (E2-4)

According to annex I of the E-PRTR regulation (EC) No 166/2006, shipping is not an included activity. Odfjell follows MARPOL Annex I and II regarding emission into water and MARPOL Annex VI regarding emission into air.

We are not able to monitor SO2, NO2 and black carbon emissions directly, but we can calculate a weighted average based on all bunker delivery notes for purchase. Fuel consumption is measured, internally verified, and then verified by DNV for external reporting according to EU MRV and IMO DCS regulations.

SO2 is sulfur dioxide and refers to SO, SO2 and SO3, which are created when sulfur is burned in the fuel combustion process. SO2 is the predominant gas, and we therefore assume that SO and SO3 equals zero. In terms of calculation, there are two oxygen atoms per supermolecule. This is because oxygen is exactly half the weight of the sulfur atom. For the calculation of sulfur oxides (SO2) we used the emission conversion factor of 1.997, regardless of fuel type. SO2 = [ton fuel]*[Ton Sulfur/Ton Fuel]*[SO2/Ton Sulfur].

In 2024, for the calculation of nitrogen oxides (NO2) we followed the 2023 guidelines set out in NOx-fondet, as specified in Forskrift om særavgifter § 3-19-9. (1) and (2), and the Norwegian Maritime Authority, based on engine type and motor rotational speed.

Black carbon emission factors vary widely, but studies suggest black carbon emissions from shipping range between 0.2 to 0.5 grams per kilogram of fuel burned, depending on engine type, fuel quality, engine load/speed and operating conditions. For the calculation of black carbon we used the maximal value of the average estimated emissions factors in volume per ton of fuel burned (HFO, VLSFO and MGO) according to the International Council on Clean Transportation (ICCT) study from 2015*.

The calculated pollutant emission values are not validated by an external body or assurance provider. Please see table below.

Pollutants according to E-PRTR regulation (Ref. ESRS E2 & 28a) for operated fleet

Pollutant (Emission in 1000 ton)	**To Air 2021**	**To Air 2022**	**To Air 2023**	To Air 2024	To Water 2024	To Land 2024	Total in 2024
Sulphur oxides (SOx/SO2)	4 705	3 162	2 941	2 801	0	0	2 801
Nitrogen oxides (NOx/NO2)				31 303.9	0.0	0.0	31 303.9
Black carbon* (Particulate matter PM10)	198.7	170.5	166.1	168.3	0.0	0.0	168.3

Ref.: *Black Carbon Emissions and Fuel Use in Global Shipping 2015 (icct), https://theicct.org/wp-content/uploads/2021/06/Global-Marine-BC-Inventory-2015_ICCT-Report_15122017_vF.pdf

Accidental pollution by Odfjell managed vessels	2021	2022	2023	**2024**
Number of cases	2	1	2	1

Note. Odfjell managed vessels as part of the Odfjell controlled fleet, see link; ESRS 2 SBM-3-E1 include vessels in Fleet Bergen, Fleet Flumar and Fleet Thome (external managed vessels in our fleet).

For our fleet, all spills of any substance, harmful or not, are registered and handled as a spill. We also register whether the spill has been contained on board or affected the environment beyond. According to ISGOTT and MARPOL 73/78, spills are contained on board whereas pollution is when a liquid escapes into the sea or land, regardless of the quantity, or when accidental emissions escape into the air. In 2024, we had one case of pollution of a terminal area from one of our managed ships. During the connection of a cargo hose to shore, the manifold valve was incorrectly operated which resulted in a cargo spill on deck of about 30-50 liters, some of it reaching the terminal side. The cargo was an Annex II category Y (MARPOL 73/78) noxious liquid substance with moderate risk of hazard to the environment and human resources. The affected area was cleaned immediately, an incident investigation was conducted, and a Lesson Learned issued.

Our shipping operations follow the main routes between major ports around the world. We follow international and local regulations and guidance to avoid protected areas. We do not currently track time and operations in areas of protected conservation status in accordance with the UN Environment Programme World Conservation Monitoring Centre (UNEP WCMC). Emission control areas (ECAs), or sulfur emission control areas (SECAs), are sea areas in which stricter controls are established to minimize airborne emissions from ships, as defined by the MARPOL Protocol. Odfjell follows this regulation and changes fuel in the applicable ECA areas.

Odfjell is committed to phasing out the use of harmful and hazardous substances. Odfjell does not produce, distribute, commercialize or import/export any substances of concern or substances of very high concern, in our own operations.

SUBSTANCES OF CONCERN AND VERY HIGH CONCERN (E2-5)

Odfjell does not produce, distribute, commercialize or import/export any substances of concern or substances of very high concern, in our own operations.

All our managed vessels are provided with firefighting foam, containing PFAS, which is a substance of concern. This firefighting foam is only used in an emergency and in line with current regulations. In September 2024, the EU Commission adopted new measures under the REACH Regulation (the EU chemicals legislation) to protect human health and the environment by restricting the use of undecafluorohexanoic acid (PFHxA) and PFHxA-related substances. We plan to update the firefighting foam on board our vessels to PFAS-free firefighting foam.

ANTICIPATED FINANCIAL EFFECTS FROM POLLUTION-RELATED IROS (E2-6)

Odfjell has opted to exercise the phase-in allowance to omit the financial effects from material pollution risks and potential pollution-related opportunities required in E2-6.

The operating and capital expenditures incurred in the reporting period, in conjunction with major incidents and deposits, are zero. In the one case of pollution in the terminal area, this can be considered negligible as the affected area on board and at the terminal was promptly cleaned by the personnel on sight, requiring no additional resources.

Social Information

Own Workforce (S1)

At Odfjell, our workforce is the cornerstone of our ability to safely and efficiently transport and store chemicals and liquids across the globe. Every team member contributes to our culture of innovation, operational excellence, and long-term sustainability, from our dedicated seafarers to our highly skilled shore-based employees.

As part of our commitment to responsible business practices, we continuously invest in attracting, developing, and retaining a diverse and highly competent workforce. We foster a safe, inclusive, and engaging work environment that supports employee well-being, professional growth, and ethical business conduct. Through robust training programs, leadership development initiatives, and a strong focus on health and safety, we empower our people to thrive in an evolving maritime industry.

By prioritizing our workforce, we strengthen our ability to adapt to the changing demands of global trade while upholding our commitment to sustainable and responsible operations. Our people are at the heart of Odfjell's success, and their expertise and dedication drive our mission to deliver world-class services to our customers.

MATERIAL OWN WORKFORCE-RELATED IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (ESRS 2 – SBM-3-S1)

Through our double materiality assessment, we have identified the following key material impacts.

S1 Own Workforce	Material impacts, risks, and opportunities				Location in the value chain			Time horizon		
	Impact (positive/ negative)	**Actual/ potential**	**Risk**	**Opportunity**	**Upstream**	**Own operations**	**Downstream**	**Short term**	**Medium term**	**Long term**
Gender equality and diversity within own workforce	Both	Actual				X		x	x	x
Positive impact of own training	Positive	Actual				X		x	X	x
Health and safety of own workers	Negative	Actual				x		x	x	x

Odfjell's workforce is divided into two main categories:

Shore-Based Workforce: This group includes employees in Odfjell Tankers, Ship Management, and Flumar, as well as Odfjell corporate and Terminals corporate staff. It also covers personnel provided by third-party undertakings (non-employees).

Seafarers: This group comprises all employees within Odfjell's seafarer pool: Filipino (PHP), North West (NWE), and Flumar seafarers. NWE seafarers are permanent employees, while PHP and Flumar are employed on contractual terms for the duration of their sailing assignments. Additionally, this group includes personnel provided by third-party undertakings (non-employees).

This disclosure includes all individuals within Odfjell's workforce, including both shore-based personnel and seafarers, who are materially impacted by our operations. While some topics are relevant to both categories, the disclosure recognizes the unique characteristics and operational contexts of each group and presents the following information accordingly. For more details on our employees, see link; S1-6.

Diversity and Gender Equality within Own Workforce

A diverse and gender-balanced workforce is essential to Odfjell's operational success and long-term resilience. Diversity drives innovation, improves adaptability, and supports more informed decision-making, creating opportunities to boost operational excellence, attract top talent, and meet evolving societal and stakeholder expectations. Achieving gender equality enhances the company's reputation by reflecting broader societal values and underscoring a commitment to inclusivity.

These opportunities can have a direct positive impact on income by improving competitiveness, strengthening Odfjell's reputation, and ensuring access to a wider talent pool. Conversely, failing to address risks such as talent shortages or difficulties in retaining a diverse workforce could lead to increased recruitment costs, operational inefficiencies, and potential reputational harm. By integrating diversity and gender equality into its strategy and business model, Odfjell fully capitalizes on these advantages while mitigating associated risks.

Positive Impact of Own Training

Odfjell's training and skills development initiatives create a highly skilled, resilient, and adaptable workforce, directly contributing to operational excellence and long-term sustainability. A cornerstone of these efforts is the Odfjell Cadetship Program, which annually provides world-class education for cadets in the Philippines and Norway. This program elevates training standards, enhances the skills of Odfjell's workforce, and creates opportunities that positively impact cadets and their families. It also supports the recruitment of cadets and apprentices at sea, ensuring a robust pipeline of skilled personnel who often transition into shore-based roles. Approximately 20% of shore staff in Odfjell Tankers and Odfjell Ship Management are former seafarers from Odfjell's fleet.

Odfjell's commitment to training extends beyond cadets to all employees, both ashore and at sea. By fostering continuous learning and skill development, employees are empowered to advance their careers and strengthen their loyalty to Odfjell, while the organization builds the capacity to meet evolving industry demands. This comprehensive approach to training and education reinforces Odfjell's strategic goals, ensuring positive and enduring impacts for both the workforce and the company's operational resilience.

Health and Safety of Own Workforce

Maintaining a safe and healthy work environment is integral to Odfjell's operations. The maritime and shipping industry inherently involves risks, including potential injuries and fatalities, making robust safety measures and strict adherence to health and safety standards essential.

Failure to manage these risks effectively can compromise workforce safety, disrupt operations, and undermine organizational resilience. To address this, Odfjell takes a proactive approach to health and safety by implementing targeted mitigation measures. These measures not only reduce the likelihood and severity of negative impacts but also strengthen operational stability and bolster workforce resilience.

These risks affect employees both ashore and at sea, with seafarers and those in higher-risk roles being particularly vulnerable. Furthermore, the potential negative impacts extend to non-employees, such as personnel provided by third-party organizations, underscoring the importance of comprehensive safety protocols across the entire scope of operations.

POLICIES RELATED TO OWN WORKFORCE (S1-1)

Diversity and Gender Equality within Own Workforce

Odfjell is committed to fostering diversity, equality, and inclusion as part of its strategy to enhance organizational performance, remain relevant, and attract and retain top talent. This commitment is guided by the Human Resource Mission and Policies (HRMP), supported by the code of conduct (detailed in see link; Business conduct policies and corporate culture (ESRS G1-1)) and human rights policy. Odfjell ensures that all employees are treated fairly, have equal opportunities, and work in a safe, non-discriminatory environment. These principles extend to recruitment processes, promoting fairness and inclusivity from the outset. The HRMP is available through Odfjell's intranet and document library (DocMap).

The HRMP specifically seeks to mitigate discrimination and harassment while promoting equal opportunities for all employees, regardless of gender, ethnicity, race, religion, age, sexual orientation, disability, or culture. These policies ensure equal access to skill development, new challenges, and promotions, fostering an inclusive work environment. Employees are encouraged to report improper conduct via the whistleblowing policy, a core component of Odfjell's grievance mechanisms (outlined in see link; Business conduct policies and corporate culture (ESRS G1-1)). Responsibility for implementing the policies lies with the VP Corporate HR and VP Crewing, while the chief compliance officer monitors its efficacy through regular reviews of reported issues through the grievance mechanisms. We regularly engage employees in discussions on diversity and gender equality matters through Odfjell's shore-based working environment committee (AMU, see link; Processes for engaging with own workforce and workers' representatives about impacts (S1-2)).

Positive Impact of Own Training

Skill development is a key component of Odfjell's organizational growth. Our HRMP, as detailed under the Diversity and Equity within Own Workforce section, emphasize continuous learning and skills development as essential drivers of organizational progress. The HRMP ensures equitable access to training and professional development opportunities for all shore-based employees, aligning with Odfjell's business needs while fostering personal and professional growth across all backgrounds and roles.

For seafarers, as part of our Ship Management department's policies for ship and shore, we have a competence policy addressing competence development for the organization and all individuals, with skills, abilities, and motivation as key focus areas. The policy ensures ongoing competence development through structured, updated, and relevant training programs, along with monitoring of competence progression. Accountability for the implementation of the policy lies with the chief technical officer, and its efficacy is monitored through annual reviews and evaluations of the Ship Management business concept, goals, KPIs, and guiding principles. The Ship Management department's policies for ship and shore are made accessible to employees through Odfjell's intranet and DocMap.

Health and Safety of Own Workforce

Safety is a core principle of Odfjell's operations, guiding every aspect of our activities both at sea and ashore. This commitment is reflected in our safety and health policy, which applies to all entities, employees, directors, and other representatives of Odfjell. The policy sets a clear "zero accidents" objective, focusing on preventing personnel injuries through proactive measures. It aligns with the International Association of Oil & Gas Producers' (IOGP) Life-Saving Rules and requires strict compliance with health and safety regulations, empowering employees at all levels to identify hazards, manage risks, and halt unsafe activities whenever necessary.

To support this policy, Odfjell maintains a comprehensive workplace accident prevention management system. We conduct thorough hazard identification and risk assessments for all operations, both ashore and at sea, proactively mitigating risks before incidents occur. Our ships' safety management systems are certified under the International Safety Management (ISM) Code, enabling centralized incident management that supports our proactive HSE efforts. The IOGP Life-Saving Rules further reinforce our management systems, programs, and policies, providing a robust safety framework throughout all our operations.

The development of this policy considers the interests of key stakeholders. We engage in regular discussions on health and safety matters through various committees, including Odfjell's shore-based AMU, see link; Processes for engaging with own workforce and workers' representatives about impacts (S1-2), ensuring that our goals and practices remain responsive to the needs and concerns of all relevant parties. The policy is publicly available on Odfjell's website and accessible to employees via the intranet and DocMap.

The chief sustainability officer is responsible for implementing the policy and monitoring its efficacy. Efficacy is assessed through regular reviews of reported issues via our grievance mechanisms (see link; Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)), insights from the hazard analyses, and tracking of all Lost-Time Injuries (LTIs) and Total Recordable Cases (TRCs) (detailed in see links; Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5) and Health & safety metrics (S1-14)).

Human and Labor Rights

At Odfjell, respect for human rights underpins our operations, informs our relationships with suppliers, and shapes our responsibilities toward the communities we affect. Our dedication to upholding human and labor rights for our own workforce is embedded in our code of conduct (detailed in see link; Business conduct policies and corporate culture (ESRS G1-1)) and our human rights policy, both of which are approved by the BoD. The code of conduct establishes the principles governing all aspects of our business, emphasizing high ethical standards, respect for human rights, and compliance with applicable laws. The Human Rights Policy builds on these principles by explicitly addressing issues such as forced labor, child labor, and human trafficking.

Accountability for the human rights policy rests with the chief executive officer (CEO), while the BoD ensures respect for human rights across all business activities. Together with the code of conduct, our human rights policy aligns with key international standards, including the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the International Maritime Organization's (IMO) Maritime Labour Convention (MLC). As part of compliance with the MLC, all Odfjell vessels are issued with MLC certificates by relevant class authority on behalf of the vessel's flag state. Regular audits are conducted by both internal and external auditors to verify compliance. Additionally, Odfjell has signed the Neptune Declaration on Seafarer Wellbeing and Crew Change. These frameworks reinforce Odfjell's commitment to ethical and socially responsible operations, both ashore and at sea.

To systematically identify, prevent, and mitigate potential human rights risks, Odfjell employs a structured human rights due diligence (HRDD) process across its operations and supply chain. This process adheres to the OECD due diligence guidance for responsible business conduct, which follows a structured approach to responsible business practices. Companies begin by embedding responsible business practices into their policies and management systems. They then identify and assess potential or actual adverse impacts on people, the environment, and ethical business conduct. Once risks are identified, businesses take action to cease, prevent, or mitigate these impacts. Continuous monitoring ensures the effectiveness of these measures, while transparent communication keeps stakeholders informed. Finally, companies must provide or cooperate in remediation efforts when negative impacts occur. This approach helps businesses proactively manage risks and uphold ethical and sustainable practices. Odfjell has adopted this model.

A core component of this process is the annual human rights impact assessment (HRIA), which proactively identifies risks and informs a targeted HRDD action plan. The HRIA evaluates risks related to forced labor, compulsory labor, and child labor, among other human rights concerns, across Odfjell's operations. This enables the prevention, mitigation, and remediation of human rights challenges. HRIA insights are reviewed annually in integrity updates to the board, ensuring executive oversight and accountability. Targeted employee training further strengthens awareness, fostering a workplace culture rooted in respect for human rights.

Odfjell also directly engages with stakeholders affected by its operations, including its own workforce. Insights from the HRIA and stakeholder feedback are regularly reviewed to assess the effectiveness of Odfjell's human rights policy (stakeholder engagement is outlined in see link; ESRS 2 SBM-2). Additionally, the HRIA insights play a crucial role in assessing the risk of exploitative labor conditions within Odfjell's direct operations globally. The HRIA findings, along with Odfjell's direct control over its recruitment practices and hiring fees, and its dedicated crewing department in Manila, indicate this risk to be low. As a result, all forms of exploitative labor, including forced, compulsory, and child labour, are considered non-material within Odfjell's direct operations.

Grievance mechanisms (see link; S1-3) are integral to our efforts. They enable all members of our workforce to confidentially report concerns through a secure hotline or directly to designated compliance roles or a designated person (DP). These channels are accessible via our website and intranet. In 2024, no incidents or legal actions related to human or labor rights were reported.

Transparency is a core principle of Odfjell's approach to human rights. Alongside our CSRD reporting, we publish a dedicated human rights due diligence report. This report details our compliance efforts, actions taken, and future plans and is approved annually by the BoD in accordance with the Norwegian Transparency Act.

In addition to internal measures, Odfjell collaborates with industry peers to promote responsible business practices. As a signatory to the FutureProof Initiative, we work with other organizations to address human rights challenges, share insights, and drive continuous improvement. Furthermore, we partner with the Rafto Foundation for Human Rights to refine our policies and best practices, continuously strengthening our commitment to ethical, sustainable, and socially responsible operations. We collaborate with their experts to review our policies and practices, and we contribute by supporting presentations and workshops.

PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS (S1-2)

Odfjell employs structured and tailored approaches to engage with its workforce, encompassing both shore-based employees and seafarers. These approaches, using both direct and representative-based channels, address material impacts such as training and employee health and safety. By integrating employee perspectives into decision-making, Odfjell enhances positive outcomes while mitigating potential negative impacts. The engagement practices are customized to meet the distinct needs of shore-based employees and seafarers.

Shored-Based Employees:

Odfjell actively engages with its shore-based workforce through a variety of listening activities, providing platforms for employees to share their views at different employment stages. Annual year-end performance and development sessions between employees and their assigned people managers, conducted through a digital system, cover topics such as job satisfaction, workload, and career opportunities. This engagement is closely tied to operational decision-making processes, as the outcomes inform salary reviews and promotions decisions.

This direct engagement is complemented by the biennial global employee engagement survey (EES), which gathers comprehensive feedback on key areas such as job satisfaction, goal alignment, leadership trust, learning and development, and perceptions of diversity, equity, and inclusion. To ensure the perspectives of potentially vulnerable or marginalized groups are captured, the EES collects feedback across demographic categories, including gender, age, tenure, and leadership roles (e.g., individual contributors or managers). Timed to align with critical Q4 processes like budgeting, year-end performance reviews, strategic planning, and salary adjustments, the EES findings are analyzed to evaluate engagement effectiveness and integrated into decision-making. This approach allows Odfjell to identify priority areas and implement targeted actions to continuously enhance the employee experience.

Odfjell's AMU, consisting of both employer and employee representatives, addresses health, safety, job development, and psychosocial conditions. AMU comprises two representatives from each side, with one employee serving as the main safety representative for at least two years. Quarterly meetings ensure structured, consistent input on workforce concerns from employee representatives.

Operational responsibility for the EES lies with the VP Corporate HR. Odfjell collaborates with an external provider to ensure data anonymization and integrity, enhancing Odfjell's capacity for meaningful data interpretation and actionable planning. Findings from the EES are presented to the executive management, AMU, and departmental teams. The VP Corporate HR ensures that feedback is acted upon, reinforcing Odfjell's commitment to fostering a responsive and supportive workplace.

As part of Odfjell's transition to low-carbon shipping, outlined in see link; Introduction in Transition plan E1-1, we engage with our employees to address the impacts of this transition. Sustainability awareness initiatives, including presentations held by management, focus on informing employees about Odfjell's sustainability goals and the shift towards a low carbon society.

Seafarers:

For seafarers, regular engagement with crew and officers occurs through structured activities. Conferences with officers to address key topics such as workplace environment, with a specific focus in 2024 on tackling bullying and sexual harassment through workshops and plenary discussions, are regularly conducted. Additionally, bimonthly working environment meetings are held on board with the senior management team (SMT) and safety supervisors within each department. Action items and minutes from these meetings, as well as from the conferences, are documented and shared with the shore organization for feedback and structured follow-up. In 2024, three officer's conferences were held (two in Bergen and one in Manila).

Seafarers are also actively involved in various projects and procedural reviews. In 2024, they were involved in the reformatting of shipboard procedures and participation in the SIRE 2.0 project. Hands-on involvement such as these, ensures that in-house expertise informs process improvements, fostering ownership and commitment to safety protocols. Additionally, opportunities for ship-to-shore knowledge transfer enable seafarers to transition into varied roles ashore, further enhancing operational integration.

Annual officer council mixed meetings for Northwest European and Philippine officers provide forums to discuss crew welfare and consider seafarers' suggestions. The elected officer councils represent their peers' interests, ensuring their perspectives are integrated into decision-making processes. Engagement is further supported through over 20 senior management visits annually, along with pre-and post-contract meetings with the crew.

Odfjell subscribes to agreements negotiated by the Norwegian Shipowners Association (NSA), including amendments to the Collective Bargaining Agreement (CBA) for NIS ships and the ITF agreement for other flagged vessels. These agreements are established through negotiations with seafarers' unions in nations that supply crew to the members' fleet. The CBAs serve as the primary employment agreements for seafarers and are supplemented by Department of Migrant Workers (DMW) contracts for Philippine sailors. In cases where terms differ, the most favorable conditions for the crew prevail. These agreements ensure consistent standards for the welfare and rights of seafarers and provide Odfjell with structured channels to better understand and incorporate the perspectives of its workforce, fostering mutual trust and alignment on key issues.

Odfjell actively engages with its workforce and workers' representatives to address the potential impacts of its low-carbon transition. Through initiatives such as the IMO Maritime Just Transition Task Force, the company ensures workforce preparedness by prioritizing safety, education, and skills development. Tailored training and upskilling programs are central to this approach, equipping seafarers with the necessary competencies to operate in climate-neutral environments.

To mitigate potential challenges related to restructuring and employment shifts, Odfjell implements proactive workforce planning and provides support mechanisms to facilitate a just transition. The company integrates principles of gender and social equity into its transition strategy, ensuring fair access to opportunities for all employees. Additionally, Odfjell upholds rigorous health and safety standards, safeguarding the well-being of its workforce throughout the transition process.

These efforts are reinforced by ongoing stakeholder engagement, responsible sourcing practices, and a strong commitment to human rights, ensuring that Odfjell's transition to a greener and climate-neutral operation is both equitable and sustainable. Further details on Odfjell's approach to workforce engagement in this transition can be found in see link; E1-1 Transition plan.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS (S1-3)

Odfjell is dedicated to promoting a safe, secure, and inclusive working environment, encouraging employees to seek support if they experience discrimination, harassment, or rights violations. Committed to preventing and mitigating negative impacts on both employees and non-employee workers, whether ashore or at sea, the company takes proactive measures to facilitate the reporting of concerns. Multiple reporting channels, such as direct communication with a superior, a human resource manager, or a compliance officer, as well as Odfjell's confidential and anonymous reporting hotline managed by a third party and accessible via the website and intranet, ensure confidentiality and protect individuals who seek support. This framework empowers employees to voice concerns without fear of retaliation.

Compliance officers log, review, and investigate reported issues, taking corrective action as needed. The chair of the audit committee and the chief compliance officer conduct biannual reviews to ensure the ongoing effectiveness of these remedy mechanisms. Awareness of the hotline is maintained through internal communication initiatives carried out by designated personnel, while contact details for compliance officers are visibly posted in publicly accessible locations within the company, on board ships, on the Odfjell website, and on the intranet.

For seafarers, Odfjell tailors its processes to the specific conditions they face. In addition to the reporting channels outlined above, the crew experience feedback (CEF) survey offers seafarers a platform to raise concerns, while senior management ship visits (SMV) facilitate direct interaction between ship and shore personnel, emphasizing employee concerns. A fair complaints procedure, aligned with flag state requirements and the MLC, ensures that seafarers' grievances are addressed transparently and efficiently. Copies of the procedure are available on board for all crew members and displayed in communal areas, with seafarers also briefed during the pre-departure orientation seminar (PDOS). Seafarers can additionally report concerns via the Maritime Protection System's (MPS) Safe Help service. Under the ISM Code, Odfjell also has a designated person ashore (DPA), a role created to enhance maritime safety through effective communication and oversight between vessels and shore-based management. Any topics related to safety can be addressed directly to the DPA, who can be a point of contact for crew members, providing guidance and support in matters related to safety and security.

Further information on reporting mechanisms and whistleblower protections is provided in see link; Business conduct policies and corporate culture (ESRS G1-1).

TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING RISKS AND PURSUING OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS (S1-4)

Advancing Diversity, Equity, and Inclusion at Odfjell

Odfjell recognizes that a well-functioning and diverse workforce is essential for fostering innovation, enhancing operational success, and creating opportunities for growth. To address material risks and opportunities tied to workforce diversity and gender equality, we have undertaken a comprehensive and systematic approach. Central to this strategy is our target of achieving a minimum 30% gender balance at all levels of our shipping shore-based organization by 2030, and ≈ 50% gender balance for graduate recruitment, see link; Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5).

To achieve these targets, we have implemented systemic measures focused on recruitment, development, promotion, and compensation equity. Leadership training on unconscious biases seeks to reduce bias in recruitment and promotion practices, while ensuring diverse candidate pools are prioritized in hiring processes. Promotions are bundled where possible, and compensation and career progression analyses guide efforts to close disparities. Generous parental leave policies support gender equity, and all employees, women and men, are encouraged to become members of WISTA, a global network of maritime professionals that aims to promote gender diversity and inclusion in the industry.

In addition to the foundational measures supporting the gender balance targets for shore-based employees, we have expanded our efforts through complementary initiatives introduced over the years, including initiatives supporting diversity and gender equality for seafarers. The VP Corporate HR oversees initiatives for shore-based employees, while the VP Maritime Personnel is responsible for initiatives affecting the seafarers. Key actions are detailed below. Most actions have already been implemented and are part of a long-term strategy (ref. see link; Disclosures in relation to specific circumstances (ESRS 2 BP-2)), with ongoing efforts to ensure their effectiveness. Any actions planned for a shorter timeframe have been specifically indicated.

2019: Odfjell introduced Odfjell Leadership Training (OLT) for seafarers, where topics such as diversity, gender equality, and harassment are addressed. The OLT is detailed in the section Training and Skills Development at Odfjell.

2021: Odfjell began annual participation in the EY SHE Index survey to drive transparency, benchmark progress and identify areas for improvement in diversity and inclusion for shore-based employees.

2022: An arena for younger employees (≤40) was formalized to promote inclusivity, support new hires, and attract and retain the next generation of shore-based employees.

2023: Diversity and inclusion were added as key focus areas in our EES (outlined in see link; Processes for engaging with own workforce and workers' representatives about impacts (S1-2)), fostering greater awareness and transparency.

2024: Leadership training was expanded through an all-company development program for shore-based employees, including sessions addressing both destructive leadership behavior, such as harassment, passive and avoidant leadership, and positive leadership strategies that drive an inclusive work environment, such as care and relationship-oriented leadership. Similarly, sessions were held for all shore-based employees tuning in on psychological safety. Diverse voices were amplified in internal and external communications, while representation in leadership roles, project teams, and public engagements was actively promoted.

Planned for 2025: Odfjell intends to develop and communicate a diversity and inclusion policy affecting shore-based employees.

To ensure the effectiveness of these initiatives, Odfjell has established robust monitoring mechanisms. For shore-based employees, workforce data, including metrics on promotion, recruitment, and pay equity, is analyzed at least annually to track progress and identify areas for improvement. Participation in the annual SHE Index provides external benchmarking and highlights opportunities to enhance gender equality efforts. Additionally, issues raised through grievance mechanisms, alongside insights from the biennial EES and the annual HRIA (ref. see link; S1-1), are systematically reviewed to evaluate the impact of these actions. For monitoring at HQ, the AMU (detailed in see link; S1-2) regularly discusses the Gender Equality and Anti-Discrimination Act and Odfjell's corresponding action plans.

The globally implemented actions aim to benefit employees across all regions and functions. As we conclude 2024, women represent 32% of leadership roles ashore, while we are seeing a significant increase in the number of female cadets. Additionally, in 2023, Odfjell's first female chief officer was promoted to captain.

Training and Skills Development at Odfjell

Odfjell prioritizes training and skills development to empower employees, foster continuous learning, and support individual growth. For shore-based employees and seafarers alike, we ensure competence through targeted initiatives. The VP Corporate HR oversees initiatives for the shore-based employees, while VP Maritime Personnel has the same responsibilities for initiatives affecting seafarers. For seafarers specifically, training complies with the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers (STCW Convention) and follows Odfjell's matrix of learning objectives.

Key actions are tailored to the needs of employees ashore and at sea, ensuring targeted initiatives for each group, as detailed below. Most actions have already been implemented and are part of a long-term strategy (ref. see link; ESRS 2 BP-2), with ongoing efforts to ensure their effectiveness. Any actions planned for a shorter timeframe have been specifically indicated.

Onboarding and Individual Development Plans: New shore-based hires undergo a six-month training plan to ensure they are well-prepared for their roles, with further development supported through annual development dialogues and objectives jointly designed by the employee and their manager. Odfjell also provides financial support for relevant external courses and education, encouraging professional and personal growth aligned with the company's goals. The VP of Corporate HR and local HR managers collaborate with hiring managers to provide support and training for onboarding. They also coordinate financial support for further education with the relevant manager.

Leadership Development: Shore-based Odfjell employees benefit from leadership opportunities across the organization. In 2024, five employees participated in the One Ocean Leadership Program aboard the Statsraad Lehmkuhl, and three joined the Next Wave Leadership Program, focusing on topics such as the green transition, digitalization, and diversity. Additionally, continuing a longstanding tradition, employees and leaders participated in WISTA's Maritime Mentorship Program to support improved gender balance and drive inclusion within the industry. Odfjell plans to continue participation in all programs in 2025/2026, and will assess their relevance to determine continuity beyond 2026. The VP Corporate HR, in partnership with a full professor in work and organizational psychology at the University of Bergen (UiB) developed the program content based on academic research. Expert facilitators with various backgrounds lead the sessions both onsite and online.

Engagement and Enablement Development Program: Launched in 2024, this program builds on insights from the 2021 and 2023 global EES (outlined in see link; S1-2) to address key improvement areas, such as professional development, fostering a positive work environment, and introducing a shared leadership model. The program focuses on psychological safety, team collaboration, and emotional well-being and is designed to engage all shore-based employees, with additional tailored modules specifically targeting managers. Additional modules are planned for future years to cover all elements of the Odfjell leadership model and adapt to evolving improvement needs. The VP of Corporate HR, in partnership with a consulting partner and a technology platform, designs the survey content with management input. The project is led by corporate HR in collaboration with local HR and managers.

ELITE Leadership Program: Designed specifically for seafarers, the three-stage ELITE Leadership Program develops technical and behavioral competencies through courses for new crew members (ELITE Intro), junior and petty officers (ELITE Evo), and senior officers preparing for captain or chief engineer roles (ELITE Pro). For ELITE Intro and ELITE Evo, we use internal training resources. ELITE Pro training is conducted by the Norwegian Training Centre in Manila for Filipino seafarers, while SimSea in Haugesund conducts training for seafarers from Norway. In 2024, Odfjell scheduled ten Intro Training sessions, 11 Evo Training sessions, and six Pro Training sessions and Assessments.

Odfjell Leadership Training (OLT): Introduced in 2019, OLT is conducted an average of four times per year in Manila and Bergen. Tailored specifically for seafarers, this five-day program includes a diverse group of 12 participants, primarily on board officers, along with 2-3 shore-based representatives. A key feature is individual feedback sessions on soft skills, facilitated and documented by two professional instructors. The training, conducted by the external consultancy company Seascape, aims to promote safe and efficient leadership on board, contributing to operational excellence and fostering a positive, harmonious working environment—a "happy ship." In 2024, 4 OLT sessions were scheduled.

Odfjell Cadetship Program: Since 2004, Odfjell has partnered with the Norwegian Shipowners' Association (NSA) to enroll an average of 25 cadets annually at the Norwegian Training Center (NCT) in Manila. This program equips cadets with world-class training and skills, contributing to a highly skilled and diverse workforce. By July 2021, 364 cadets had completed the program, with many advancing to officer roles within the company.

Training and Upskilling for Low-Carbon Transition: Refer to sections see links; Processes for engaging with own workforce and workers' representatives about impacts (see link; S1-2) and Just and equitable transition (in see link; E1-1 Transition plan) for a detailed description of Odfjell's work on a just and equitable transition.

To monitor and assess the effectiveness of these actions, both ashore and at sea, we thoroughly review insights from the annual HRIA (ref. see link; S1-1), ensuring that any new or additional necessary actions are identified and considered. For shore-based employees specifically, we also review the results from our biennial EES.

Ensuring Health and Safety at Odfjell

At Odfjell, the safety of our people and the environment is a top priority, guiding every aspect of our operations. By maintaining rigorous safety standards, fostering a proactive safety culture, and continuously improving our processes, we strive to mitigate material negative impacts. We aim to provide a safe, healthy, and engaging workplace for all employees, both ashore and at sea.

Actions on Health and Safety in Operations Ashore

To strengthen workplace safety, employee engagement, and regulatory compliance, we have an HSE action plan for shore-based employees, based on regular hazard analyses conducted at both the Bergen and Manila offices. These analyses, together with an internal incident reporting system at the Bergen office, help identify incidents, errors, deficiencies, or deviations, ensuring a high safety level. The responsibility for overseeing these initiatives lies with the VP Corporate HR.

The HSE action plan is reviewed annually and updated as necessary, encompassing key ongoing initiatives categorized as detailed below. Most actions have already been implemented and are part of a long-term strategy (ref. see link; ESRS 2 BP-2), with ongoing efforts to ensure their effectiveness. Any actions planned for a shorter timeframe have been specifically indicated.

Initiatives Specific to the Bergen Office:

Quarterly Working Environment Committee (AMU) Meetings: the AMU (outlined in see link; S1-2) reviews HSE initiatives, ensures compliance with the Gender Equality and Anti-Discrimination Act §26, reviews sickness reports from HR, and responds to employee feedback.

Fire Safety and Housekeeping Reviews: Regularly conducted within the building by the fire representative, safety representative, and QHSE, to ensure a safe and well-organized work environment, with QHSE serving as the organizer.

Annual Physical Work Environment Surveys: Organized by the AMU and completed by employees to identify and address potential risks in the workplace.

Annual Health Screenings: On-site or virtual healthcare services organized by HR for all employees.

Mental and Physical Well-Being Programs: Training on mental health, stress management, and physical activity through partnerships with reputable vendors, for all employees.

Global Initiatives:

Engagement and Enablement Program (new in 2024): Organized by HR through partnerships with reputable vendors and completed by all shore-based shipping employees. The program addresses improvement areas identified in the biannual global EES (outlined in see link; S1-2). Topics for 2024 include psychological safety, team collaboration, and emotions at work.

Workplace Ergonomics: Ergonomic workstations, proper lighting, and good air quality are provided for all employees, promoting a healthy and productive work environment.

The effectiveness of the actions is monitored through insights from the hazard analyses, as well as insights from the incident reporting system and the annual HRIA (ref. see link; S1-1), ensuring that any new or additional necessary actions are identified and considered.

Actions on Health and Safety at Sea

Odfjell has a comprehensive safety program designed specifically for seafarers, addressing the unique risks of maritime environments. All health and safety actions at sea are grounded in insights from Odfjell's Tanker Management Self-Assessment (TMSA; see link; Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)).

The QHSSE department is responsible for overseeing the implementation of TMSA requirements, delegating specific elements to relevant functions within Ship Management (SM). Both SM and the Shipboard Management Teams on board are responsible for ensuring that these actions are followed up on and regularly reviewed to maintain their effectiveness. The VP QHSSE manages the resources within the QHSSE department, while the chief technical officer (CTO) is responsible for the SM department's compliance with the TMSA best practice guidance.

To address safety concerns identified through incident trends, TMSA findings, and other risk indicators, the HSSEQ team within SM develops regular safety campaigns. These campaigns are executed on board by Masters, reinforcing best practices and risk mitigation strategies. In addition, Odfjell fosters a proactive safety culture through initiatives such as the Stop Work Authority (SWA), which empowers employees to halt unsafe activities, and its collaboration with Shell's Partners in Safety program (PinS), which aims to enhance safety performance across the industry.

Key activities and initiatives are detailed below. Most actions have already been implemented and are part of a long-term strategy (ref. see link; ESRS 2 BP-2), with ongoing efforts to ensure their effectiveness. Any actions planned for a shorter timeframe have been specifically indicated.

Structured Safety Program: Odfjell's Safety Program, guided by an annual wheel, ensures a uniform standard of safety activities across the fleet. It includes the implementation of safety standards in accordance with the requirements of the flag state of vessels and Odfjell's policies, ongoing safety training to maintain high standards and improve competencies, and a safety award system to recognize crew members demonstrating exceptional safety attitudes. Together, these elements foster a culture of accountability, continuous improvement, and compliance with regulatory and company-specific safety standards.

Empowering Employees: Through the SWA, employees are encouraged to observe, act, report, and stop unsafe work.

Surveys for Transparency on Crew Welfare: In 2023, Odfjell seafarers participated in INTERTANKO's one-time survey and Marine Benefits' annual Re:fresh survey on crew retention, health, and welfare. While the INTERTANKO survey was a one-time initiative, Odfjell's seafarers continue to participate annually in the Marine Benefits survey. Findings from these surveys enhance transparency regarding seafarers' welfare and are integrated into crew health and welfare action plans.

Upgraded Personal Protective Equipment (PPE): Continuous review and improvement of PPE to ensure safety.

KPIs on Lost Time Injury Frequency (LTIF): Tied to shore-based management accountability to monitor and improve safety performance.

Workplace Inspections and Risks Assessments: Odfjell conducts ship-specific risk assessments of on-board working environments, regularly reviewing and updating them to mitigate potential hazards effectively. These targeted assessments are integrated with annual comprehensive evaluations that address broader risks. As part of this process, the safety officer conducts monthly workplace inspections to identify and address potential risks, ensuring continuous monitoring and improvement of safety measures.

Emergency Preparedness: Dedicated policies, procedures, and systems supported by regular emergency response management team (ERMT) training.

Incident Handling System: An innovative system enabling centralized incident management and proactive HSSEQ efforts, enhancing a safety reporting culture and data quality. The system follows internal requirements and regulatory standards, including the ISM Code and OCIMF's TMSA Guideline.

Suggestions for Improvement: A system in the SM portal to collect and process improvement suggestions from vessels.

Life-Saving Rules: Implementation of IOGP's Life-Saving Rules to complement existing procedures and embed safety as a personal value.

The QHSSE department regularly monitors and improves the effectiveness of preventive actions at sea, while also identifying and considering any new or additional actions needed. This is done through annual review of the Safety Program with updated Annual Wheel, regular incident report reviews, and insights from the TMSA process.

Actions across Operations Ashore and at Sea

Organized by corporate QSHE and aligned with the International Labor Organization's (ILO) World Day for Safety and Health at Work, Odfjell's annual global safety day involves both shore-based employees and seafarers. Through activities like first aid training, this safety campaign promotes heightened safety awareness.

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES (S1-5)

Diversity and Gender Equality

30% Gender Balance by 2030

Odfjell is committed to fostering diversity, equity, and inclusion (DEI) as a critical aspect of our organizational strategy. A cornerstone of this commitment is our measurable target to achieve at least 30% gender balance across all levels of our shore-based shipping operations globally by 2030.

The levels are defined using a job architecture that includes over 20 levels, grouped into four broader categories: business support, professionals, frontline management and senior professionals, and executive and leadership. For the categories of professionals, frontline management and senior professionals, and executive and leadership, the goal is to achieve at least 30% female representation. In business support, where the gender imbalance is reversed, the goal is to achieve at least 30% male representation.

Established in 2020 and based on 2020 HR data, this target reflects a linear trajectory in gender balance, assuming a steady overall headcount. This goal underscores our belief that well-managed diversity drives innovation, enhances organizational performance, and strengthens Odfjell's position as an employer of choice for current and future talent. It aligns with Odfjell's human resource policy, which emphasizes equality, non-discrimination, and equal opportunities. Additionally, the target supports the company's strategic objective to attract, develop, and retain the best people for the future.

To ensure transparency and accountability, Odfjell tracks progress quarterly and participates in external benchmarking initiatives, such as EY's She Index. Metrics, including gender balance and gender pay gap (see link; S1-16), along with actions taken to address these areas. These are published on our website. Progress against the target is as follows (%, male/female):

Gender Balance	2020 (base year)	2021	2022	2023	**2024**
Executive and Leadership	94 (6%)	94 (6%)	88 (13%)	88 (12%)	83 (17%)
Front line management and senior professional	88 (12%)	88 (12%)	86 (14%)	82 (18%)	83 (17%)
Professional	69 (31%)	69 (31%)	66 (34%)	64 (36%)	66 (34%)
Business support	28 (72%)	28 (72%)	26 (74%)	27 (73%)	24 (76%)
Total shore-based employees	60 (40%)	60 (40%)	58 (42%)	57 (43%)	57 (43%)

Progress in Increasing Female Representation Among Seafarers

Odfjell has not set a formal gender diversity target or a specific level of ambition for seafarers due to current industry-specific workforce dynamics and operational constraints. However, we are committed to significantly increasing the share of female seafarers. Progress is monitored through the TMSA process, which evaluates compliance with performance ambition levels across key areas of ship operation and management. These levels align with TMSA best practice guidance, with KPIs set and reviewed by executive and operational managers during a management review and overseen by the CTO. This process is further supported by internal and external audits.

Since 2017, Odfjell's structured approach has resulted in a 490% increase in female seafarers, growing from 13 in 2019 to 77 in 2024, including cadets. Recruitment targets for female cadets have been consistently met, with 25 of 160 NWE cadets being women. Odfjell collaborates with vocational schools and universities, participates in career events, and has established policies to support female seafarers, including balancing time ashore for maternal responsibilities.

Training and Skills Development

While Odfjell has not set formal targets for training and skills development, we continuously track the effectiveness of our policies and actions through structured assessments, feedback mechanisms, and external evaluations. This approach allows us to refine training initiatives, ensure alignment with operational needs, and drive continuous improvement. Our efforts are tailored to the specific requirements of shore-based employees and seafarers, as outlined below.

Tracking Effectiveness of Training Initiatives for Shore-Based Employees

Odfjell provides annual mandatory training in relevant ethics and governance topics for all shore-based employees. This is followed up with annual confirmation of the training and signing of the policies, which is tracked through the compliance portal.

Odfjell is currently testing a survey-based concept to assess the impact of training and development initiatives before establishing formal targets and baseline values. These regular feedback surveys gather input from both participants and non-participants to evaluate satisfaction levels, identify improvement areas, and drive engagement in training programs. Through this approach, we aim to ensure high participation rates and continuously enhance the quality of our training initiatives.

To support this process, we are developing a monitoring framework to systematically track participation rates and training outcomes. This system is expected to be fully operational by the next reporting year, enhancing accountability and enabling data-driven improvements.

Monitoring Competence Development at Sea

Odfjell conducts an annual TMSA to monitor and track competence development against performance ambition levels. These levels align with TMSA best practice guidance, with key KPIs set and reviewed by executive and operational managers during a management review process overseen by the CT). This process is further supported by internal and external audits.

While KPIs are actively monitored, no formal targets have been set and no baseline values have been established, as performance expectations are continuously refined through the TMSA framework and audits, allowing for an adaptive and evolving approach to improvement. The focus remains on continuous skill development rather than static targets. Training schedules and results are systematically recorded in Odfjell's crew management system, ensuring that employee competence and skill levels are continuously tracked and assessed as part of the TMSA process.

Health and Safety

A Zero-Accident Philosophy

Guided by our zero-accident philosophy and in alignment with our health and safety policy, Odfjell is committed to achieving strict and ambitious targets for health and safety performance. Specifically, Odfjell has set the following targets for all crew at Odfjell-managed vessels within its controlled fleet, such as Fleet Bergen, Fleet Flumar (Brazil), and Fleet OSM Thome (managed by the external technical manager at OSM Thome):

- Zero Lost Time Injury Frequency (LTIF) Base Year: 2021 | Base Line: 0.08
- 5 Total Recordable Case Frequency (TRCF) Base Year: 2021 | Base Line: 0.91

Definitions (as per the Oil Companies International Marine Forum, OCIMF):

Lost Time Injuries (LTI): Include fatalities, permanent total disabilities, permanent partial disabilities, and lost workday cases.

Lost Time Injury Frequency (LTIF): Calculated by multiplying the number of lost time incidents by 1,000,000 and dividing by the number of exposure hours.

Total Recordable Cases (TRC): Include work-related fatalities, lost time injuries, restricted work injuries, medical treatment injuries.

Total Recordable Case Frequency (TRCF): Calculated by multiplying the total number of recordable cases by 1,000,000 and dividing by the number of exposure hours.

The targets were set during the management review process (ref. see link; Training and Skills Development in S1-5), which is arranged by the CTO and involves both executive and operational managers. To monitor progress and ensure accountability, Odfjell tracks and reports all LTIs and TRCs. This approach reinforces our commitment to continuous improvement and maintaining high safety standards across all shipping operations. Exposure hours for seafarers are defined as 24 hours per day while serving on board according to OCIMF. Exposure hours for shore-based personnel is defined as the working hours per day. For detailed metrics and performance disclosures, please refer to see link; Health & safety metrics (S1-14).

Health and Safety at Sea

As part of the TMSA process described previously (ref. see link; Monitoring Competence Development at Sea in S1-5), Odfjell monitors and assesses compliance with safety management systems at sea, ensuring alignment with established KPIs. These levels follow TMSA best practice guidance, with KPIs set and reviewed by executive and operational managers during a management review overseen by the CTO. This process is further supported by internal and external customer audits.

While KPIs are actively monitored, no formal targets have been set for health and safety policies and procedures, other than the LTIF and TRCF targets, and no baseline values have been established. Instead, performance expectations are continuously refined through the TMSA framework and audits, ensuring an adaptive and evolving approach to improvement, risk mitigation, and regulatory compliance.

Psychologically and Physically Safe Work Environment

Odfjell is committed to fostering a psychologically and physically safe, inclusive workplace for its shore-based employees. To uphold this commitment, we have set an engagement-related ambition: to exceed general industry benchmarks in our biennial global EES (ref. see link; S1-2). The EES provides valuable insights into employee perceptions of safety and inclusivity, guiding further initiatives to continuously enhance the working environment.

Given the evolving nature of workplace needs, our actions and initiatives adapt over time. As a result, no formal targets or baseline values have been set. Likewise, the indicators used to assess progress vary to ensure they remain relevant and aligned with the most pressing priorities at any given time.

Absence Rate

At our HQ in Bergen, we aim to maintain an absence rate of ≤2.0% for illness (FTE) among shore-based employees, covering both physical and mental health. This target aligns with our human resource mission and policies (ref. see link; S1-1), which emphasize ensuring healthy and safe working environments for shore-based employees globally. The AMU (ref. see link; S1-3) was involved in setting this target.

In 2024, the absence rate was 2.37%, a reduction from 2.82% in 2023, though still above the baseline of 1.58%, 2018 being the base year.

CHARACTERISTICS OF THE COMPANY'S EMPLOYEES (S1-6)

Headquartered in Bergen, Norway, Odfjell employs a diverse, global workforce comprising shore-based employees and seafarers. The company prioritizes long-term employment stability, with most employees in permanent positions. Temporary and non-guaranteed hour roles remain minimal, reflecting Odfjell's strong emphasis on employment security and workforce retention.

The tables below provide detailed insights into the composition of Odfjell's workforce, including employment types, gender distribution, and regional distribution.

Employee headcount by gender* (headcount)

	2024	2023	2022
Shore-based**			
Male	220	208	212
Female	171	159	154
Other	0	0	0
Not disclosed	0	0	0
Total employees****	391	367	366
Seafarers***			
Male	1 665	1 712	1 661
Female	77	56	38
Other	0	0	0
Not disclosed	0	0	0
Total employees****	1 742	1 767	1 699

*Gender as specified by the employees themselves

**Employment: permanent employees, temporary employees, non-guaranteed hour employees

*** Includes all seafarers within Odfjell's seafarer pool (Filipino (PHP), North West (NWE), and Flumar seafarers). NWE seafarers are permanent employees, while PHP and Flumar seafarers are employed on contractual terms for the duration of their sailing assignments. **** Ref. most representative number in Note 20 in the financial statements is total average man-years employees

Number of employees in countries with 50 or more employees representing at least 10% of total number of employees (headcount)

	2024	2023	2022
Shore-based employees*			
Norway	187	170	166

The Philippines	78	74	76
Seafarers			
Norway	136	129	127
The Philippines	1 481	1 477	1 437
Flumar	125	161	135

*Employment: permanent employees, temporary employees, non-guaranteed hour employees

Employee headcount by employment type (headcount)

					2024					2023					2022
Shore-based	**Female**	**Male**	**Other**	**Not disclosed**	**Total**	**F**	**M**	**O**	**ND**	**T**	**F**	**M**	**O**	**ND**	**T**
Number of total employees (headcount)	171	220	0	0	391	159	208	0	0	367	153	213	0	0	366
Number of permanent employees (headcount)	159	210	0	0	369	154	202	0	0	356	150	208	0	0	357
Number of temporary employees (headcount)	8	7	0	0	15	5	6	0	0	11	3	5	0	0	8
Number of non-guaranteed hours employees (headcount)	4	3	0	0	7	0	0	0	0	0	0	1	0	0	1
Seafarers*	**Female**	**Male**	**Other**	**Not disclosed**	**Total**	**F**	**M**	**O**	**ND**	**T**	**F**	**M**	**O**	**ND**	**T**
Number of total employees (headcount)	77	1 665	0	0	1 742	56	1 712	0	0	1 767	38	1 661	0	0	1 699
Number of permanent employees (headcount)	77	1 665	0	0	1 742	56	1 712	0	0	1 767	38	1 661	0	0	1 699
Number of temporary employees (headcount)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of non-guaranteed hours employees (headcount)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Includes all seafarers within Odfjell's seafarer pool (Filipino (PHP), North West (NWE), and Flumar seafarers)

Turnover Rate and Employees Who Left

Given the diversity and complexity of Odfjell's workforce categories and employment types, turnover rates are reported using two methodologies: the European Sustainability Reporting Standards (ESRS) method and the INTERTANKO method. This dual approach ensures an accurate and comprehensive representation of turnover rates and employee departures.

ESRS Method: This standardized approach includes turnover due to voluntary exits, involuntary exits, retirement, and death, meeting European Sustainability Reporting Standards. However, this method may overstate turnover by including categories like retirement and death, which are not traditionally considered workforce departures in the maritime sector.

INTERTANKO Method: A standard used in the tanker shipping industry, this method focuses on voluntary and involuntary turnover, excluding internal changes, redundancy, retirement, and death. It offers a more industry-specific and relevant perspective on workforce dynamics, aligning with the unique employment structures of the maritime sector.

The following tables provide detailed insights into Odfjell's turnover rates and employee departures, calculated using the ESRS method and the INTERTANKO method, respectively.

Turnover rate ESRS method	**2024**	**2023**	**2022**
Turnover rate shore-based* (%)	6	9.8	9.4
Turnover rate seafarers**(%)	4	5	6
Left shore-based*	23	36	35
Left seafarers**	70	88	102

*Employment: permanent employees, temporary employees, non-guaranteed hour employees

** Includes all seafarers within Odfjell's seafarer pool (Filipino (PHP), North West (NWE), and Flumar seafarers)

Turnover rate INTERTANKO method	2024	2023	2022
Turnover rate shore-based*(%)	3.6	7	7.1
Turnover rate seafarers **(%)	2	3	3
Left shore-based*	13	25	28
Left seafarers **	35	53	51

*Employment: permanent employees

** Includes all seafarers within Odfjell's seafarer pool (Filipino (PHP), North West (NWE), and Flumar seafarers)

S1-9 – DIVERSITY METRICS

Odfjell categorizes top management into two groups: Executive and Leadership, encompassing C-level executives and vice presidents (VPs), respectively.

Gender Balance (Headcount (%))	2024	2023	2022
Women in Executive Management	0 (0.00%)	0 (0.00%)	0 (0.00%)
Women in leadership/VP Level	5 (21.73%)	4 (14.81%)	4 (15.38%)

Distribution of Employees by Age Group* (Headcount (%))	2024	2023	2022
Shore-based Employees**			
Under 30 years old	45 (11.72%)	30 (8.17%)	32 (8.74%)
Between 30-50 years old	211 (54.95%)	211 (57.49%)	222 (60.66%)
Over 50 years old	128 (33.33%)	126 (34.33%)	112 (30.60%)
Seafarers***			
Under 30 years old	627 (36.53%)	645 (36.31%)	595 (35.00%)
Between 30-50 years old	784 (45.00%)	771 (43.63%)	747 (44.00%)
Over 50 years old	331 (19.10%)	351 (19.86%)	358 (21.13%)

*Data for 2024, 2023 and 2022 is reported as of December 31.

**Includes permanent employees, temporary employees, and non-guaranteed hour employees

***Includes all seafarers within Odfjell's seafarer pool (Filipino (PHP), North West (NWE), and Flumar seafarers)

HEALTH & SAFETY METRICS (S1-14)

Odfjell reports all injuries and safety metrics for operations where it is responsible for health, safety, and environmental (HSE) performance. Safety data is categorized into two main groups: shore-based employees and crew on Odfjell-managed vessels within its controlled fleet. The latter includes Fleet Bergen and Fleet Flumar (Brazil), both with Odfjell's own crew, and Fleet OSM Thome (managed by the external technical manager at OSM Thome), with crew defined by ESRS as workers in the value chain. This distinction allows us to address the specific risks associated with each operational context, as vessel operations involve higher health and safety risks compared to shore-based activities.

We report on fatalities affecting our own workforce, combining data from both shore-based and vessel operations, as well as fatalities within the value chain. Fatalities include work-related deaths due to injuries or ill health caused by work activities. No fatalities occurred among Odfjell's own workforce or within the value chain in 2024.

The metrics are presented in the table below for detailed information on safety performance across different operational categories.

For more details on specific safety metrics and performance targets, please refer to section see link; S1-5.

Safety performance

	Target	2021*	2022	2023	2024
Workforce covered by health and safety management system (headcount, %)	N/A	N/A	100%	100%	100%
Total Recordable Cases (TRC) according to OCIMF**					
Shore-based employees	N/A	N/A	1	0	0
Odfjell-managed vessels	N/A	N/A	19	8	16
Total Recordable Cases Frequency (TRCF) according to OCIMF*					
Shore-based employees	N/A	N/A	1.43	0.00	0.00
Odfjell-managed vessels	1.50	0.91	1.67	0.69	1.39
Lost Time Injury Frequency (LTIF) according to OCIMF*					
Odfjell-managed vessels	0.00	0.08	0.44	0.09	0.61

Note: All data is provided on a headcount basis.

*Base year LTIF and TRCF

**Oil Companies International Marine Forum (OCIMF) Marine Injury Reporting Guideline

REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION) (S1-16)

Shore-Based Employees:

Odfjell complies with the requirements of section 26 of the Norwegian Equality and Anti-Discrimination Act, ensuring transparency and compliance with gender equality regulations. Data from countries with fewer than five employees in any gender group are excluded from the metrics provided below.

For shore-based employees, we utilize a job architecture comprising over 20 levels, grouped into four broader categories: business support, professionals, frontline management and senior professionals, and executive & leadership. The gender pay gap is calculated based on the average annual basic salary for full-time employees. The total gender pay gap reflects the composition of the workforce, where men hold a higher proportion of senior-level positions.

The remuneration ratio globally is based solely on base salary for all shore-based employees globally. In 2024, the base salary of the highest-paid individual was seven times the median base salary for all shore-based employees globally. (2023: seven times). The remuneration ratio Norway is calculated by comparing the total remuneration of the highest-paid individual to the median total remuneration of all employees in Norway. This includes both female and male employees and accounts for basic salary as well as cash and non-cash benefits. To ensure comparability, the ratio is calculated within Norway, eliminating purchasing power differences across countries. In 2024, the total remuneration of the highest-paid individual was nine times the median total remuneration for Norway (2023: nine times).

Gender Pay Gap shore-based employees	2024	2023	2022
Brazil	32%	33%	32%
Norway			
Business support	N/A	N/A	N/A
Professionals	91%	88%	88%
Front line management and senior professional	91%	N/A	N/A
Executive and Leadership	N/A	N/A	N/A
Philippines			
Business support	78%	73%	71%
Professionals	82%	91%	96%

Front line management and senior professional	N/A	N/A	N/A
Executive and leadership	N/A	N/A	N/A
Singapore	49%	50%	49%
USA	50%	60%	51%
Remuneration ratio Globally of the highest paid individual – base salary shore-based employees globally	7	7	7
Remuneration ratio Norway of the highest paid individual	9	9	10

Seafarers:

For seafarers managed by Odfjell Maritime Services AS in Norway, wages are tariff-regulated through Collective Bargaining Agreements (CBA; ref. see link; S1-2), and salary levels are linked to specific positions, ensuring equal pay regardless of gender.

	2024	2023	2022
Seafarers*			
Gender pay gap	5.3%	6.8%	8.3%
Remuneration ratio of the highest paid individual	285	287	288

* Includes all seafarers within Odfjell's seafarer pool (Filipino (PHP), North West (NWE), and Flumar seafarers)

INCIDENTS, COMPLAINTS, AND SEVERE HUMAN RIGHTS IMPACTS (S1-17)

In 2024, a total of ten whistleblowing cases were raised, marking a 67% rise compared to 2023. In 2021 we implemented a new external whistleblowing system for our reporting hotline and updated our intranet and our efforts to engage employees to raise their concerns. We experienced a rise in the use of the reporting hotline for the right reasons, that is why we see this as a positive change.

Of these ten cases, one case was unsubstantiated, for all other cases appropriate measures were taken to resolve the incidents and prevent a recurrence. Among the reported cases, one case was related to discrimination and harassment.

In 2024, no actual severe incidents related to human or labor rights were reported, either within or outside the reporting system, and no legal actions concerning human or labor rights were initiated against Odfjell. Odfjell was not involved in providing or facilitating any remedial actions resulting from adverse severe human rights impacts during the year. Consequently, no fines, penalties, or compensations were incurred to remedy such issues. The case related to harassment is under investigation by Norwegian authorities.

	2024	2023	2022
Severe human rights incidents connected to workforce	0	0	0
Total amount paid in fines, penalties and compensation for damages	0	0	0
Incidents of discrimination or harassment	1	0	0
Complaints filed through Whistleblowing mechanisms (excl. incidents of discrimination or harassment)	10	3	4
Total amount paid in fines, penalties and compensation for damages	0	0	0

Workers in the Value Chain (S2)

UPHOLDING HUMAN RIGHTS IN OUR VALUE CHAIN

As a global shipping company, Odfjell depends on a network of business partners and suppliers across its value chain to support its core operations. We are committed to upholding the highest standards of safety, human and labor rights, and ensuring that our operations, suppliers, and partners prioritize the safety and well-being of all workers. Our approach focuses on minimizing any adverse impacts on workers throughout the value chain, while promoting ethical practices that align with our commitment to sustainability.

As part of a complex global value chain, Odfjell acknowledges the potential risk of human rights violations in certain parts of its business. The maritime and shipping industries operate in regions and sectors where labor rights concerns may arise, including ship recycling, third-party supply chains, and contracted labor forces. Recognizing these risks, Odfjell is committed to proactive due diligence to identify, assess, and mitigate adverse human rights impacts in accordance with the OECD Due Diligence Guidelines for Responsible Business Conduct.

Odfjell works systematically to address these risks by engaging with suppliers, conducting risk assessments, and implementing measures to ensure responsible labor practices. We require our business partners to adhere to international labor standards and ethical guidelines, and we monitor compliance through audits, reporting mechanisms, and active dialogue with stakeholders.

Additionally, Odfjell is subject to the Norwegian Åpenhetsloven (Transparency Act), which mandates annual reporting on due diligence, identified risks, and corrective actions taken to safeguard human rights in our value chain. A dedicated report will be published annually, outlining our findings, measures, and continuous efforts to strengthen responsible business practices.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (S2-ESRS 2 SBM-3)

Through our double materiality assessment, we have identified the following key material impacts

S2 Workers in the value chain	Material impacts, risks, and opportunities				Location in the value chain			Time horizon		
	Impact (positive/negative)	**Actual/potential**	**Risk**	**Opportunity**	**Upstream**	**Own operations**	**Downstream**	**Short term**	**Medium term**	**Long term**
Forced labor in the value chain	Negative	Potential	X		X			X		
Working conditions in the value chain	Negative	Potential	X		X		X	X		

This disclosure encompasses all workers within Odfjell's value chain who are, or can be, materially impacted by our operations.

Working Conditions and Forced Labor in the Value Chain

Odfjell recognizes the potential for its operations to negatively impact workers in the value chain. This has been determined through our risk assessments, and the annual corporate Human Rights Impact Assessment (HRIA; ref. see link; Policies related to own workforce (S1-1)), where we identify, assess, and monitor both potential and inherent adverse human rights impacts.

Workers most affected by these impacts tend to be in upstream activities such as shipbuilding, maintenance, dry-docking, and in downstream activity like recycling. In addition to these operations and their associated sub-suppliers, concerns extend to workers at ports, external vessel crews aboard time chartered (TC) and pool vessels, and those involved in the extraction and production of raw materials, including vessel fuel. Health and safety issues at terminals, both external terminals and Odfjell's own joint ventures, also demand attention. The risk of negative impacts on workers is considered higher at external terminals, where Odfjell has limited oversight, compared to its joint venture terminals, where it has first-hand-understanding of existing policies and procedures.

Operations in the value chain can intensify a range of risks, including insufficient safety measures, substandard housing, low wages, excessive working hours, and restricted labor rights, particularly in regions with poor human rights rankings. Currently, we conduct shipbuilding in China and Japan, and dry-docking and maintenance in China, Poland, Dubai, Oman, Brazil, and Panama, while India is relevant for ship recycling. Changes in this will occur. Additionally, delivery pressures associated with operational demands further strain labor rights, leaving migrant workers and young workers at shipyards especially vulnerable, as highlighted by industry-specific studies.

Odfjell also acknowledges that its transition to low-carbon shipping may introduce additional risks for value chain workers. While this transition is vital for addressing climate change, it may affect workers through changes in sourcing, operational restructuring, and the adoption of new technologies. As outlined in the E1-1 Transition Plan under see link; Just and equitable transition, Odfjell addresses these challenges by engaging directly with stakeholders, ensuring responsible sourcing, and implementing measures to minimize disruptions for impacted workers. By taking targeted action, Odfjell aims to manage this transition in a responsible and fair manner for all stakeholders.

Through a proactive, structured approach encompassing risk assessment and mitigation, enhanced accountability among suppliers and partners, and participation in industry initiatives, Odfjell integrates human rights considerations into its value chain strategy. This ongoing effort supports transparency, accountability, and continuous improvement, mitigating risks, safeguarding human rights, and fostering a socially responsible and equitable value chain.

POLICIES RELATED TO VALUE CHAIN WORKERS (S2-1)

Working Conditions and Forced Labor in our Value Chain

Odfjell is committed to ethical and socially responsible operations throughout its value chain, guided by the principles outlined in the Corporate Supplier Conduct Principles (CSCP). Aligned with international standards such as the United Nations (UN) Global Compact, UN Guiding Principles on Business and

Human Rights (UNGPs), the International Bill of Human Rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the CSCP emphasizes fair labor practices and the protection of human rights, addressing critical issues such as forced labor, inadequate working conditions, precarious work, and human trafficking, either explicitly or through reference to these standards. The CSCP mandates that suppliers adhere to its principles and extends this requirement to sub-suppliers, ensuring consistent ethical standards for all workers across the value chain. Accountability for the implementation of the CSCP lies with Odfjell's corporate management. Further details on the principles are provided in see link; Management of relationships with suppliers (ESRS G1-2).

Upholding Human Rights for Value Chain Workers

To protect human rights throughout the supply chain, Odfjell implements a structured human rights due diligence (HRDD) process. This includes supplier screening, continuous monitoring, and annual human rights impact assessments (HRIA) to identify, prevent, and mitigate risks. Engagement with stakeholders ensures responsiveness to evolving challenges, while accessible grievance mechanisms allow all stakeholders, including value chain workers, to confidentially report concerns and have access to remedy. This approach is compliant with the Norwegian Transparency Act and the OECD Due Diligence Guidelines for Responsible Business Conduct.

In cases where remedy is required, we will seek to provide fair and effective resolutions tailored to the nature and extent of an adverse human rights impact, in line with our human rights policy (detailed in see link; S1-1). While we do not follow a standardized remedy process, we aim to address and mitigate identified risks to ensure that affected individuals receive appropriate support. To date, Odfjell has never been involved in any remedial cases connected with a material impact on value chain workers, neither in 2024 nor in any previous years. As a result, no standardized process for assessing the effectiveness of such measures has been established. Should the need for remedy arise, effectiveness would be evaluated based on the ability of the measures taken to address and mitigate identified harms.

Odfjell integrates HRDD into its integrity due diligence (IDD) procedures for most new customers and suppliers. To reinforce compliance, Odfjell is enhancing supplier monitoring through audits, follow-ups, and improved dashboards, ensuring that ethical practices are upheld throughout the value chain. As not all suppliers have been screened, we are taking actions to include such screening for all our suppliers. This will improve going forward. Additional details on Odfjell's human rights initiatives can be found in see link; Human and Labor Rights in S1-1.

In 2024, there were no reported cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises related to value chain workers.

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS (S2-2)

Odfjell acknowledges the importance of engaging with workers throughout our value chain to promote fair labor practices and protect human rights. Currently, we do not have a formal process in place to systematically engage with value chain workers. However, we work very closely with the workers at our joint venture terminals.

This is a focus area for future improvement. We are committed to evaluating effective engagement mechanisms and integrating them into our social responsibility strategy while prioritizing transparency and human rights protection.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS (S2-3)

In cases where remedy is needed for material negative impacts on value chain workers, Odfjell will seek to address these on a case-by-case basis, according to their nature and severity, and engage with affected stakeholders, as outlined in see link; S2-1.

As part of this approach, value chain workers can raise concerns and submit complaints through Odfjell's whistleblowing system, which is accessible to all stakeholders via Odfjell's website. This system includes a confidential, anonymous reporting hotline managed by a third party, with a whistleblowing policy explicitly addressing protection against retaliation for individuals who use these channels to report concerns or misconduct.

Odfjell's chief compliance officer ensures that reported issues are logged, reviewed, and investigated, taking corrective action as needed. The chair of the audit committee and the chief compliance officer conduct bi-annual reviews of the reporting log, and the whistleblower procedure is reviewed annually by the audit committee to ensure the ongoing effectiveness of these grievance mechanisms.

Odfjell checks whether reporting mechanisms are in place at ship recycling yards. To understand whether value chain workers at ship recycling yards are aware of and trust these mechanisms, Odfjell engages in discussions with yard managers. Section Business conduct policies and corporate culture (ESRS G1-1) (see link) provides additional information on the whistleblowing process, including how confidentiality is maintained, how individuals are protected, and how raised issues are tracked and monitored.

Odfjell's whistleblowing system is available to all workers, including value chain workers. Odfjell's CSCP (outlined in see link; Management of relationships with suppliers (ESRS G1-2)) does not currently require, or support, the availability of grievance mechanisms at the workplace of value chain workers to raise concerns or needs. We acknowledge this as a gap and an area for potential improvement.

TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING RISKS AND PURSUING OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND THE EFFECTIVENESS OF THOSE ACTIONS (S2-4)

Guided by our overarching target of "no violation of human rights related to our business and where we can have an impact," Odfjell is committed to protecting human rights, including the prevention of forced labor, and improving working conditions across its value chain. In 2024, no severe human rights issues or incidents connected to Odfjell's value chain workers were reported. Our remedy process for addressing negative impacts is detailed in section see link; S2-1.

Through collaboration with industry partners and NGOs, rigorous monitoring, and structured HRDD processes, we concentrate on mitigating risks and driving positive change for value chain workers, ensuring their well-being and creating opportunities for favourable outcomes. Responsibility for these efforts lies with our chief sustainability officer, who actively contributes to these initiatives.

The following initiatives primarily aim to prevent and address adverse human rights impacts in the value chain. Most actions have already been implemented and are part of a long-term strategy (ref. see link; ESRS 2 BP-2), with ongoing efforts to ensure their effectiveness. Future action plans have been specifically indicated, and these will also be a part of our long-term strategy.

HRDD Action Plan: Odfjell conducts an annual HRIA (elaborated on in see link; Policies related to own workforce (S1-1)) to identify and assess potential adverse human rights impacts in the value chain. The findings inform a targeted HRDD action plan with measures to prevent, mitigate, and address human rights risks. In 2024, key actions designed to benefit workers across the global value chain included updating and strengthening relevant policies and procedures, updating yard assessment processes, extending HRDD processes to operations in Brazil and Manila, evaluating external partners, advancing a sustainable procurement program, and enhancing employee training on human and labor rights.

Current Supplier Screening and ESG Data Collection: Odfjell systematically screens suppliers and shipyards to ensure compliance with ethical, human rights, and environmental standards across its supply chain. This process mitigates risks such as forced labor, substandard working conditions, and ESG non-compliance.

We have memberships to both the marine purchasing organization Incentra SA and the international Achilles Maritime Network. Through Incentra, we collect ESG data from suppliers, covering approximately 25% of the ship management procurement volume. Through Achilles, we collaborate with suppliers on social issues and track the effectiveness of our CSCP and human rights actions relevant to the value chain. The share of suppliers on the Achilles platform continues to grow, enhancing supplier transparency and due diligence. Odfjell also conducts yard selection and assessment to ensure shipyard partners meet human and labor rights standards. Potential shipyards undergo a pre-due diligence checklist, and regularly used dry-docking yards are screened against human rights risks indexes, such as the Global Slavery Index (GSI) from Walk Free, the Global Rights Index (GRI) from the International Trade Union Confederation (ITUC), and the Global Freedom Status (GFS) from Freedom House. In addition, we maintain communication with Eksfin (Exportfinansiering Norge), which conducts shipyard labor audits, to further ensure that our yard assessments are comprehensive. To ensure that Odfjell's own practices do not cause or contribute to material negative impacts on value chain workers, Odfjell conducts site visits to shipyards and hires independent supervisors at recycling yards. These measures reinforce oversight, ensuring that human rights protections are upheld and that working conditions meet acceptable standards.

Supplier Screening Measures Planned for the Future: For recycling yards, we will apply an external pre-qualification process to assess compliance with human rights and safety standards. In line with our recycling policy, we will conduct on-site inspections and require that relevant safety and human rights clauses are included in the sale contract, with obligations for reporting and compliance extending beyond the sale of the vessel. Additionally, we will ensure that the entire recycling process is supervised by a third party, reinforcing transparency and accountability. We will also look to develop our use of the Achilles platform and our engagement with suppliers.

EcoVadis Platform: Since 2015, Odfjell has used EcoVadis for annual ESG assessments, supplier performance monitoring, and implementing improvements. Key focus areas include ethical procurement, incorporating ESG clauses in contracts, and delivering sustainability training to suppliers. In 2024, Odfjell earned a Bronze Rating (Top 35%, 76th Percentile compared to all other companies scored), reflecting measurable progress in its sustainability performance.

Beyond risk mitigation, Odfjell also participates in industry-wide collaborations to drive positive change for value chain workers, advancing responsible business practices and strengthening human rights protections. The following initiatives are primarily designed to create long-term improvements for value chain workers and the maritime industry as a whole:

Collaboration Through the Future-Proof Initiative: Since 2022, Odfjell has been a signatory to the Future-Proof Initiative, committed to collaborating with industry peers to promote responsible business practices. Through this initiative, we focus on addressing human rights issues, sharing insights, and driving continuous improvements across the value chain. See more on their website.

Development of Ship Lifecycle Principles: From 2020 to 2022, Odfjell collaborated with the Rafto Foundation for Human Rights, the Institute for Human Rights and Business, and the Danish Institute for Human Rights to create the Ship Lifecycle Principles. This framework integrates human rights considerations at every stage of a ship's life cycle, from design and construction to operation and recycling. The aim was to ensure that human rights are respected throughout the value chain, particularly within shipyard operations, thereby strengthening ethical standards and enhancing accountability across the maritime industry.

Partnership in the Recruitment Fee Working Group: As a partner to the Recruitment Fee Working Group run by the Institute for Human Rights and Business, Odfjell collaborates on efforts to eliminate unethical recruitment practices, such as charging recruitment fees, that contribute to forced labor and exploitation in supply chains.

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES (S2-5)

Odfjell's overarching target is to prevent any violation of human rights related to our business. While we do not currently have specific targets for forced labor or working conditions within our value chain, we actively monitor compliance with our CSCP through supplier visits and audits conducted by both Odfjell and third parties, as outlined in see link; Management of relationships with suppliers (ESRS G1-2).

To enhance our ability to track and manage ESG risks, including human rights concerns, Odfjell started using the Achilles platform in 2024, see also link; Taking action on material impacts on value chain workers, and approaches to managing risks and pursuing opportunities related to value chain workers, and the effectiveness of those actions (S2-4). This platform enables us to assess the effectiveness of the CSCP across our supply chain, strengthening transparency and accountability.

At present, the absence of standardized and consistent data limits our ability to set specific targets. However, as we continue refining our data collection processes, we will evaluate the feasibility of establishing formal, measurable goals to reinforce our commitment to ethical labor practices.

While long-term targets remain under evaluation, we have already implemented a worker reporting system at recycling yards. This system allows workers to raise concerns about working conditions, with reported cases tracked as a key performance indicator (KPI). This initiative serves as an important tool in our ongoing efforts to assess, address, and improve labor conditions across our value chain.

Governance Information

Business Conduct (G1)

It is Odfjell's policy to fully comply with applicable laws in all jurisdictions where it operates, act in an ethical, sustainable, and socially responsible manner and practice good corporate governance. We will conduct our business consistently and in accordance with the United Nations Guiding Principles on Business and Human Rights and the Ten Principles of the Global Compact. We are a Maritime Anti-Corruption Network (MACN) member and adhere to MACN integrity standards. Our code of conduct sets out our expectations, commitments, and requirements for ethical behavior. Any breach of law is likely to have serious consequences for the company and those who work for Odfjell, not least the criminal prosecution of individuals, severe financial penalties and damage to Odfjell's reputation.

The role and expertise of the administrative, supervisory and management bodies related to business conduct is described in see link; ESRS 2 GOV-1-G1.

MATERIAL BUSINESS CONDUCT-RELATED IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (ESRS 2 SBM-3-G1)

The double materiality assessment identified the following impacts and risks, as they relate to Odfjell's business conduct, to be material in the table below.

G1 Business Conduct	Material impacts, risks, and opportunities				Location in value chain			Time horizon		
	Impact	**Actual/ Potential**	**Risk**	**Opportunity**	**Upstream**	**Own operations**	**Downstream**	**Short term**	**Medium term**	**Long term**
Corruption and Bribery	Negative/Positive	Actual			X	X	X	X	X	X
Management of relationship with Suppliers	Negative/Positive	Actual	X			X		X	X	X

In our industry, there is still a probability of corruption, payment requests, and other facilitation requests. Corruption stifles business progress, undermines trust, raises expenses, and creates significant legal and reputational threats. It also boosts transaction costs, impedes long-term foreign and domestic investment, and distorts development goals. Most countries consider corruption to be illegal and a crime.

However, corruption impacts everyone, particularly the most vulnerable members of society, such as children, who endure a disproportionate cost of the discriminatory effects of corruption due to their dependency on public services and little capacity to oppose corrupt practices.

Corruption also creates an unhealthy working atmosphere and has a high psychological cost, which can lead to humiliating, stressful, and dangerous circumstances on board. By opposing corruption, we contribute to a safer, healthier working environment for our seafarers and marine professionals.

Engaging in corruption, apart from being illegal, can harm our businesses, harm our customer relationships, harm us financially and last, but not least, it can compromise our safety. That is why Odfjell has a firm policy of rejecting all types of corruption. We are a MACN member and have signed up to its principles.

By actively working to fight corruption, we can reduce the related risks and open new opportunities.

Odfjell's global "Say No" campaign has made a significant positive impact by effectively reducing demands for facilitation payments, such as those for cigarettes, on our worldwide trade lanes in deep-sea maritime transportation, and addressing safety threats to both crew members and vessels, particularly in high-risk areas. Despite these improvements, challenges persist, with captains and crew members still facing occasional demands for illicit payments in exchange for passage or routine services at certain ports and checkpoints. Corruption leads to an unsafe working environment. By rejecting corruption, we create a safer working environment for crews by mitigating operational risks and delays.

Odfjell's comprehensive anti-corruption (AC) policy, coupled with robust procedures, collective actions, training, and preventative measures, plays a critical role in combating corruption and bribery within the maritime transportation sector. These efforts not only ensure compliance with international anti-corruption standards but also promote ethical conduct, enhancing the company's credibility and operational integrity.

In terms of supplier relationship management, Odfjell can positively influence the maritime industry by ensuring fairness in procurement processes and incorporating social and environmental criteria in the selection of suppliers, thereby setting a standard for sustainable and responsible business practices. However, sanctions pose a material risk as do reputational risks linked to the maritime supply chain. These risks can result in higher operational costs, delays, and potential difficulties in meeting contractual obligations, all of which could adversely impact Odfjell's ability to deliver services efficiently and maintain its reputation for reliability and ethical conduct within the industry.

Odfjell is committed to ethical business practices, ensuring transparency and integrity in all stakeholder interactions, including suppliers. Our business model is resilient and incorporates robust governance, proactive risk management, and strict compliance measures to address corruption, bribery, and supplier-related risks effectively.

We set clear expectations for ethics and compliance, communicated through our code of conduct and supplier code of conduct. Our due diligence process includes rigorous supplier screening and ongoing dialogue to promote ethical business practices. In cases of heightened risk, we share screening results to strengthen mitigation efforts. Through continuous engagement with suppliers, we reinforce ethical standards, enhance compliance, and contribute to the global fight against corruption and bribery. This approach ensures our operations remain sustainable, transparent, and aligned with best practices in responsible business conduct.

The financial impacts of our material risks and opportunities on our financial position, financial performance, and cash flows were assessed in the DMA process using our corporate risk definitions for materiality. Please also see links; Financial Effects of Material Risks and Opportunities and Methodologies and Assumptions Applied in ESRS 2.

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE (ESRS G1-1)

At Odfjell, our corporate culture is anchored in safety, integrity, great leadership, world-class employees and sustainability, guided by our Odfjell Compass, consisting of our values, mission, vision, customer commitment and sustainability, which shapes both operational and strategic decisions. Our approach is supported by policies that address essential areas of business ethics, including anti-corruption, compliance, and fair competition. Our commitment is reflected in our code of conduct. This framework promotes ethical conduct and fosters a culture of transparency, accountability, and respect throughout our global operations.

Odfjell has a clearly stated zero-tolerance policy on corruption, bribe or facilitation payments in our business or value chain. Also, we adhere to no violation of regulations and policies on sanctions and corruption.

Code of Conduct

Odfjell's Code of Conduct outlines expectations for ethical, sustainable, and socially responsible behavior, applying to all employees, officers, directors, and representatives, including subsidiaries and controlled joint ventures. Key focus areas include human rights, diversity, non-discrimination, conflict of interest, competition law compliance, sanctions compliance and safe working conditions, with a strong emphasis on anti-corruption, anti-bribery, and AML practices. The code aligns with internationally recognized standards, such as the UN Guiding Principles on Business and Human Rights and the Ten Principles of the UN Global Compact, see link; S1-1.

Oversight of the code's implementation is led by the chief compliance officer. The code is freely available on our website, reinforcing transparency with all stakeholders.

Anti-corruption framework and policy

We are committed to combating bribery and corruption through a structured anti-corruption framework that upholds ethical standards across our operations. Grounded in the UK Bribery Act and the UN Convention against Corruption, this framework includes proportionate procedures, risk assessment, integrity due diligence (IDD), effective communication and training, and continuous monitoring and review of the framework. Demonstrating top-level commitment, Odfjell has established an integrity council, led by an executive management representative, responsible for conducting annual risk assessments and implementing integrity measures in collaboration with all business units. Oversight of compliance with the framework and reporting to the board are managed by the chief compliance officer.

Functions at risk for bribery and corruption attempts, facilitation requests, scams, and threats in Odfjell include the board, executive management, all managers, ship operators, captains on board, sales personnel (ship broker), purchasing personnel, and staff of the Finance & Financial Control unit.

Our longstanding commitment to anti-corruption is further reflected in our membership of MACN since 2013, which strengthens our anti-corruption initiatives. As part of this commitment, we have actively implemented MACN's "Say No" campaign on all vessels since 2017.

Our anti-corruption policy enforces a zero-tolerance approach to bribery and corruption. For more information please see link; Prevention and Detection of Corruption and Bribery (ESRS G1-3).

Odfjell's policy is to provide mandatory training in anti-corruption policy and procedure. Odfjell personnel are appropriately trained regarding compliance with anti-corruption laws, rules and regulations and the anti-corruption policy proportionate to the identified corruption risks faced and analyzed by other sources like Transparency International and MACN.

The anti-corruption framework, policy, and procedure are available to all employees via the intranet and our documentation management system. Our integrity policies are also available online.

Whistleblowing policy

All employees, directors, and external stakeholders are encouraged to report concerns about misconduct, including breaches of the code of conduct, corruption, fraud, and human rights violations. The chief compliance officer is responsible for overseeing the policy's implementation, maintaining the hotlines, and for acting on any reported compliance issues. Department managers are responsible for regularly communicating the policy to all employees and ensuring the necessary conditions for its effectiveness.

Concerns about unlawful behavior, or behavior in contradiction of the code of conduct, can be reported on the regular internal reporting line to several compliance officers and designated persons or via a reporting hotline, which is an optional anonymous whistleblowing channel. The reporting hotlines are available to outsiders through Odfjell's website, and internally via the intranet. The external whistleblowing channel ensures the monitoring and follow-up on reports in accordance with Directive (EU) 2019/1937. For details on the reporting hotline please see Prevention and Detection of Corruption and Bribery see link; Prevention and Detection of Corruption and Bribery (ESRS G1-3).

Whistleblowers are safeguarded from any repercussions, including discharge or demotion, for reporting concerns in accordance with Directive (EU) 2019/1937 and local labor laws. For details on how whistleblowers are protected, please see link; Prevention and Detection of Corruption and Bribery (ESRS G1-3).

Reported issues are investigated and monitored by designated employees. For details on how concerns are investigated, please see link; Prevention and Detection of Corruption and Bribery (ESRS G1-3).

Policy on Supplier Relationship Management

Odfjell's supplier relationship management is rooted in our commitment to corporate social responsibility (CSR) and high standards of business ethics, as outlined in our corporate supplier conduct principles (CSCP). Please see link; Management of relationships with suppliers (ESRS G1-2).

Additional Policies Supporting Ethical Business Conduct

Odfjell's anti-money laundering & counter-terrorist financing (AML), sanctions, antitrust/ competition compliance, and insider trading policies further reinforce our commitment to ethical business conduct and compliance across our operations. Applicable to all employees, directors and other representatives of Odfjell, these policies address essential compliance risks by establishing guidelines to promote transparency, integrity, and fair practices, particularly in areas such as financial integrity, supplier relationships, and compliance with international trade and competition laws. Providing training and raising awareness among all relevant employees is integral to these policies and supports adherence to Odfjell's ethical standards. Compliance with these policies is overseen by the chief compliance officer and monitored by senior management. Senior management reports annually on compliance to the CEO, reinforcing Odfjell's commitment to strong ethical governance. The chief compliance officer (COO) provides an integrity update annually to the full board. Updates on integrity are also a recurring point of discussion on ESG and integrity reporting at all audit committee (AC) meetings. All policies are available to all employees via the Intranet and our documentation management system.

The AML policy mitigates the risk of financial crimes by enforcing anti-money laundering and counter-terrorist financing measures and applying a risk-based approach that includes IDD for suppliers and partners. The audit committee (AC) is responsible for overseeing and managing any reports of confirmed or suspected money laundering. The Chief Financial Officer (CFO) is accountable for the implementation of the AML policy.

The sanctions policy ensures compliance with international sanctions, trade restrictions, and embargoes, prohibiting transactions with sanctioned individuals, entities, or countries. This policy was defined by including the interest of the banks as stakeholders and Nordiske insurance. The process of sanctions screening and compliance is described in different corporate and business unit procedures as IDD process, KYC process, Trading in Areas with Sanctions and Supplier Management. The CSO is accountable for the implementation of the sanctions policy.

Meanwhile, the antitrust/ competition compliance policy supports fair competition by enforcing compliance with competition laws and prohibiting practices such as price-fixing and market division.

The insider trading policy enforces strict controls over confidential and privileged information, prohibiting any misuse of insider knowledge for personal or financial gain. The policy applies to all trading activities and restricts the dissemination of non-public information that could impact Odfjell's stock or financial performance. By safeguarding the integrity of Odfjell in financial markets, this policy reinforces our commitment to transparency and accountability as core elements of our corporate culture. The CFO is accountable for the implementation of the insider trading policy.

Each of these policies strengthens Odfjell's framework for ethical governance, ensuring responsible practices across our global operations.

Establishing, Developing, Promoting, and Evaluating Odfjell's Corporate Culture

At Odfjell, we are committed to fostering a strong corporate culture that upholds our core values and strategic goals while ensuring a safe, ethical, and high-performing work environment. Our corporate culture is built and continuously reinforced through clear leadership, structured programs, and engagement initiatives that align with our long-term vision.

Our corporate culture is rooted in our values and business strategy, which guide our long-term goals and targets. Management actively communicates these principles through regular town halls, leadership meetings, and officer conferences, ensuring alignment across all levels of the organization. Safety, performance, compliance, diversity and inclusion, and sustainability are fundamental to our cultural framework and are closely monitored as part of our strategic priorities.

Strong leadership is essential for cultivating a resilient and engaged workforce. We invest in leadership development programs, training initiatives, and structured performance management processes to ensure our leaders set the right example. Through annual performance reviews, ethics training, and ongoing professional development, we reinforce a culture of accountability and continuous improvement.

Open communication and employee engagement are key drivers of our culture. We conduct regular engagement and enablement surveys to assess workplace sentiment, address concerns, and enhance team collaboration. Town halls, group activities, and structured feedback channels provide opportunities for employees to engage with leadership, voice their perspectives, and contribute to Odfjell's shared vision.

Our corporate culture is further shaped by our approach to talent acquisition and retention. Our recruitment process ensures that we attract individuals who share our values and commitment to excellence. Incentive models are structured to reinforce positive behaviors, ethical business practices, and performance, further embedding our culture across the organization.

A strong safety culture is a cornerstone of Odfjell's strategic goals. Our policies and procedures prioritize safety, ethics, and compliance, ensuring that all employees operate within a structured framework that promotes responsible decision-making. Through continuous training, risk assessments, and proactive safety initiatives, we maintain a workplace where safety is deeply rooted in our daily operations.

In leading by example, promoting open communication, and maintaining a strong focus on safety, ethics, and sustainability, Odfjell ensures that our corporate culture remains resilient, forward-thinking, and aligned with our long-term success.

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS (ESRS G1-2)

Odfjell's supplier relationship management is rooted in our commitment to CSR and high standards of business ethics, as outlined in our CSCP. Aligned with Odfjell's values of integrity, safety, and sustainability, this approach supports quality, health, safety, environmental care, human rights, non-discrimination, and anti-corruption. Guided by the UN Global Compact principles, our processes ensure that all suppliers meet Odfjell's ethical and operational standards.

We apply strict guidelines for selecting, evaluating, and developing supplier relationships. New suppliers undergo a rigorous pre-qualification process, including IIDD and environmental, health and safety and social criteria, while existing suppliers are subject to regular audits to verify ongoing compliance. The suppliers are screened with the Achilles platform and evolving risks related to our supply chain are considered through regular supplier meetings, where risks and performance are discussed.

To promote an ethical culture across our supply chain, Odfjell requires all suppliers to adhere to the CSCP, which covers fair labor practices, human rights, environmental responsibility, and anti-corruption. Compliance is reinforced by requiring suppliers to establish management systems that align with Odfjell's principles, with documented proof provided upon request, as stipulated by the Norwegian Transparency Act.

Suppliers are expected to uphold the CSCP by fostering respect, responsibility, and continuous improvement in their practices, ensuring alignment with Odfjell's values of integrity, accountability, and ethical governance. This commitment encourages suppliers to evolve their practices in line with both Odfjell's standards and regulatory requirements, strengthening our ethical and sustainable supply chain.

Corporate Supplier Conduct Principles

The CSCP outline Odfjell's commitment to CSR, focusing on quality, health, safety, the environment (QHSE), human rights, labor standards, and anti-corruption. The policy is guided by internationally recognized frameworks such as the United Nations (UN) Global Compact and the International Labour Organization (ILO) conventions. The CSCP establishes supplier expectations in areas like labor rights, environmental responsibility, anti-corruption, and compliance with applicable laws and regulations.

Key material issues addressed include human rights, ethical labor practices, environmental stewardship, and anti-bribery measures. Implementation of the CSCP involves supplier audits, ongoing monitoring, and corrective action processes for non-compliance. Suppliers are also required to cascade these principles across their sub-supply chains, ensuring alignment with the Norwegian Transparency Act and other applicable frameworks.

The policy applies to all suppliers, contractors, and sub-suppliers providing goods or services to Odfjell. It covers the entire value chain but emphasizes areas where supplier operations may impact human rights, environmental practices, or ethical conduct. Exclusions or specific limitations are not explicitly stated, but compliance is mandatory across all operations and supplier tiers.

Ultimate responsibility for implementing the CSCP lies with the corporate management of Odfjell SE, which oversees adherence to these principles through governance structures and audit mechanisms.

The policy adheres to globally recognized standards, including the UN Global Compact, ILO Conventions, and Norwegian Transparency Act, ensuring suppliers operate within an ethical, sustainable, and legally compliant framework.

In setting the CSCP, Odfjell has considered the interests of key stakeholders, including employees, communities, regulatory authorities, and business partners. The principles aim to harmonize diverse cultural and economic conditions encountered in Odfjell's international operations, ensuring fair practices and stakeholder alignment.

The CSCP are available to all affected parties, including suppliers, sub-suppliers, and their employees on our webpage. Additionally, suppliers are encouraged to share the principles with sub-contractors and employees, fostering widespread adoption.

Policy to prevent late payments

To ensure that late payments are reduced to a minimum, if not altogether, concerned parties must aim to process all payment transactions within the deadline, as we describe in our procedure for payment processing. Back-ups in the accounting and payment system are in place during employee absences to ensure continuous processing of payments. For overdue invoices pending approval in our payment system, weekly reminders are sent to approvers to prevent and reduce late payments.

Sustainable procurement

Sustainable procurement is important to Odfjell. Our suppliers are assessed through a combination of prequalification, annual performance meetings, supplier visits, audits, checklists, questionnaires, and our CSCP. The extent of the assessment depends on the supply risk, criticality, and profit impact. We conduct ESG screening and risk assessment regarding social and environmental criteria at supplier selection, and classify our suppliers in accordance with whether further investigation is required.

Following the transparency act, Odfjell will increase follow up, audits and cooperation with suppliers on human rights in the value chain and improve our supplier monitoring with ESG database and dashboards. For details, please see link; Prevention and Detection of Corruption and Bribery (ESRS G1-3).

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY (ESRS G1-3)

We include relevant integrity clauses in all our contracts.

Odfjell has an integrity council that coordinates all actions under the framework from all areas of our business. We conduct an annual integrity risk assessment with all units, resulting in a corruption risk map from which we devise an action plan on integrity, including anti-corruption work for the company.

All employees sign the code of conduct and the anti-corruption policy, among other corporate policies, in an annual compliance sign-off campaign generated by our compliance management system. The board of directors has annual training in anti-corruption.

The Corporate Compliance Officer (CCO) delivers a status and progress report on an integrity work plan to the board's audit committee. The board of directors is involved in Odfjell's annual integrity risk assessment and integrity work plan. Please also see link; The role of the administrative, management and supervisory bodies – Governance (ESRS 2 GOV-1-G1).

Our anti-corruption procedure aims to guide the interpretation and implementation of its corporate anti-corruption policy in day-to-day operations. It emphasizes that corruption, including bribery and facilitation payments, is a major risk to both business and society, and explicitly prohibits such practices in all forms, whether direct or through third parties. Odfjell has strict rules regarding interactions with public officials, prohibiting any gifts, payments, or favors beyond a low value (defined threshold), and strongly opposes facilitation payments. The procedure also outlines the requirements for screening and due diligence when engaging with business partners, and stresses that all commission payments must be transparent and reasonable. Gifts and hospitality must be carefully evaluated to avoid improper advantages, with approval required for anything exceeding our threshold.

Our annual compliance sign-off campaign is sent to all shore-based employees in the first quarter of the year. In 2024, we launched an anti-corruption training module, MACN's "Stand your Ground," which is completed by 77.7% of relevant shore-based functions like ship operators, port operators, port captains as well as ship management employees in maritime personnel, procurement, technology and fleet management. The completion rate of our anti-money laundering training assigned to relevant functions at risk is 81.7%.

Odfjell is a member of MACN and we have implemented and supported the MACN "Say No"'campaign on all our ships. We also track requests for facilitation globally with mandatory reporting from all port visits. We have established a reporting hotline, available internally and externally, for the reporting of any compliance-related matters.

Incident reporting

Facilitation payment attempts or requests at ports are reported by all vessels in our Portlog system. The cases are investigated by our fleet management, reported to the AC and detailed in see link; Incidents of Corruption or Bribery (ESRS G1-4). In addition, we have a dedicated 'Say-No" email address, where corruption and bribery attempts can be reported, and the reporting hotline (our whistleblowing system, see the following chapter for details), where we also follow up on corruption/bribery cases.

We have established Gifts & Hospitality and Conflict of Interest registration modules in our compliance management system. They support employees in raising their case/concern/question and clarifying it with their superior, or the compliance manager corporate, in a documented way.

Anti-Money Laundering (AML)

Odfjell has established a new training module and policy on AML and counter-terrorist financing. All relevant employees will have to go through mandatory training and testing of AML risks and policy at the start of their employment.

Sanctions

Sanctions are measures imposed by governments and international bodies (such as the United Nations, the United States and the European Union) to restrict dealings with certain countries, entities and individuals.

Odfjell maintains effective measures to ensure compliance with, and awareness of, our sanctions-related obligations in the due diligence process. The responsibility for sanctions screening lies with the concerned units: commercial, finance, legal & insurance. Odfjell has established a sanctions screening process and procedure.

Odfjell is prohibited from transacting with individuals, companies and countries that are on prescribed sanctions lists, and will therefore screen against sanctions lists in all jurisdictions in which we operate.

Reporting Hotline

Odfjell's reporting hotline (whistleblowing system) enhances ethical governance by providing mechanisms for reporting and protecting whistleblowers, supported by our whistleblowing policy and procedure.

All employees, directors, and external stakeholders are encouraged to report:

- danger to life, health, safety or environment
- fraud, corruption or bribery
- insider trading
- breach of human rights or labor rights
- harassment or discrimination
- breach of Odfjell's code of conduct
- non-compliance to any other policy or procedure (e.g. IT security or data privacy policy)
- non-compliance to any other legal or regulatory requirement applicable to the company (e.g. environmental regulations)
- violations or crime (e.g. competition law, money laundering)

Reports can be submitted directly to designated employees, who are separate from the chain of management, or via the reporting hotline booth accessible through Odfjell's website and intranet. There are three reporting hotline channels available: "General Reporting", "Designated Person Ashore (for Odfjell crew)" and "Terminals". Additionally, relevant and current contact details for the designated employees are clearly posted on our Intranet and on our webpage.

To protect whistleblowers, the reporting hotline is optional anonymous and all cases are handled in strict confidence, with report details limited to essential personnel only. Additionally, the hotline is managed by a third-party provider, ensuring confidentiality and anonymity through encrypted messaging and metadata removal.

Reported issues are investigated and monitored by designated employees (compliance officers, designated person and their deputies), who log, review, and then thoroughly, promptly, independently and objectively investigate each case, documenting corrective actions as necessary.

The CCO reports to the AC on material cases. The chair of the AC and the compliance officer corporate conduct biannual reviews to ensure the ongoing effectiveness of these mechanisms.

Further details on cases raised through the whistleblower mechanism, along with discrimination incidents, complaints, and severe actual human rights impacts, are provided in see link; Incidents, complaints, and severe human rights impacts (S1-17).

Sustainable Procurement

We verify and ensure that suppliers follow our CSCP. Through these, we communicate our expectations on ethics, human rights, anti-corruption and environment, among other things. All suppliers need to sign up to these principles in the contracting process. We have set a medium-term target (2-5 years), that all material suppliers are ESG screened and have signed the CSCP.

We have an ongoing dialogue with our major suppliers on important ESG matters. Following the transparency act, we plan to increase audits and supplier reporting vis-à-vis human rights.

Odfjell has, in 2024, joined the Achilles Maritime Network (AMN). AMN supports organizations worldwide by providing verified data and insights into supply chain management, helping companies meet investor requirements, comply with ESG regulations, and achieve sustainability goals. By using a centralized network, we are simplifying the reporting process for our suppliers. It allows them to submit their ESG due diligence data on environment, social and governance in one place, rather than responding to multiple different questionnaires from their customers. This supports our internal procedure to take social and environmental criteria into account when it comes to supplier selection.

We have meet with our major suppliers and have initiated requests for reporting CO2 emissions for the products we buy. Tracking emissions in the value chain is challenging. We collaborate with our most significant suppliers to get a better understanding of scope 3 emissions and then work to reduce them.

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

Every year, Odfjell reports its status on green and sustainable procurement to EcoVadis, including information on our interactions with our suppliers and the suppliers' performance in ESG audits, ESG clauses in contracts, and training among other things.

INCIDENTS OF CORRUPTION OR BRIBERY (ESRS G1-4)

Odfjell has a mandatory reporting system for all port calls, where all attempts or requests for facilitation payments are reported. We had 14 registered incidents in 2024 (facilitation payment attempt/requests) compared to 25 in 2023. All incidents are investigated by the fleet manager regarding their severity and lessons learned. Severe cases are reported and discussed in the integrity council and AC.

There were no convictions and zero fines for violation of anti-corruption and anti-bribery laws and/or regulations in 2024.

Political influence and lobbying activities (ESRS G1-5) are not considered material according to our double materiality assessment. Political involvement is regulated by our code of conduct. Odfjell will not participate in any party-political activity nor will it make any political contributions anywhere in the world. Odfjell does not make political contributions.

PAYMENT PRACTICES (ESRS G1-6)

On average, it took the company 32.95 days to pay its invoices, in 2024. This is calculated as the average number of days elapsed between receipt and payment of a given invoice.

Unless otherwise agreed, Odfjell's standard contract payment terms are payment of services received within 30 days of receipt of invoice. Such terms encompass approximately 55% of its annual invoices by number. Payment on receipt of invoice constitutes about 18% of its annual invoices, while the same number for payments made within 60 days of receipt of invoice is 24%. The remainder of its invoices are paid in 60 days or more and constitute approximately 3% of annual invoices.

The above calculations are based on all invoices received and due in the fiscal year 2024. Representative sampling has not been used.

Odfjell has no legal proceedings for late payments currently outstanding.

Ship Recycling (ENT1)

MATERIAL SHIP RECYCLING-RELATED IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (ESRS 2 SBM-3-ENT1)

Through our materiality assessment, Odfjell has identified ship recycling as a specific and significant topic due to its potential environmental and social impacts. The ship recycling industry can have profound effects on both ecosystems and workers, while the shipping industry itself plays a key role in influencing responsible recycling practices. At the same time, ship recycling has regulatory and compliance implications for shipping companies, as multiple international regulations and standards govern the process, requiring strict adherence to ensure safe and sustainable practices.

The environmental and social impacts of ship recycling are directly linked to workers in the value chain and broader sustainability concerns, which are further addressed in the topical standards. This entity-specific standard outlines Odfjell's governance approach to ship recycling, ensuring responsible oversight and compliance with industry best practices.

To reinforce our commitment to responsible recycling, Odfjell's governance KPIs for ship recycling are reflected as binary KPIs in our policy, ensuring clear accountability for compliance and ethical standards. However, recognizing the need for continuous improvement, we have also introduced two additional KPIs related to environmental impact, aimed at enhancing transparency and driving better sustainability outcomes in our recycling processes.

The double materiality assessment described in IRO-1 determined the following entity-specific material impact in the table below.

ENT1 Ship recycling	Material impacts, risks, and opportunities				Location in value chain			Time horizon		
	Impact	**Actual/ Potential**	**Risk**	**Opportunity**	**Upstream**	**Own operations**	**Downstream**	**Short term**	**Medium term**	**Long term**
Ship recycling	Negative/Positive	Actual	X				X	X	X	X

Odfjell acknowledges the significant environmental and social impacts associated with ship recycling practices. When executed responsibly, ship recycling contributes positively to the circular economy by enabling the reuse and recycling of materials from decommissioned vessels, thereby reducing the demand for virgin resources and minimizing the overall environmental footprint. Conversely, improper recycling practices can lead to environmental degradation, resource depletion, and increased waste generation.

Refurbishing assets with remaining useful life is a key strategy in preventing premature scrapping, thereby reducing unnecessary transportation and disposal costs. This approach aligns with circular economy principles, promoting sustainable asset management and extending the life cycle of valuable materials. Our technical departments are committed to evaluating the use of used and refurbished materials and prioritize the purchase of used spare parts when feasible.

Ship recycling is an integral part of a vessel's life cycle and, when conducted responsibly, has a positive impact by reducing the carbon footprint through the recycling and re-rolling of steel. Repurposing materials on board for reuse further enhances circularity and sustainability.

Odfjell is committed to sustainable ship recycling in accordance with our corporate policy. We adhere to the recommendations of the Norwegian Shipowners' Association, the European Union, and the International Maritime Organization. Responsible and compliant ship recycling is a significant part of the circular economy, keeping resources in use for as long as possible and minimizing waste. Ship recycling is an essential industry for sustainable production, and it supports the developing economies of several countries.

We recognize that ship recycling has historically faced challenges related to safety, environmental protection, and human rights. Consequently, there is an increasing array of regulations, stakeholder expectations, and financial covenants aimed at ensuring safe and sustainable recycling practices. Non-compliance with these standards can result in severe financial and reputational repercussions for shipowners. Even when a ship is sold, media and regulators can hold the original shipowner responsible for subsequent recycling practices, underscoring the importance of ensuring that recycling operations are conducted in full compliance with environmental and social standards to mitigate both reputational and operational risks.

As recycling presents both opportunities and risks, it has been identified as an entity-specific material topic under the European Sustainability Reporting Standards (ESRS 1). Mitigation strategies for high-priority issues, such as greenhouse gas emissions and pollution, are in place to ensure business continuity and strategic alignment. The financial effects of our material risks and opportunities vis-a-vis our financial position, performance, and cash flows have been evaluated in our financial materiality assessment, following our corporate risk level definitions. For detailed information, please refer to see link; ESRS 2 SBM-3 and see link; ESRS 2 IRO-1 in our sustainability report.

Odfjell remains steadfast in its commitment to responsible ship recycling and to ensuring that our practices uphold the highest standards of environmental stewardship, safety, and human rights.

POLICIES ADOPTED TO MANAGE SHIP RECYCLING-RELATED MATTERS (ESRS 2 MDR-P-ENT1)

The Odfjell Ship Recycling Policy ensures that all ship recycling activities are conducted in a safe, environmentally responsible, and socially ethical manner, complying with relevant international and regional regulations. The policy applies to all vessels owned by Odfjell and emphasizes adherence to the Hong Kong Convention, EU Regulation No. 1257/2013, and ISO 30000 standards for certified recycling facilities. It mandates the maintenance of an inventory of hazardous materials (IHM) throughout a ship's life, updated and certified before recycling, and the preparation of a ship recycling plan (SRP) in collaboration with certified recycling facilities. Monitoring and auditing processes ensure environmental compliance, worker safety, and adherence to standards through audits and third-party inspections.

The policy applies to the entire ship recycling process, including the export of vessels for recycling. It encompasses upstream activities like pre-recycling preparation (e.g., IHM certification) and downstream activities such as the handling and disposal of hazardous materials. However, it excludes non-Odfjell-owned vessels and those outside the organization's control. The policy extends globally but aligns specifically with applicable international and regional regulatory frameworks, ensuring a consistent standard of compliance across all geographies.

Accountability for the implementation of the policy lies solely with the chief sustainability officer (CSO). The CSO oversees adherence to its principles, regulatory compliance, and continuous improvement initiatives.

The policy commits to third-party standards, including ISO 30000 (Ship Recycling Management Systems), the Hong Kong Convention, and relevant EU regulations. It aligns with International Labour Organization (ILO) guidelines to safeguard workers' rights and safety at recycling facilities, ensuring fair wages, protective equipment, and safe working conditions.

The policy considers the interests of key stakeholders, including employees, third-party contractors, and the broader environmental and regulatory community. Stakeholder interests are reflected in the focus on health, safety, and environmental integrity, which are essential to the policy's objectives. Workers' rights are specifically highlighted, ensuring that facilities adhere to international labor and safety guidelines.

The policy is made available to affected stakeholders, including contractors and recycling facilities, through official documentation and stakeholder engagement processes. Odfjell emphasizes transparency by disclosing its ship recycling activities and encouraging collaboration with certified recycling facilities. Assistance to stakeholders, such as contractors, is provided to ensure they understand and adhere to the policy's requirements.

The Odfjell Ship Recycling Policy exemplifies a strong commitment to sustainable practices, emphasizing safety, environmental integrity, and ethical business operations.

ACTIONS AND RESOURCES IN RELATION TO SHIP RECYCLING-RELATED MATTERS (ESRS 2 MDR-A-ENT1)

Odfjell is committed to ensuring that ship recycling is performed in a safe, environmentally sound, and socially responsible manner, aligning with international best practices and regulations. Responsible ship recycling is a critical component of the circular economy, emphasizing resource preservation, waste minimization, and extending the life cycle of materials. Odfjell follows the recommendations of the Norwegian Shipowners' Association, the European Union, and the International Maritime Organization (IMO) and actively advocates for the ratification and implementation of the IMO's Hong Kong Convention to establish mandatory international regulations for ship recycling.

To ensure strict adherence to environmental and safety standards, Odfjell has implemented the following action plan for ships sold for recycling:

Pre-Screening and Contracting:

- Pre-screening of potential recycling facilities.
- A green recycling contract, following the BIMCO RECYCLECON format, to be signed.

Supervised Recycling Process:

- Odfjell appoints supervisors to be present throughout the recycling process.
- Regular inspections to be carried out, alongside yard management meetings, to discuss safety, training, monitoring, and compliance standards.
- Weekly written reports to be submitted to ensure transparency and documentation.

Compliance and Protective Clauses:

- The process should incorporate clauses mandating strict adherence to the Hong Kong Convention and UN Guiding Principles on Business and Human Rights.
- The recycling yard must provide full access to its facilities and processes, meeting Odfjell's ESG requirements.

Material Recovery and Environmental Impact:

- Ensure proper recycling of materials with focus on steel melting and reuse, which reduces the need for new steel production and its associated carbon footprint.

METRICS IN RELATION TO SHIP RECYCLING-RELATED MATTERS (ESRS 2 MDR-M-ENT1)

Odfjell has not recycled any vessels in 2023 or 2024.

To ensure responsible and sustainable ship recycling, Odfjell has set out a policy for how that should be conducted. These are not KPIs but rather policy elements that need to be in place, such as those related to regulatory compliance, and supervision. Some elements are also a part of the review when selecting yards, such as safety performance and quality assessments. That said, Odfjell has identified some KPIs for the actual recycling process. These KPIs provide insight into the efficiency, environmental impact, and compliance of recycling operations.

The primary KPIs include:

- Percentage of the total weight of the ship that has been reused/resold vs material that has to be stored in landfill.
- Scope 1 emissions at the recycling yard – emissions generated at the facility, which are classified as Odfjell's scope 3 emissions under the Greenhouse Gas (GHG) Protocol.

Odfjell remains committed to continuously improving its ship recycling practices by closely monitoring these KPIs, identifying best practices, and ensuring alignment with international environmental, social, and governance (ESG) standards.

TRACKING EFFECTIVENESS OF POLICIES AND ACTIONS THROUGH TARGETS FOR SHIP RECYCLING-RELATED MATTERS (ESRS 2 MDR-T-ENT1)

Odfjell has not recycled any vessels in 2023 or 2024.

The targets for ship recycling must adhere to the key principles of our ship recycling policy regarding the selection of recycling facility, IHM, ship recycling plan, due diligence and monitoring and auditing. Odfjell will closely track and review the ship recycling process as described in ESRS 2 MDR-A Actions and Resources in Relation to Material Sustainability Matters contained within this chapter, ENT-1 Ship Recycling.

Sustainability Statement Appendix A

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (Disclosure Requirement (DR) ESRS 2 IRO-2 paragraph 56 & ESRS 2 Appendix B)

Disclosure Requirement (DR) and related Datapoint (DP)	**SFDR Reference**	**Pillar 3 Reference**	**Benchmark Regulation Reference**	**EU Climate Law Reference**	**material/not material**	**Reference**
ESRS 2 GOV-1 Board's gender diversity & 21 (d)	Indicator nr. 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	GOV-1
ESRS 2 GOV-1 Percentage of board members who are independent & 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		material	GOV-1
ESRS 2 GOV-4 Statement on due diligence & 30	Indicator nr. 10 Table #3 of Annex 1				material	GOV-4
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities & 40 (d) i	Indicators nr. 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		material	SBM-1
ESRS 2 SBM-1 Involvement in activities related to chemical production & 40 (d) ii	Indicator nr. 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not material	-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons & 40 (d) iii	Indicator nr. 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1); Delegated Regulation (EU) 2020/1816, Annex II		not material	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco & 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1); Delegated Regulation (EU) 2020/1816, Annex II		not material	-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 & 14				Regulation (EU) 2021/1119, Article 2(1)	material	E1-1
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks & 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		material	E1-1
ESRS E1-4 GHG emission reduction targets & 34	Indicator nr. 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment Metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	E1-4
ESRS E1-5 Energy consumption from fossil sources disaggregated by	Indicator nr. 5 Table #1 and Indicator nr. 5 Table #2 of Annex 1				material	E1-5

sources (only high climate impact sectors) & 38						
ESRS E1-5 Energy consumption and mix & 37	Indicator nr. 5 Table #1 of Annex 1				material	E1-5
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors &s 40 to 43	Indicator nr. 6 Table #1 of Annex 1				material	E1-5
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions & 44	Indicators nr. 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		material	E1-6
ESRS E1-6 Gross GHG emissions intensity &s 53 to 55	Indicators nr. 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		material	E1-6
ESRS E1-7 GHG removals and carbon credits & 56				Regulation (EU) 2021/1119, Article 2(1)	not material	-
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks & 66			Delegated Regulation (EU) 2020/1818, Annex II;Delegated Regulation (EU) 2020/1816, Annex II		phase-in, omitted for 2024	-
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk & 66 (a) andESRS E1-9 Location of significant assets at material physical risk & 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			phase-in, omitted for 2024	-
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes & 67 (c)		Article 449a Regulation (EU) No 575/2013;Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			phase-in, omitted for 2024	-
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities & 69			Delegated Regulation (EU) 2020/1818, Annex II		phase-in, omitted for 2024	-
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, & 28e.g. Nitrogen oxides (NOx/NO2), Sulphur oxides (SOx/SO2)	Indicator nr. 8 Table #1 of Annex 1; Indicator nr. 2 Table #2 of Annex 1; Indicator nr. 1 Table #2 of Annex 1; Indicator nr. 3 Table #2 of Annex 1				material	E2-4
ESRS E3-1 Water and marine resources & 9	Indicator nr. 7 Table #2 of Annex 1				not material	-

ESRS E3-1 Dedicated policy on exposure to areas of high water stress & 13	Indicator nr. 8 Table #2 of Annex 1		not material	-
ESRS E3-1 Sustainable oceans and seas & 14	Indicator nr. 12 Table #2 of Annex 1		not material	-
ESRS E3-4 Total water recycled and reused & 28 (c)	Indicator nr. 6.2 Table #2 of Annex 1		not material	-
ESRS E3-4 Total water consumption in m3 per net revenue on own operations & 29	Indicator nr. 6.1 Table #2 of Annex 1		not material	-
ESRS 2- IRO 1 - E4 Activities negatively affecting biodiversity sensitive areas & 16 (a) i	Indicator nr. 7 Table #1 of Annex 1		not material	-
ESRS 2- IRO 1 - E4 Land degradation, desertification, soil sealing & 16 (b)	Indicator nr. 10 Table #2 of Annex 1		not material	-
ESRS 2- IRO 1 - E4 Natural species and protected areas & 16 (c)	Indicator nr. 14 Table #2 of Annex 1		not material	-
ESRS E4-2 Sustainable land / agriculture practices or policies & 24 (b)	Indicator nr. 11 Table #2 of Annex 1		not material	-
ESRS E4-2 Sustainable oceans / seas practices or policies & 24 (c)	Indicator nr. 12 Table #2 of Annex 1		not material	-
ESRS E4-2 Policies to address deforestation & 24 (d)	Indicator nr. 15 Table #2 of Annex 1		not material	-
ESRS E5-5 Non-recycled waste & 37 (d)	Indicator nr. 13 Table #2 of Annex 1		not material	-
ESRS E5-5 Hazardous waste and radioactive waste & 39	Indicator nr. 9 Table #1 of Annex 1		not material	-
ESRS 2- SBM3 - S1 Risk of incidents of forced labor & 14 (f)	Indicator nr. 13 Table #3 of Annex I		material	SBM-3-S1
ESRS 2- SBM3 - S1 Risk of incidents of child labor & 14 (g)	Indicator nr. 12 Table #3 of Annex I		material	SBM-3-S1
ESRS S1-1 Human rights policy commitments & 20	Indicator nr. 9 Table #3 and Indicator nr. 11 Table #1 of Annex I		material	S1-1
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, & 21		Delegated Regulation (EU) 2020/1816, Annex II	material	S1-1
ESRS S1-1 Processes and measures for preventing trafficking in human beings & 22	Indicator number 11 Table #3 of Annex I		material	S1-1
ESRS S1-1 Workplace accident prevention policy or management system & 23	Indicator nr. 1 Table #3 of Annex I		material	S1-1
ESRS S1-3 Grievance/complaints handling mechanisms & 32 (c)	Indicator nr. 5 Table #3 of Annex I		material	S1-3

ESRS S1-14 Number of fatalities and number and rate of work-related accidents & 88 (b) and (c)	Indicator nr. 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	material	S1-14
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness & 88 (e)	Indicator nr. 3 Table #3 of Annex I		material	S1-14
ESRS S1-16 Unadjusted gender pay gap & 97 (a)	Indicator nr. 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	material	S1-16
ESRS S1-16 Excessive CEO pay ratio & 97 (b)	Indicator nr. 8 Table #3 of Annex I		material	S1-16
ESRS S1-17 Incidents of discrimination & 103 (a)	Indicator nr. 7 Table #3 of Annex I		material	S1-17
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD & 104 (a)	Indicator nr. 10 Table #1 and Indicator nr. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II;Delegated Regulation (EU) 2020/1818 Art 12 (1)	material	S1-17
ESRS 2- SBM3 – S2 Significant risk of child labor or forced labor in the value chain & 11 (b)	Indicators nr. 12 and nr. 13 Table #3 of Annex I		material	SBM-3-S2
ESRS S2-1 Human rights policy commitments & 17	Indicator nr. 9 Table #3 and Indicator nr. 11 Table #1 of Annex 1		material	S2-1
ESRS S2-1 Policies related to value chain workers & 18	Indicator number 11 and n. 4 Table #3 of Annex 1		material	S2-1
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines & 19	Indicator nr. 10 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II;Delegated Regulation (EU) 2020/1818 Art 12 (1)	material	S2-1
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, & 19		Delegated Regulation (EU) 2020/1816, Annex II	material	S2-1
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain & 36	Indicator nr. 14 Table #3 of Annex 1		material	S2-4
ESRS S3-1 Human rights policy commitments & 16	Indicator nr. 9 Table #3 of Annex 1 and Indicator nr. 11 Table #1 of Annex 1		not material	-
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines & 17	Indicator nr. 10 Table #1 Annex 1	Delegated Regulation (EU) 2020/1816, Annex II;Delegated Regulation (EU) 2020/1818, Art 12 (1)	not material	-
ESRS S3-4 Human rights issues and incidents & 36	Indicator nr. 14 Table #3 of Annex 1		not material	-

ESRS S4-1 Policies related to consumers and end- users & 16	Indicator nr. 9 Table #3 and Indica. nr. 11 Table #1 of Annex 1		not material	-
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines & 17	Indicator nr. 10 Table #1 Annex 1	Delegated Regulation (EU) 2020/1816, Annex II;Delegated Regulation (EU) 2020/1818, Art 12 (1)	not material	-
ESRS S4-4 Human rights issues and incidents & 35	Indicator nr. 14 Table #3 of Annex 1		not material	-
ESRS G1-1 United Nations Convention against Corruption & 10 (b)	Indicator nr. 15 Table #3 of Annex 1		material	G1-1
ESRS G1-1 Protection of whistle-blowers & 10 (d)	Indicator nr. 6 Table #3 of Annex 1		material	G1-1
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws & 24 (a)	Indicator nr. 17 Table #3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II	material	G1-4
ESRS G1-4 Standards of anti-corruption and anti-bribery & 24 (b)	Indicator nr. 16 Table #3 of Annex 1		material	G1-4

The Board of Directors of Odfjell SE, Bergen, March 31, 2025

LAURENCE WARD ODFJELL, CHAIR

CHRISTINE RØDSÆTHER

JANNICKE NILSSON

JAN BJØRN KJÆRVIK

ERIK NYHEIM

TANJA EBBE DALGAARD

HARALD FOTLAND, CEO

Financial Statements, Odfjell Group

Consolidated statement of profit or loss and other comprehensive income

(USD 1 000)	Note	2024	2023
Consolidated statement of profit or loss			
Gross revenue	4, 23, 24	1 248 606	1 193 979
Voyage expenses	17	(424 051)	(436 355)
Pool distribution	3	(29 813)	(26 460)
Time-charter earnings		**794 742**	**731 164**
Time charter expenses	12	(9 287)	(21 419)
Operating expenses	12, 18	(206 121)	(197 369)
Gross result		**579 334**	**512 376**
Share of net result from associates and joint ventures	27	11 288	8 844
General and administrative expenses	19, 20	(73 811)	(70 394)
Operating result before depreciation, amortization and capital gain (loss) on non-current assets (EBITDA)		**516 812**	**450 825**
Depreciation and amortization	11, 12	(161 332)	(158 119)
Impairment of property, plant and equipment		(1 021)	—
Capital gain (loss) on property, plant and equipment	11	22	1 193
Operating result (EBIT)		**354 481**	**293 899**
Interest income		6 847	5 910
Interest expenses	8, 12	(81 469)	(95 304)
Other financial items	21, 22	(116)	5 372
Net financial items		**(74 738)**	**(84 021)**
Result before taxes		279 742	209 878
Income tax expense	9	(1 929)	(6 575)
Net result		**277 813**	**203 304**
Other comprehensive income			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges changes in fair value	6	(6 680)	(6 685)

Cash flow hedges reclassified to profit or loss on realization	6	(2 955)	4 108
Translation differences on investments of foreign operations		(103)	—
Share of comprehensive income on investments accounted for using equity method	27	(9 633)	(3 030)
Net other comprehensive income not being reclassified to profit or loss in subsequent periods:			
Net actuarial gain/(loss) on defined benefit plans		1 102	—
Other comprehensive income		**(18 269)**	**(5 607)**
Total comprehensive income		**259 544**	**197 697**
Total comprehensive income allocated to:			
Equity holders of Odfjell SE		259 544	197 697
Earnings per share (USD) - basic/diluted	13	3.51	2.57

Consolidated statement of financial position

Assets as per December 31 (USD 1 000)	Note	**2024**	2023
Non-current assets			
Deferred tax assets	9	1 744	2 559
Real estate	11	836	860
Ships	3, 11	1 244 297	1 279 355
Newbuilding contracts	11	9 173	—
Right-of-use assets	12	385 448	237 720
Office equipment	11	7 111	6 788
Investments in associates and joint ventures	27	171 529	171 083
Derivative financial instruments	6	2 488	5 743
Net defined pension assets	10	1 473	1 601
Non-current receivables		8 533	6 431
Total non-current assets		**1 832 633**	**1 712 141**
Current assets			
Current receivables	23	140 507	123 896
Bunkers and other inventories		39 022	39 768
Derivative financial instruments	6	4 271	5 259
Loan to associates and joint ventures	27	699	975
Cash and cash equivalents	16	146 505	112 285
Assets classified as held for sale		4 527	—

Total current assets		**335 532**	**282 182**
Total assets		**2 168 164**	**1 994 323**

Equity and liabilities as per December 31 (USD 1 000)	Note	**2024**	2023
Equity			
Share capital	25	27 764	27 764
Treasury shares		(947)	(959)
Share premium		172 388	172 388
Other equity		730 576	599 316
Total equity		**929 781**	**798 510**
Non-current liabilities			
Deferred tax liabilities	9	10	10
Pension liabilities	10	1 261	3 612
Derivative financial instruments	6	1 367	1 120
Non-current interest-bearing debt	8	501 481	658 239
Non-current debt, right-of-use assets	8, 12	220 897	154 297
Other non-current liabilities		11 635	13 519
Total non-current liabilities		**736 651**	**830 798**
Current liabilities			
Current portion of interest-bearing debt	8	211 488	165 954
Current debt, right-of-use assets	8, 12	175 899	94 313
Taxes payable	9	518	610
Derivative financial instruments	6	28 706	16 608
Other current liabilities	8, 24	85 120	87 530
Total current liabilities		**501 732**	**365 015**
Total liabilities		**1 238 383**	**1 195 813**
Total equity and liabilities		**2 168 164**	**1 994 323**
Guarantees	15	11	28

The Board of Directors of Odfjell SE, Bergen, March 31, 2025

LAURENCE WARD ODFJELL, CHAIR

CHRISTINE RØDSÆTHER

JANNICKE NILSSON

JAN BJØRN KJÆRVIK

ERIK NYHEIM

TANJA EBBE DALGAARD

HARALD FOTLAND, CEO

Consolidated statement of cash flow

(USD 1,000)	Note	**2024**	2023
Cash flow from operating activities			
Result before taxes		279 742	209 878
Taxes paid in the period		(2 264)	(6 617)
Depreciation, impairment and capital (gain) loss fixed assets	11, 12	162 353	156 926
Change in inventory, trade debtors and creditors (increase) decrease		(14 947)	(9 451)
Share of net result from associates and joint ventures	27	(11 289)	(8 844)
Net interest expenses		74 622	89 393
Interest received		6 781	6 038
Interest paid		(81 421)	(95 110)
Gain from sale of shares		—	(2 658)
Effect of exchange differences and changes in unrealized derivatives		86	714
Other current accruals		(7 611)	(476)
Net cash flow from operating activities		**406 053**	**339 793**
Cash flow from investing activities			
Sale of ships, property, plant and equipment	11	5 237	47 493
Investment in ships, property, plant and equipment	11	(77 600)	(97 774)
Dividend received / share capital reduction in joint ventures	27	1 272	2 823
Sale of available for sale investments		—	15 528

Changes in non-current receivables		(2 101)	(2 062)
Net cash flow from investing activities		**(73 191)**	**(33 992)**
Cash flow from financing activities			
New interest-bearing debt (net of fees paid)	8	90 000	212 900
Repayment of interest-bearing debt	8	(193 830)	(338 829)
Realized derivates related to interest-bearing debt		—	(23 216)
Repayment of lease debt related to right-of-use assets	8	(66 527)	(66 104)
Payment of dividend		(128 801)	(96 646)
Re-purchase / sale of treasury shares		517	322
Net cash flow from financing activities		**(298 641)**	**(311 574)**
Effect on cash balance from currency exchange rate fluctuations		—	391
Net change in cash and cash equivalents		**34 220**	**(5 382)**
Cash and cash equivalents as per January 1		112 285	117 667
Cash and cash equivalents as per December 31	16	**146 505**	**112 285**

Consolidated statement of changes in equity

(USD 1 000)	Share capital	Treasury shares	Share premium	Translation differences	Cash flow hedge reserve	Pension remea-surement	OCI associates and joint ventures	Retained earnings	Total other equity	Total equity
Equity January 1, 2023	**29 425**	**(2 486)**	**172 388**	**268**	**13 969**	**239**	**12 171**	**471 247**	**497 892**	**697 220**
Other comprehensive income	—	—	—	—	(2 577)	(1)	(3 030)	—	(5 607)	**(5 607)**
Net result	—	—	—	—	—	—	—	203 304	203 304	**203 304**
Total comprehensive income	**—**	**—**	**—**	**—**	**(2 577)**	**(1)**	**(3 030)**	**203 304**	**197 697**	**197 697**
Dividend payment	—	—	—	—	—	—	—	(96 646)	(96 646)	**(96 646)**
Sale of treasury shares	—	10	—	—	—	—	—	312	312	**322**
Deletion of treasury shares	(1 661)	1 518	—	—	—	—	—	143	143	**—**
Other adjustments	—	—	—	—	—	—	—	(82)	(82)	**(82)**
Equity December 31, 2023	**27 764**	**(959)**	**172 388**	**268**	**11 392**	**238**	**9 141**	**578 278**	**599 316**	**798 510**
Equity January 1, 2024	**27 764**	**(959)**	**172 388**	**268**	**11 392**	**238**	**9 141**	**578 278**	**599 316**	**798 510**
Other comprehensive	—	—	—	(103)	(9 635)	1 102	(9 633)	—	(18 269)	**(18 269)**

income										
Net result	—	—	—	—	—	—	—	277 813	277 813	**277 813**
Total comprehensive income	**—**	**—**	**—**	**(103)**	**(9 635)**	**1 102**	**(9 633)**	**277 813**	**259 544**	**259 544**
Dividend payment	—	—	—	—	—	—	—	(128 801)	(128 801)	**(128 801)**
Sale of treasury shares	—	11	—	—	—	—	—	517	517	**528**
Deletion of treasury shares	—	—	—					—	—	**—**
Other adjustments	—	—	—	—	—	—	—	—	—	**—**
Equity December 31, 2024	**27 764**	**(947)**	**172 388**	**165**	**1 758**	**1 340**	**(492)**	**727 805**	**730 575**	**929 781**

Note 1 Corporate information

Odfjell SE, Conrad Mohrs veg 29, Bergen, Norway, is the ultimate parent company of the Odfjell Group. Odfjell SE is a public limited company traded on the Oslo Stock Exchange with the tickers ODF and ODFB. The consolidated financial statement of Odfjell for the year ended December 31, 2024 was authorized for issue in accordance with a resolution of the Board of Directors on March 31, 2025. The Odfjell Group includes Odfjell SE, subsidiaries incorporated in several countries (see note 26 for an overview of consolidated companies), and our share of investments in joint ventures (see note 27).

Odfjell is a leading company in the global market for transportation and storage of bulk liquid chemicals, acids, edible oils and other specialty products. Through its various subsidiaries and joint ventures Odfjell owns and operates chemical tankers and tank terminals. The principal activities of the Group are described in note 4.

Unless otherwise specified, the 'Company', 'Group', 'Odfjell' and 'we' refer to Odfjell SE and its consolidated companies.

Note 2 Summary of material accounting principles

2.1 BASIS FOR PREPARATION

The Odfjell Group has prepared its consolidated financial statements according to International Financial Reporting Standards ® (IFRS) as adopted by the EU. The consolidated financial statements have been prepared on a historical cost basis, except for derivatives which are measured at fair value.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 CHANGES IN ACCOUNTING PRINCIPLES

The following new standards and amendments became effective as at January 1, 2024:

–Disclosure of additional information about supplier finance arrangements - Amendments to IAS 7

–Disclosure of additional information about the liquidity risk related to supplier finance arrangements - Amendments to IFRS 7

–Disclosure about deferred tax assets and liabilities related to Pillar Two income taxes - amendments of IAS 12

–Disclosure about variable lease payments that arise in a sale and lease-back transaction - Amendments to IFRS 16

The amendments to IAS 7, IFRS 7 and IFRS 16 do not impact the Odfjell Group for 2024.

Pillar Two legislation was enacted in Norway in January 2024, and the Group is within the scope of the OECD Pillar Two model.

A key in the assessment is to calculate the effective tax rate for each jurisdiction where the Group's subsidiaries operate. This effective tax rate is not calculated in the same manner as the effective tax rate that the Group has stated in Note 9, which is below the threshold of 15%. The effective tax rate for the Group is calculated according to IAS 12.86.

Arriving at en effective tax rate according to Pillar Two legislation is affected by specific adjustments envisaged, including exclusion of shipping income and amongst other adjustments to reflect deferred tax asset not recognized in the balance sheet. Further, if the GloBE income for each jurisdiction is below EUR

10 million, the safe harbor rules applies and any GloBE income is deemed to be zero for this jurisdiction. There are also other safe harbor rules that can be applied under certain circumstances.

The Pillar Two effective tax rate in most of the jurisdictions in which the Group operates is above the minimum Pillar Two tax rate at 15%. In addition, the shipping income earned by the Group are exempted from the Pillar Two rules. The Group has performed an assessment of its potential exposure to Pillar Two income taxes and concluded that no material taxes will arise from the Pillar Two rules.

The following standards has been revised but are not yet effective:

- Lack of exchangeability of one currency into another (IAS 21)
- Classification and measurement of financial instruments (IFRS 7 and IFRS 9)

Odfjell do not believe that adoption to these standards will have material impact on the financial statements.

IFRS 18 Presentation and disclosure in financial statements introduces a defined structure for the statement of profit or loss to reduce diversity in reporting and improve comparability between companies. All income and expense shall be classified into five categories in the statement of profit and loss which may differ from how it is classified today. Odfjell has commenced the work to identify all impacts of the IFRS 18 will have on the income statement. The effective date of IFRS 18 is 1 January 2027.

2.3 REVENUES FROM CONTRACT WITH CUSTOMERS

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Freight revenue from transportation of liquids by sea

The Group recognizes revenue from rendering of transportation services over time, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognizes freight revenue over time from load port to discharge port by measuring the progress towards complete satisfaction of the services. Number of days sailed from load port compared to total estimated days until discharge port is used as a measure of progress. The method applied is the one that most faithfully depicts our progress towards complete satisfaction of the performance obligation.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception or when changes in circumstances occur and is recognized as revenue if it is highly probable that there will not be a significant reversal of revenue in a future period. The Group is estimating demurrage revenue as a variable consideration when delays occur and the vessel is prevented from loading or discharging cargo within the stipulated lay time. The variable consideration based on contracted price terms and estimated excess time taken to discharge or load are being recognized as part of the freight service revenue over time for the remaining voyage (from the delay occur to the discharge port).

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are recognized revenue for freight services partly satisfied from voyages that have commenced but are not completed and invoices that have not been issued as per December 31. Contract assets are reclassified to receivables from contracts with customers once the freight service is being invoiced to the customer, at the latest when the voyage is completed. Contract assets include variable consideration only when it is highly probable that there will be no significant reversal at a later date when the uncertainty related to the variable payment is resolved. Contract assets are classified as part of current receivables in the balance sheet.

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group fulfills the performance obligation (s) under the contract.

Cost to obtain a contract

The Group has elected to apply the optional practical expedient for costs to obtain a contract, e.g. broker commissions, which allows the Group to immediately expense such costs when the related revenue is expected to be recognized within one year.

External pool vessels

Odfjell operates pools of ships delivering freight services to customers and external ships participate in the pools. Under IFRS 15, Odfjell acts as a principal for the external ships in the pool since the freight service delivered to the customer is controlled by Odfjell. Revenues generated by external ships in the pool are therefore recognized as gross revenue in the income statement.

2.4 SEGMENTS

Operating segments are reported in the manner consistent with the internal financial reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board and Executive Management which makes the strategic decisions. In the internal reporting, the proportionate consolidation method is used for the Group's share of investments in joint ventures and associates. The proportionate consolidation method means that we include the Group's share of revenue and expenses in addition to our share of assets and liabilities. In the consolidated financial statements, investments in joint ventures and associates are accounted for according to the equity method. Transactions between the individual business areas are priced at market terms and are proportionately eliminated in the consolidated accounts.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment – including ships, newbuilding contracts, real estate, office equipment and cars - are measured at historical cost, which includes purchase price, capitalized interest and other expenses directly related to the assets. The carrying value of property, plant and equipment represents the cost less accumulated depreciation and any impairment charges. Newbuilding contracts include payments made under the contracts, capitalized loan interest and other costs directly associated with the newbuilding and are not depreciated until the asset is available for use.

The investment is depreciated over the remaining useful life of the asset. We estimate residual value at the estimated time of disposal of assets, which is generally at the end of their useful life. To assess the residual value of ships we use the current estimated recycling value. The residual value for ships is estimated by distributing the total lightweight of the ships in a stainless steel part and a carbon steel part. Steel are estimated to the market value of steel at year end. Stainless steel is valued at 10% of the quoted nickel price at London Metal Exchange at the balance sheet date. The residual values are measured on a yearly basis and any changes have an effect on future depreciation.

Each component of property, plant and equipment that is significant to the total cost of the item is depreciated separately. The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant components and depreciates separately each such component over their useful lives. The carrying amount of ships is split into two components, ships, and periodic maintenance.

Day-to-day repairs and maintenance costs are charged to the income statement in the period they are incurred. The cost of major renovations and periodic maintenance is included in the asset's carrying amount. At the time of investing in a ship a portion of the purchase price is defined as periodic maintenance, and this component is depreciated over the period until the next periodic maintenance.

Expected useful lives of property, plant and equipment are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciation are adjusted accordingly. Changes are valid as from the dates of estimate changes.

Capital gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the operating result. When the carrying amount of a property, plant and equipment will be recovered principally through a sale transaction rather than through continued use they are reported at the lower of the carrying amount and the fair value less selling costs.

Property, plant and equipment are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Impairment of property, plant and equipment

The carrying amount of the Group's tangible assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Assets held for sale are excluded from the cash generating units and are assessed separately for impairment.

The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and value in use. The value in use is the net present value of future estimated cash flow from the employment of the asset. The net present value is calculated using the weighted average cost of capital as discount rate. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognized in income statement.

Impairment losses recognized in the income statement for previous periods are reversed when there is information that the basis for the impairment loss no longer exists. This reversal is classified in the income statement as an impairment reversal. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

2.6 LEASING

To a large extent, the Group's leasing activity relates to ships where Odfjell is the lessee. The leasing contract are either bare-boat or time-charter parties. They are typically made for fixed periods of 1 year to 10 years. Lease payments are normally fixed for the whole lease period. The Group also leases offices in various areas. Most charter contracts entitles the Group to either extend the lease period and / or to purchase the asset after a certain period.

Bare-boat lease contracts relates to the lease of a specific ship, while time-charter contracts include the lease of the specific ship and in addition a non-lease component (crew and maintenance; operating expense). We have separated the non-lease component by estimating the operating expense based on internal and external sources (benchmark of ships on external management) for ships of similar classes as ships on time-charter contracts. Therefore, only payments for the bare-boat element are included when estimating the lease liability.

The existence of extension options and option to purchase the ships are used to maximize operational flexibility and to reduce residual value risks associated with legal ownership. The extension and purchase options are exercisable only by Odfjell. Consideration payable for extension or purchasing the underlying ship are included when estimating the lease payments and lease term only to the extent it is reasonable certain that Odfjell will exercise its options. A significant part of the leased assets relates to ships where the minimum lease term are up to 8 years - 10 years. The likelihood of exercising options is made at commencement date, the date when the underlying asset is made available to Odfjell.

If significant circumstances changes as a consequence of significant events within the control of the Group, the likelihood of exercising the options is reassessed. Such event could be that one or more of the leased ships are needed to fulfill the Group's contracts obligations towards customers. Refer to note 3 for further information on the assessment of lease terms and options.

Leases are recognized as a right-of-use assets and a corresponding liability at the date which the leased asset is available for use by Odfjell. Assets and liabilities are measured on a present value basis. The discount rate used is the lessee's incremental borrowing rate. The incremental borrowing rate is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease liabilities include the net present value of the bare-boat element.

Right-of-use assets are measured at cost comprising the amount initial measurement of the lease liability and direct external cost associated with negotiation of the lease contract.

For right-of-use assets where Odfjell is obliged to ensure dry-docking, the Group capitalizes these expenses and depreciate over the shorter period until the next scheduled dry-docking or the remaining lease term.

The non-lease element, deducted from nominal lease payments when calculating the net present value of the lease liability, is charged to the income statement classified as 'Operating expenses'.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period producing a constant periodic rate of interest on the remaining balance of the liability each period.

Payments associated with short term leases of ships, other equipment and all leases of low value assets are recognized on a straight line basis as an expense in the income statement. Assets regarded as low value assets are equipment which need electricity to operate (e.g. copy machine, coffee machine). Short term leases of ships are classified as 'time charter expenses' in the Group's income statement. Other short term leases and leases of low value assets are classified as 'General and administrative expenses'.

Short term leases are those where the lease term are 12 months or less. Options to extend the lease term are included in assessment of the lease term once the extension is agreed.

The Group sometimes enters into sale-leaseback transactions related to ships. For these transactions, the Group evaluates whether the transfer of the asset satisfies the requirements of IFRS 15 to account for the transfer as a sale. For transactions where the Group retains control of the asset, and obtains substantially all of the remaining benefits based on the length of the lease and/or rights to purchase the asset through options, the transaction is accounted for as a financial arrangement in accordance with IFRS 9.

For transactions which meet the criteria as a sale and leaseback and the leaseback exceeds 12 months, the asset is derecognized and the Group recognizes a right-of-use asset equal to a proportion of the previous carrying amount consistent with the right-of-use retained in the transaction. Gain from such sale is calculated as the proportion of the rights transferred to the buyer. For leaseback where the lease term is less than 12 months, no right-of-use asset is recognized and the whole gain from the sale is recognized in the income statement.

The Odfjell Group is acting as pool manager for pools with external pool participants. The lease payments to external pool participants are entirely variable and therefore not included when calculating the lease liability. The variable lease payment, less management fee to pool manager, is charged to income statement as 'pool distributions'.

2.7 CONSOLIDATION

The consolidated statements consist of Odfjell SE and its subsidiaries as at December 31 each year.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control, and continues to be consolidated until the date that such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control, but the Group considers all facts and circumstances when assessing whether it has power over the investee.

Identified excess values have been allocated to those assets and liabilities to which the value relates. Fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the balance sheet date. Excess values are depreciated over the estimated useful lives for the relevant asset and liabilities.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

2.8 INVESTMENT IN JOINT VENTURES AND ASSOCIATES

A joint venture is a type of joint arrangement whereby the parties that have joint control have the right to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of the arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in joint ventures and associates are accounted for by using the equity method. Under this method, the investment is initially recognized at cost. Goodwill relating the associate or joint venture is included in the carrying amount of the investment and not tested for impairment individually.

The income statement reflects the Group's share of the net result after tax of the associate or joint venture. Any depreciation or amortization of the Group's excess values, net of deferred tax, are included in the net result from the joint ventures.

Any change in other comprehensive income of the associate or joint venture is presented separately in the Group's other comprehensive income.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting principles in line with those of the Group.

Impairment of joint ventures and associates

The Group determines whether it is necessary to recognize an impairment loss on its investments in joint ventures or associates. At each reporting date, the Group determines whether there is objective evidence that the investments are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount and the carrying amount of the investment. Any impairment loss is recognized as 'share of profit or loss from joint venture and associates'.

The recoverable amount is the higher of value in use and fair value less cost to sell. The entire carrying amount of the investments are tested for impairment as one single asset.

2.9 CURRENCY

The consolidated financial statements are presented in USD as the Group operates in an international market where the functional currency is mainly USD. The functional currency of the parent company is USD.

Transactions in non-USD currency are recorded at the exchange rate on the date of the transaction. Receivables and liabilities in non-USD currencies are translated at the exchange rate on the balance sheet date. All exchange rate differences are taken to the Income statement.

The balance sheet of foreign subsidiaries with functional currency other than USD is translated at the rate applicable on the balance sheet date, while the income statement is translated using the monthly average exchange rate for the accounting period. Exchange rate differences that arise as a result of this are included as exchange rate differences in other comprehensive income. When a foreign subsidiary is sold, the accumulated translation adjustment related to that subsidiary is taken to the income statement.

2.10 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition

Financial assets and liabilities are recognized in the statement of financial position at the date the Group becomes a party to the contractual provisions of the financial instruments. Financial instruments are recognized at fair value, which normally equals their transaction price. Trade receivables are measured at transaction price. Transaction costs are recognized in profit or loss, with the exception of transaction costs related to financial instruments measured at amortized cost or fair value through OCI where transaction costs adjust the instruments carrying amount and are amortized over the expected life of the instruments.

A financial asset is derecognized when the right to receive and retain cash flows from the asset has expired, or when the rights to receive the cash flows from the financial asset and substantially all the risks and rewards from ownership of the financial asset has been transferred. A financial liability is derecognized when it is extinguished, i.e. when the financial liability is discharged, canceled or expires.

Classification and measurement

Financial assets are measured at amortized cost if their contractual cash flows are solely payment of principal and interest on the principal amount outstanding, and they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. All financial assets of the Group that are not derivatives or equity instruments meet these conditions and are measured at amortized cost. Derivatives and equity instruments are measured at fair value through profit or loss, with the exception of derivative instruments that are designated as hedging instruments in qualifying hedging relationships.

The Odfjell Group has the following financial assets; loan to associates and joint ventures, trade receivables (included in current receivables), derivative financial instruments and cash and cash equivalents.

Financial liabilities are accounted for at amortized cost, unless they are held for trading, designated at fair value through profit or loss or are derivatives. Financial liabilities of the Group are measured at amortized cost, with the exception of derivatives which are either measured at fair value through profit or loss or are designated as hedging instruments in qualifying hedging relationships.

The Odfjell Group has the following financial liabilities; Long and short term interest-bearing debt, trade and other payables (included in 'other current liabilities' in the statement of financial position) and derivative financial instruments.

Impairment

Impairments are recognized based on a three-step model, where assets are classified in step 1 at initial recognition and in subsequent periods if the credit risk of the assets has not increased significantly after initial recognition. Impairment losses for assets classified in step 1 is measured as the 12-months expected credit loss. If the credit risk has increased significantly after initial recognition the financial assets shall be classified in step 2 or 3, and expected credit loss is measured at lifetime expected credit loss. When estimating expected credit loss, the Group takes into consideration historical loss experience, information about current conditions and expectations for future developments.

A simplified impairment model applies for trade receivables, where impairment losses are measured at lifetime expected credit loss irrespective of whether credit risk has increased significantly or not.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge interest rates, foreign currency risk and commodity price risk (bunkers). Derivative financial instruments are forward currency contracts, interest rate swaps and forward commodity contracts. Such derivative financial instruments are initially recognized at fair value on the date on which the contract is entered into and are subsequently remeasured at fair value. Derivatives are recognized as assets if the fair value is positive and as a liability when the fair value is negative.

For the purpose of hedge accounting, the derivatives are classified as cash flow hedges and hedges highly probable future cash flows. Forward currency contracts hedges future highly probable cash outflows in NOK and forward commodity contracts hedges highly probable future purchase of bunkers nominated in USD. Interest rate swaps hedges future interest payments.

At the inception of the hedging relationship, the Group formally designates and documents the hedge relationship aligned with the risk management objective and hedging strategy.

Until the highly probable future transaction occurs, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income in the cash flow hedge reserve. Any ineffective portion is recognized in the income statement immediately as other financial items. The amount accumulated in the cash flow reserve is reclassified to profit and loss as an adjustment in the same period as the hedged cash flow affect profit and loss. In the income statement, adjustments related to forward commodity contracts are included in the line voyage expense. The adjustments related to forward currency contracts are recognized in operating expenses and general and administrative expenses. Adjustments associated with interest rate swaps are included as interest expense.

Derivative financial contracts used as hedging instruments are classified as current assets or current liabilities if they mature within 12 months after the balance sheet date. Derivative financial contracts maturing more than 12 months after the balance sheet date are classified as non current assets or non current liabilities.

2.11 INVENTORIES

Bunkers, spare parts and consumables are accounted for at purchase price, on a first-in, first-out basis.

Inventories are measured at the lower of cost and net realizable value. If inventory is written down to net realizable value, the write down is charged to the income statement.

2.12 CASH AND CASH EQUIVALENTS

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash in hand and in bank, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

The amount of cash and cash equivalents in the cash flow statement does not include available credit facilities.

2.13 TAXES

The shipping activities are operated in several countries and under different tax schemes, including the ordinary tax system in Norway and, the Norwegian tonnage tax system . In addition, we operate under local tax systems, most importantly in Brazil.

The Group's taxes include taxes of Group companies based on taxable profit for the relevant financial period, together with tax adjustments for previous periods and any change in deferred taxes. Withholding tax on dividend received and withholding tax on capital gains are classified as income tax. Tax credits arising from subsidiaries' distribution of dividends are deducted from tax expenses.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset the temporary differences. We recognize formerly unrecognized deferred tax assets to the extent that it has become probable that we can utilize the deferred tax asset. Similarly, the Company will reduce its deferred tax assets to the extent that it no longer can utilize these.

Deferred tax and deferred tax assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the relevant tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax and deferred tax assets are recognized irrespective of when the differences will be reversed. Deferred tax and deferred tax assets are recognized at their nominal value and are classified as non-current liabilities (non-current assets) in the balance sheet.

Companies taxed under special shipping tax systems will generally not be taxed on the basis of their net operating profit. A portion of net financial income and other non-shipping activities are normally taxed at the ordinary applicable tax rate. Taxation under shipping tax regimes requires compliance with certain requirements, and breach of such requirements may lead to a forced exit of the regime.

Tax payable and deferred taxes are recognized directly in equity to the extent that they relate to factors that are recognized directly in equity.

2.14 BORROWING COST

General and specific borrowing costs directly attributable to the acquisition, construction and production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.15 PROVISIONS

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are based on best estimates. Provisions are reviewed on each balance sheet date and reflect the best estimate of the liability. If the effect of the time value of money is material, normally more than twelve months, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.16 PENSION COST AND LIABILITIES

The Group operates a number of pension plans in accordance with the local conditions and practices in the countries in which it operates. Such pension plans are defined benefit plans or contribution plans according to the customary pension plans prevailing in the country concerned.

Defined benefit pension plans are pension plans with retirement, disability and termination income benefits. The retirement income benefits are generally a function of years of employment and final salary with the Company. The liability in respect of defined benefit pension plans is the present value of the accumulated defined benefit obligation at the balance sheet date less the fair value of plan assets. The net pension liability is calculated based on assumptions with regards to interest rates, future salary adjustments etc. These assumptions are based on historical experience and current market conditions. The cost of providing pensions is charged to income statement so as to spread the regular cost over the vesting period of the employees. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income.

For defined contribution plans, contributions are paid to pension insurance plans. Once the contributions have been paid, there are no further payment obligations. Contributions to defined contribution plans are charged to the income statement in the period to which the contributions relate.

2.17 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

2.18 COMPARATIVES

Comparative figures have been reclassified to conform to changes in presentation in the current year when there are changes in accounting principles, corrections of errors or operations defined as discontinued.

2.19 RELATED PARTIES

In the normal course of the conduct of its business, the Group enters into a number of transactions with related parties. The Company considers these arrangements to be on reasonable market terms.

2.20 CLASSIFICATION IN THE FINANCIAL STATEMENT

Odfjell has used a classification based on a combination of nature and function in the income statement.

Note 3 Critical accounting judgment and key sources of estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving higher degree and judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are:

REVENUE FROM CONTRACT WITH CUSTOMERS

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Timing of freight revenue

The Group generates its revenue from contract with customers from the transportation of liquids by sea. After commencement of a sea voyage, estimated revenue is recognized and prorated over time from a cargo is loaded to the estimated time of discharge. Estimated revenue and time from load to discharge is being updated as the voyage progresses to include most recent data, and changes in estimates will impact revenue and contract balances. See Note 23 for information about contract balances.

(ii) Variable consideration - demurrage

The Group is estimating demurrage revenue as a variable consideration when delays occur and the vessel is prevented from loading or discharging cargo within the stipulated lay time. The variable consideration based on contracted price terms and estimated excess time taken to discharge or load are being recognized as part of the freight service revenue over time for the remaining voyage (from the delay occur to the discharge port). Changes in estimates related to demurrage will impact revenue and contract balances.

(iii) Principal versus agent considerations

Odfjell operates pools of ships delivering freight services to customers and external ships participate in the pools. The Group determined that it does act as a principal, not as an agent, for those external ships in the pool since the operations of the external vessels and the freight service delivered to the customer is controlled by Odfjell. Revenues generated by external ships in the pool are therefore recognized as gross revenue in the income statement.

If some vessels have been on commercial management with Odfjell (prior to entering into pool participation agreements), the Group determines that it does act as an agent, not a principal, for the ships on commercial management since Odfjell does not have the risk or ability to direct and control the freight services provided by these ships. Revenues generated by ships on commercial management are therefore not recognized as gross revenue in the income statement. Instead, our fee for commercial management is recognized as gross revenue.

CLIMATE AND REGULATORY RISK

In preparing the financial statements, the Group considers transition to a low carbon economy and the potential impact of climate change.

A new Strategy on Reduction of Greenhouse Gas Emissions (GHG) from Ships was adopted by the International Maritime Organization (IMO) in 2023. This Strategy includes reinforced targets aimed at addressing harmful emissions. The revised IMO GHG Strategy includes an enhanced common ambition to reach net-zero GHG emissions from international shipping by or around, 2050, a commitment to ensure an uptake of alternative zero and near-zero GHG fuels by 2030, as well as indicative checkpoints for international shipping to reach net-zero GHG emissions for 2030 (by at least 20%, striving for 30%) and 2040 (by at least 70%, striving for 80%). The Strategy envisages a reduction in carbon intensity of international shipping by at least 40% by 2030 compared to 2008. The regulations to achieve these ambitions are expected to be decided at the IMO Maritime Environment Protection Committee meeting in April 2025, and to be implemented in 2027.

The Carbon Intensity Indicator (CII) is a rating system for ships which is a mandatory measure that came into effect at the beginning of 2023. The CII rating is on a scale from A-E where D rating over three years or an E rating for one single year requires a corrective action plan to bring the performance to C or above rating. In 2025 IMO will conduct a review to adjust or correct CII to ensure they hit their 70% reduction target. The review is estimated to be completed in January 2026.

The Group has worked consistently over several years with propulsion efficiency measures and other initiatives to improve the fuel efficiency for the vessels. As a result, internal analysis indicates that all our owned vessels are in compliance with the carbon Intensity Indicator (CII), achieving a C-rating or better in 2024. To achieve the same ratings in 2030, the analysis shows that for some vessels we will either have to increase the fuel efficiency further by investing in additional energy-saving devices, use sustainable biofuel or alternatively adjust the speed for these vessels.

The shipping industry is subject to the EU Emission Trading System (EU ETS) since 2024 and requires the Group to purchase carbon-offset credits, EU Emission Allowances . As a consequence, the Group's voyage expenses increases. Odfjell has successfully been able to offset this cost by an increase in revenue.

Starting in 2025, the European Union implements the Fuel EU Maritime regulation. This regulation establishes requirements for the carbon intensity of fuel for all vessels commercially operated by Odfjell. It will begin with incremental steps, requiring Odfjell to reduce the carbon intensity of fuel with 2%. Over time, this percentage will increase, aiming for significantly reduced carbon emissions sailing within the EU area by 2050.

Odfjell plans to meet these requirements through the adoption of sustainable biofuel. Currently, biofuel are more expensive than alternative fuel. Odfjell will apply the same strategy as for EU ETS and pass the increased cost to the charterer.

The future impact from climate change may encompass an increase in extreme weather resulting in re-routing, increased risk of port and infrastructure damages causing disruption to regular operations for both the Group and its customers, lower productivity and increased operational cost. These sources of uncertainties are primarily related to our vessels including right-of-use assets impacting the:

- Useful life of vessels
- Residual value of vessels
- Cash inflows from continuing use of the Group's vessels when assessing the recoverable amount.

In the sections 'Depreciation and residual value of ships' and 'Estimation of useful life of vessels' we have described our assessment of the useful life of vessels and recycling values and consequences if our assessments are wrong. When assessing the residual value of vessels, we assume that the vessels are recycled according to prevailing regulatory requirements and at the location where the best recycling price is achieved.

Management has evaluated the useful life of vessels in conjunction with the existing regulatory framework and concluded that the estimated useful life of vessels are kept unchanged compared to previous periods.

DEPRICIATION AND RESIDUAL VALUE OF SHIPS

Ships are recognized at historical cost less accumulated depreciation and any impairment charges. The cost of the ships includes the contract price, expenses related to site team and pre-delivery borrowings incurred. The cost less residual value is depreciated on a straight-line basis over the ships estimated useful life.

The cost of the ships is divided into separate components for depreciation purposes. Estimated cost of first time dry-docking is deducted from the cost of the ship and depreciated separately over a period until the next dry-docking. The residual value of these the dry-docking components is zero.

Residual value is estimated based upon the latest available steel-price/stainless steel price and the lightweight of the ships. Stainless steel part of the lightweight of the ships is separately assessed and valued as part of the total residual value. Residual values are updated once a year.

Estimated useful life of the ships is 25-30 years. Estimated cost of dry-docking is depreciated over an estimated period of 5 years for ships not older than 15 years. Capitalized dry-docking for ships older than 15 years are depreciated over 2.5 years.

If actual useful life of the ships differs from estimated useful life an impairment loss could occur.

If residual value is incorrect, the future depreciation would be affected, either as a reduction if residual value is understated or as an increase in deprecation if residual value is overstated.

For vessels where the Group's intended use is shorter than its economic life, the estimated sales price less cost of disposal is used as residual value.

ESTIMATION OF USEFUL LIFE OF VESSELS

The useful life of the Group's owned vessels is the expected economic life of the vessels. Economic life is the period over which it is economic profitable to use the vessel. Wear and tear, technical and commercial obsolescence and environmental requirements are factors affecting the assessment of the useful life.

Over the last years, fuel efficiency initiatives have improved the fuel efficiency and also made the vessels more competitive than the industry at large. Internal assessments show that owned vessels will, over the their remaining useful life, be compliant with current IMO requirement of carbon emission reductions.

Investments due to new environmental requirements, if any, and periodic dry-dockings are conducted to comply with requirements from various stakeholders.

Odfjell Group has applied 25-30 years as estimated useful life of its owned vessels consistently over the years.

If useful life is shortened, the annual depreciation will increase and value in use calculated when testing assets for impairment would be reduced.

DETERMINATION OF THE LEASE TERM FOR RIGHT-OF-USE ASSETS

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Extension options and / or purchase options for ships are not included in the lease liability because the Group could replace the ships without significant cost or business disruption. Further, future technological development increases the likelihood of not exercising the options to extend and not to exercise purchase options. Thus, it is assessed that exercising the options is not reasonably certain. The nominal amount of lease payments not included in the lease liability (estimated operating expense) is included in Note 12 .

ASSESSMENT OF IMPAIRMENT TRIGGERS CHEMICAL TANKER VESSELS

The chemical tanker fleet is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the fleet may not be recoverable. Management measures the recoverable amount of an asset or Cash Generating Unit (CGU) by comparing its carrying amount to the higher of its fair value less cost of disposal or value in use that the asset or CGU is expected to generate over its remaining useful life.

In determining fair value less cost of disposal we use indicative broker values from independent ship brokers. In assessing value in use, the estimated future cash flows are discounted to their present value using an average weighted cost of capital that reflects current market assessments.

CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The Group has identified one CGUs within the chemical tanker segment, the deep-sea trade together with the regional South America trade. The Groups right-of-use assets in the vessel category are included in the deep-sea CGU.

As the Odfjell vessels within each CGU are interchangeable through a logistical system / fleet scheduling and that customer contracts are not linked to a specific vessel, cash inflows are therefore dependent of this scheduling and chemical tankers vessels are seen together as a portfolio of vessels. In addition, the pool of officers and crew are used throughout the fleet. Odfjell has a strategy of a total crew composition and how the crew is dedicated to the individual vessels varies. Changing the crew between two vessels can change the net present value per vessel without any effect for the Group. Vessels will only be impaired if the total recoverable amount of the vessels within each CGU is lower than the carrying amount related to that CGU.

If an asset or CGU is considered to be impaired, impairment is recognized in an amount equal to the excess of the carrying amount of the asset or CGU over its recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable since the last impairment loss was recognized. Any reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognized for the asset in prior years.

Factors that indicates impairment which trigger impairment testing may be significant decline in chemical tanker freight rates, significant decline in market values of vessels, significant underperformance compared to projected operating results, change in strategy for the business, significant negative industry or economic trends, significant loss of market share, significant unfavorable regulatory decisions. In addition, the company's market capitalization below the book value of equity would be an indicator of impairment.

The market capitalization of the Group has traded well above the Group's book equity during most of 2024, but fell slightly below at year-end 2024. Based on the approved budget for 2025, brokers estimate of our owned fleet and internal sources of information such as compliance with existing and anticipated future regulatory requirements, we concluded that no required impairment assessment at the end of 2024 was required.

IMPAIRMENT ASSESSMENT OF INVESTMENTS IN JOINT VENTURES

According to the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments in joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investments are impaired. At the end of 2024, the Group has assessed both external and internal sources of information in assessing whether there is any indication that the investments in terminal joint ventures would be impaired. The Group concluded that no such indicators existed and therefore did not conduct any detailed impairment test.

Note 4 Segment information and disaggregation of revenues

The operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company has two reportable operating segments: Chemical Tankers and Tank Terminals.

The Chemical Tankers involve a 'round the world' service, servicing ports in Europe, North and South America, the Middle East and Asia, Australia and Africa. Our fleet composition enables us to offer both global and regional transportation.

The Tank Terminals segment offers storage of various chemical and petroleum products and is operated through joint ventures with our share owned by the subsidiary Odfjell Terminals BV. In addition, this segment plays an important operational role in our cargo-consolidation program so as to reduce the time our vessels spend in ports, reduce thereby emission in port, and enable us to be one of the world-leaders in combined shipping and storage services.

Pricing of services and transactions between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transactions between operating gross segments. These transactions are proportionately eliminated in below operating segment data.

The Group provide geographical data for revenue and total assets, as the reliability measurement criteria cannot be met for other items. The Group's activities are mainly divided among the following regions: Europe, North and South America, the Middle East and Asia, Australia and Africa. Vessels and newbuilding contracts are not allocated to specific geographical areas as they generally trade worldwide.

The Chemical Tankers segment also includes Corporate functions for the Group. Investments in joint ventures are presented according to the proportionate consolidation method in the segment reporting, and according to the equity method in the consolidated income statement and balance sheet.

OPERATING SEGMENT DATA (according to the proportionate consolidation method):

	Chemical Tankers		Tank Terminals		Eliminations		Total	
(USD mill)	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Gross revenue	1 247	1 192	88	82	—	—	1 335	1 274
Voyage expenses	(424)	(436)	—	—	—	—	(424)	(436)
Pool distribution	(30)	(27)	—	—	—	—	(30)	(27)
Time charter expenses	(9)	(21)	—	—	—	—	(9)	(21)
Operating expenses	(206)	(197)	(31)	(30)	—	—	(237)	(228)
General and administrative expenses	(71)	(68)	(13)	(13)	—	—	(85)	(81)
Other operating income / expenses	—	—	—	—	—	—	—	—
Operating result before depreciation (EBITDA)	**506**	**443**	**44**	**38**	**—**	**—**	**550**	**481**
Depreciation	(94)	(92)	(23)	(23)	—	—	(117)	(115)
Depreciation, IFRS 16	(67)	(66)	(—)	(1)	—	—	(67)	(66)

Impairment	(1)	–	(1)	–	–	–	(2)	–
Capital gain/loss on fixed assets/sale of business	–	1	(–)	–	–	–	–	1
Operating result (EBIT)	**344**	**286**	**19**	**15**	**–**	**–**	**363**	**300**
Net finance	(74)	(84)	(5)	(4)	–	–	(80)	(89)
Income taxes	(2)	(6)	(4)	(2)	–		(6)	(8)
Net result	**268**	**195**	**10**	**8**	**–**	**–**	**278**	**203**
Non current assets	1 661	1 541	310	317	–	–	1 971	1 858
Cash and cash equivalents	139	104	22	19	–	–	161	122
Other current assets	178	164	25	26	(2)	(2)	202	188
Assets Held-for-sale	5	–	–	–	–	–	5	–
Total assets	**1 983**	**1 809**	**357**	**362**	**(2)**	**(2)**	**2 338**	**2 168**
Equity	745	613	185	186	–	–	930	799
Non-current interest-bearing debt	501	682	21	116	–	–	522	798
Non-current debt, right-of-use assets	221	154	2	2	–	–	223	157
Other non-current liabilities	14	18	27	25	–	–	41	43
Current interest-bearing debt	211	142	100	5	–	–	312	147
Current debt, right-of-use assets	176	94	–	1	–	–	176	95
Other current liabilities	114	105	22	28	(2)	(2)	134	130
Total equity and liabilities	**1 983**	**1 809**	**357**	**362**	**(2)**	**(2)**	**2 338**	**2 168**
Reconciliations:								
Total segment revenue	1 247	1 192	88	82	–	–	1 335	1 274
Segment revenue from joint ventures	–	–	(87)	(81)	1	1	(86)	(80)
Consolidated revenue in income statement	**1 247**	**1 192**	**1**	**1**	**1**	**1**	**1 249**	**1 194**
Total segment EBIT	344	286	19	15	–	–	363	300
Segment EBIT from joint ventures	–	–	(20)	(15)	–	–	(20)	(15)
Share of net result from joint ventures	–	–	11	9	–	–	11	9
Consolidated EBIT in income statement	**344**	**286**	**11**	**8**	**–**	**–**	**354**	**294**
Total segment asset	1 983	1 809	357	362	(2)	(2)	2 338	2 168
Segment asset	–	–	(342)	(344)	–	–	(342)	(344)
Investment in joint ventures	–	–	172	171	–	–	172	171
Total consolidated assets in statement of financial position	**1 983**	**1 809**	**187**	**188**	**(2)**	**(2)**	**2 168**	**1 994**
Total segment liabilities	1 238	1 196	173	176	(2)	(2)	1 409	1 370

Segment liability	–	–	(170)	(173)	–	–	(170)	(173)
Total consolidated liabilities in statement of financial position	**1 238**	**1 196**	**3**	**3**	**(2)**	**(2)**	**1 238**	**1 196**
Capital expenditure	**(78)**	**(98)**	**(26)**	**(41)**	**–**	**–**	**(104)**	**(138)**

GROSS REVENUE AND ASSETS PER GEOGRAPHICAL AREA (according to the equity method)

Shipping revenue is allocated on the basis of the area in which the cargo is loaded. Total assets are allocated to the area where the respective assets are located while ships and new building contracts are not allocated to a certain area as the ships sail on a worldwide basis.

	Gross revenue		Assets	
(USD 1 000)	**2024**	2023	**2024**	2023
North America	398 309	350 174	14 937	11 384
South America	275 485	258 377	22 459	23 437
Norway	1 697	3 965	295 102	247 376
The Netherlands	73 277	60 861	5 630	7 661
Other Europe	71 254	73 945	–	–
Middle East and Asia	376 039	391 654	12 164	14 436
Africa	52 544	53 701	2 898	1 871
Australasia	–	1 303	–	–
Investment in associates and joint ventures	–	–	171 529	171 083
Unallocated ships and newbuilding contracts	–	–	1 643 445	1 517 075
Total	**1 248 606**	**1 193 979**	**2 168 164**	**1 994 323**

DISAGGREGATION OF REVENUE (according to the equity method)

The Group's gross revenue (Chemical Tankers segment only) has been disaggregated and presented in the tables below:

(USD 1 000)	**2024**	2023
Revenue from contract with customers	1 236 270	1 183 545
Other revenue	12 335	10 433
Gross revenue	**1 248 606**	**1 193 979**
Revenue from contract with customers disaggregated by type of contract:		
Charter of Affreightment contracts	655 223	710 127
Spot contracts	581 047	473 418
Revenue from contract with customers	**1 236 270**	**1 183 545**

Note 5 Financial Risk Management

Financial risk management is carried out by the Group's treasury function. The Group has an active approach to managing financial risk, through systematic monitoring and management of risks related to currencies, interest rates, emission allowances and bunkers. Financial derivatives are used to reduce unwanted fluctuations in net result and cash flows caused by movements in currencies, interest rates and bunkers to which the Group is exposed to.

Similarly, financial derivatives may be used to lock-in a target return on an investment, financing, project or contract. This may also limit the Group's upside potential from favorable movements in the same financial risks.

Derivatives may not be used for speculative arbitrage or investment purposes, and may not be leveraged.

Financial hedging instruments used are presented in Note 6 .

The table below shows sensitivities to the Group's net result before taxes, before and after financial derivatives and bunkers adjustment clauses (BAC), due to changes in major cost components on an annual basis. The Group applies hedge accounting for bunkers, interest rates and currency.

SENSITIVITY ANALYSIS AS PER DECEMBER 31, 2024:

Cost component	Net result effect before hedges and BACs	Effect of hedges and BACs	Net result effect after hedges and BACs	Impact on fair value of derivatives included in other comprehensive income	Net impact on equity including OCI [2]
Bunkers, USD 50 per tonne increase [1]	(18.7)	11.2	(7.5)	–	(7.5)
Interest rates, 1% increase	(7.3)	3.0	(4.3)	4.5	0.1
Emissions, EUR 25 per tonne increase	(3.4)	3.1	(0.3)	–	(0.3)
Currency, USD 10% decrease vs NOK	(8.6)	5.0	(3.6)	5.0	1.4

SENSITIVITY ANALYSIS AS PER DECEMBER 31, 2023:

Cost component	Net result effect before hedges and BACs	Effect of hedges and BACs	Net result effect after hedges and BACs	Impact on fair value of derivatives included in other comprehensive income	Net impact on equity including OCI [2]
Bunkers, USD 50 per tonne increase [1]	(19.4)	12.6	(6.9)	–	(6.9)
Interest rates, 1% increase	(8.3)	3.0	(5.3)	5	(0.4)
Currency, USD 10% decrease vs NOK	(8.5)	3.9	(4.5)	3.9	(0.6)

1.VLSFO equivalent

2.Sum of net result effect after hedges and BACs, invoicing coverage and impact on derivatives in the statement of financial position

CREDIT RISK

Credit risk includes the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by assessing the credit quality of all customers. Outstanding customer receivables and contract balances are regularly monitored, and an impairment analysis is performed at each reporting date on outstanding trade receivables and demurrage claims. The Group considers the concentration of risk with respect to trade receivables as low.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury function in accordance with the Group's policy for financial risk management, deposits and placements. The Group maintains a low risk profile in its placement of surplus funds, and considers the concentration of risk with respect to financial derivatives and placements as low.

Maximum credit risk exposure is the carrying amount of derivatives and financial assets at amortized cost. See note 6 for details.

LIQUIDITY RISK

The Group' strategy is to ensure sufficient liquidity is available at all times to withstand prolonged adverse conditions in the markets where we operate. Surplus liquidity is placed in deposits, money market funds or bonds with a high credit rating. The Group also has revolving credit facilities with undrawn commitments of USD 83 million as of December 31, 2024 (USD 45 million in 2023).

Total nominal interest-bearing debt (excluding IFRS 16 leases) as of December 31, 2024 was USD 745 million, while cash and cash equivalents amounted to USD 147 million, both figures excludes joint venture companies not consolidated in the Group's accounts. The equity ratio was 42.9% compared to 40.0% per December 31, 2023.

See note 8 for information about interest-bearing debt maturities.

CURRENCY RISK

Currency risk relates mainly to the net result and cash flow from voyage related expenses, ship operating expenses, general and administrative expenses and financial expenses denominated in non-USD currencies, mainly NOK and EUR. As of December 31, 2024, approximately 65% of the estimated recurring NOK exposure in FY2024 and approximately 68% of estimated recurring NOK exposure in FY2025 are covered by forwards. For further information on currency exposure, see notes 6 and 23.

BUNKERS RISK

Bunkers is the single largest component of voyage related expenses, and the Group makes physical purchases of bunkers worldwide. A substantial part of the Group's exposure is hedged through bunkers adjustment clauses in contracts of affreightments. Bunkers consumption from contracts without bunkers adjustment clauses and spot volumes are considered for financial hedges. As of December 31, 2024, Odfjell has no financial bunker hedges.

INTEREST RATE RISK

The Group uses financial interest rate derivatives, mainly interest rate swaps, to reduce the variability of interest expenses on loans that arises because of changes in the US SOFR. Per 31 December, 2024, interest rate payments corresponding to USD 300 million of loans has been swapped from floating to fixed rate (USD 300 million as per December 31, 2023) covering approximately 41 % of interest-bearing debt.

EMISSION ALLOWANCES RISK

Shipping was included in EU Emission Trading Scheme (EU ETS) in 2024. Our vessels call EU ports on a regular basis, and as a commercial operator we are economically liable for ETS and will compensate vessel owners who have the legal responsibility to surrender emission allowances to the EU. In 2024, we were liable for approximately 78 thousand tonnes allowances in EU ETS, at a total cost of EUR 5 million at EUR 66 per allowance. The main part of our exposure is hedged through ETS clauses in our contracts of affreightments, while for spot voyages and contracts without an ETS clause, the estimated ETS cost is added to the agreed freight rate in the chartering terms upon fixture. Financial hedging of emission allowances may be considered to reduce price inefficiencies.

Note 6 Financial assets and financial liabilities

Assets and liabilities are classified in the Statement of Financial position sheet as follows:

CLASSIFICATION OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2024:

(USD 1 000)	Other current financial assets through profit and loss	Derivatives held as hedge instrument [1]	Derivatives at fair value through profit and loss [1]	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2024
Assets							
Cash and cash equivalents	–	–	–	146 505	–	–	146 505
Derivative financial instruments	–	6 760	–	–	–	–	6 760
Current receivables	–	–	–	139 178	–	1 329	140 507
Non-current receivables	–	–	–	8 500	–	1 473	9 973
Loan to associates and joint ventures	–	–	–	731	–	–	731
Other non-financial assets	–	–	–	–	–	1 859 161	1 859 161
Assets held for sale	–	–	–	–	–	4 527	4 527

Total assets	**—**	**6 760**	**—**	**294 914**	**—**	**1 866 490**	**2 168 164**
Liabilities							
Other current liabilities	—	—	—	—	79 630	5 490	85 120
Derivative financial instruments	—	4 884	25 190	—	—	—	30 074
Interest-bearing debt	—	—	—	—	1 109 765	—	1 109 765
Other non-current liabilities	—	—	—	—	4 644	6 991	11 635
Other non-financial liabilities	—	—	—	—	—	1 789	1 789
Total liabilities	**—**	**4 884**	**25 190**	**—**	**1 194 039**	**14 271**	**1 238 383**

1.Items measured at fair value.

CLASSIFICATION OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2023:

(USD 1 000)	Other current financial assets through profit and loss	Derivatives held as hedge instrument [1]	Derivatives at fair value through profit and loss [1]	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2023
Assets							
Cash and cash equivalents	—	—	—	112 285	—	—	112 285
Other current financial assets	—	—	—	—	—	—	—
Derivative financial instruments	—	11 002	—		—	—	11 002
Current receivables	—	—	—	122 188	—	1 708	123 896
Non-current receivables	—	—	—	6 399	—	1 601	8 000
Loan to associates and joint ventures	—	—	—	1 007	—	—	1 007
Other non-financial assets	—	—	—		—	1 738 133	1 738 133
Total assets	**—**	**11 002**	**—**	**241 879**	**—**	**1 741 442**	**1 994 323**
Liabilities							
Other current liabilities	—	—	—	—	39 610	47 816	87 530
Derivative financial instruments	—	205	17 523	—	—	—	17 727
Interest-bearing debt	—	—	—	—	1 072 803	—	1 072 803
Other non-current liabilities	—	—	—	—	13 519	—	13 519

Other non-financial liabilities	–	–	–	–	–	4 233	4 233
Total liabilities	**–**	**205**	**17 523**	**–**	**1 125 932**	**52 048**	**1 195 813**

1.Items measured at fair value.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The measurement used by Odfjell is either level 1 or 2, where level 1 is quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity access at the measurement date, and level 2 is input other than quoted prices that are observable for the asset or liability, either directly or indirectly. For derivatives classified as level 2, fair value is calculated by using observable forward curves. For interest rate swaps, fair value is determined by the expected cash flows for the floating rate leg using the forward interest rate curve at the balance sheet date, less fixed rate payments. Currencies and commodities are determined based on the current forward rate compared to contractual rates for the same time period. For some non-derivative financial assets and liabilities we consider carrying amount to be the best estimate of fair value due to short maturity date and valid terms, i.e. interest-bearing debt except bond loans, current receivables and payables.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Derivative financial instruments are recognized in the balance sheet at the fair value at the balance sheet date. For cash and cash equivalents and current liabilities the carrying amount is considered to be a reasonable estimate of fair value of these instruments due to the short maturity date. Receivables are measured at nominal value reduced by any impairment. Carrying amount is considered to be a reasonable estimate of fair value due to short maturity date and valid terms. Fair value of bonds is calculated based on quoted market prices.

The Group's bond debt constitutes one bond, ODF11, with a carrying amount of USD 75 million (NOK 850 million). The market value per December 31, 2024, was USD 75.1 million.

	2024		2023	
(USD 1000)	Level 1	Level 2	Level 1	Level 2
Recurring fair value measurement				
Financial assets at fair value:				
Derivatives instruments - hedging	–	6 760	–	11 002
Other current financial assets	–	–	–	–
Financial liabilities at fair value:				
Bond debt	75 111	–	86 754	–
Derivatives instruments - non hedging	–	25 190	–	17 519
Derivatives instruments - hedging	–	4 884	–	205

CASH FLOW HEDGING

The Group's currency, interest and bunkers exposure is long-term, visible and relatively stable. Derivatives used to hedge these expenses is usually classified as cash flow hedges and accounted for at fair value. Changes in fair value prior to maturity are accounted for under assets or liabilities and other comprehensive income. At maturity, the result of the hedging transactions is accounted for in the account to the underlying exposure e.g. voyage-, operating-, general and administrative-, or financial expenses.

CURRENCY

Future expenses in the major non-USD currencies are estimated based on actual periodic expenses, adjusted for anticipated changes. Expected cash flows are hedged in accordance with the Group's guidelines, primarily by the use of forward exchange contracts for a period of up to two years.

Significant non-recurring exposures relating to e.g. dividends, investments or sales, can be hedged as the obligation is fixed and definite, but would typically not qualify for hedge accounting and thus be classified as non-hedging.

BUNKERS

A substantial part of the Group's bunkers exposure is covered through bunkers adjustment clauses in contracts of affreightments. Bunkers consumption from contracts without bunkers adjustment clauses and spot volumes are considered for financial hedges using forward purchase contracts and options for a period of up to two years. Bunkers adjustment clauses in new contracts for larger volumes or longer contract periods can be hedged in the financial markets on a case-by-case basis.

INTEREST RATES

The Group uses financial interest rate derivatives, mainly interest rate swaps for a period of up to ten years, to reduce the variability of interest expenses that arises because of changes in the US SOFR on mortgaged loans, other financial liabilities and unsecured bonds.

FAIR VALUE HEDGING

From time to time, the Group will issue non-USD denominated debt instruments and swap interest payments and principal back to USD if the combined cost of the debt instrument and swap is deemed lower than issuing the same in USD. These cross-currency derivatives are classified as fair value hedges and measured at market value with a corresponding offsetting change in market value of the underlying debt instrument.

Per December 31, 2024, unsecured NOK bonds of total NOK 850 million has been hedged to USD 100million (NOK 850 million was hedged to USD 100 million as per December 31, 2023).

NON HEDGING

Changes in market value prior to maturity for derivatives that do not qualify for hedge accounting, and the result of the derivative transaction at maturity, are accounted for under Other financial items in the Group's net result.

THE BELOW OVERVIEW REFLECTS STATUS OF HEDGING AND NON-HEDGING EXPOSURE DECEMBER 31, 2024 (figures in 1 000):

							Time to maturity – USD amounts			
Currency	Sold		Bought		Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedging	USD	73 851	NOK	785 000	10.63	(4 616)	48 201	25 650	—	73 851
Cash flow hedging	USD	9 670	EUR	9 000	1.07	(268)	9 762	—	—	9 762

					Time to maturity – USD amounts			
Interest rates	Sold		Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedging [4]	USD	350 000	2.43%	6 760	100 000	200 000	50 000	350 000

						Time to maturity – USD amounts			
Cross currency interest rate swaps	Sold			Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Fair value [2]	USD	100 000	From NOK to USD	6.39%	(25 190)	100 000	—	—	100 000

1.Mark to market valuation

2.Related to NOK bonds issued by Odfjell SE

3.SOFR adjusted by way of ISDA fallback or bilateral conversion agreements

4.Total sold value, with forward start for part of the volume

THE BELOW OVERVIEW REFLECTS STATUS OF HEDGING AND NON-HEDGING EXPOSURE DECEMBER 31, 2023 (figures in 1 000):

							Time to maturity – USD amounts			
Currency	Sold		Bought		Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedging	USD	72 135	NOK	740 000	10.26	1 154	35 800	36 335	—	72 135

				Time to maturity – USD amounts			
Interest rates	Sold	Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedging	USD 300 000	2.32%	9 643	—	300 000	—	300 000

				Time to maturity – USD amounts			
Cross currency interest rate swaps	Sold	Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Fair value [2]	USD 100 000 From NOK to USD	6.39%	(17 519)	—	100 000	—	100 000

1.Mark to market valuation

2.Related to NOK bonds issued by Odfjell SE

3.SOFR adjusted by way of ISDA fallback or bilateral conversion agreements

Negative value MTM of the cross currency swap related to the outstanding bond loan swapped to USD 100 million (USD 100 million in 2023), amounts to USD 25.2 million per December 31, 2024 (USD 17.5 million in 2023). Accumulated currency gain booked related to the same bond loan per December 31, 2024 amounts to USD 25 million (USD 17.0 million in 2023). Derivative financial instruments recognized as assets/liabilities on the balance sheet:

(USD 1000)	**2024**	2023
Currency	(4 884)	1 154
Basis swaps (interest and currency)	(18 430)	(7 875)
Derivative financial instruments	**(23 314)**	**(6 721)**

HEDGING RESERVE RECOGNIZED IN STATEMENT OF OTHER COMPREHENSIVE INCOME

The table below shows fluctuations in the hedging reserve in the statement of other comprehensive income from cash flow hedges (see Statement of other comprehensive income) divided between the different types of hedging contracts:

(USD 1 000)	Interest rate swaps	Currency exchange contracts	Total hedging reserve
Balance sheet as at January 1, 2023	**10 948**	**3 022**	**13 969**
Fluctuations during the period:			
- Gains/losses due to changes in fair value	(6 685)	—	(6 685)
-Transfer to income statement	(2 204)	6 312	4 108
Balance sheet as at December 31, 2023	**2 059**	**9 334**	**11 392**
Fluctuations during the period:			
- Gains/losses due to changes in fair value	(6 680)	—	(6 680)
-Transfer to income statement	(5 435)	2 480	(2 955)
Balance sheet as at December 31, 2024	**(10 056)**	**11 814**	**1 758**

Note 7 Capital management

The main objective of the Group's capital management policy is to maintain healthy capital ratios and ensure sufficient liquidity to support the general business and take advantage of investment opportunities. Further, we aim to ensure the Group has a robust capital structure that can withstand prolonged adverse conditions in the chemical- and financial markets. To achieve this, we have an active approach capital management and will make adjustments to our capital structure depending on the current economic conditions. This may include extraordinary debt repayments or additional debt issuance, adjustments to our dividend policy, and share transactions including share buybacks, redemption of treasury shares and issuance of new shares.

Our primary capital key performance indicators are book equity ratio and available liquidity. Available liquidity includes cash and cash equivalents and available undrawn commitments under bank loan facilities. The Group's policy is to maintain an equity ratio between 30% and 40% and available liquidity of USD 150 - 200 million throughout market cycles.

(USD 1 000)	2024	2023
Equity	929 781	798 510
Total assets	2 168 164	1 994 323
Equity ratio (equity method)	42.9%	40.0%
Current ratio	0.7	0.8
Cash and cash equivalents	146 505	112 285
Undrawn loan facilities	82 986	44 771
Total available liquidity	**229 491**	**157 056**

For liquidity risk see note 5.

Note 8 Total debt

Total debt includes interest-bearing debt and Debt related to right-of-use of assets. Interest-bearing debt includes mortgage loans from financial institutions, financial lease obligations classified as Other financial liabilities, and unsecured bonds denominated in the issuing currency. Interest rates are generally floating rate while Debts related to Rights of use of assets are fixed rate.

(USD 1 000)	Interest rate year end [1]	2024	2023
Mortgaged loans from finance institutions	7.06%	482 806	527 161
Other financial liabilities [2]	7.19%	162 629	222 103
Unsecured bonds	11.62%	74 968	83 313
Lease liabilities, right-of-use assets	6.13%	396 796	248 610
Subtotal debt	7.05%	**1 117 199**	**1 081 187**
Debt transaction fees [3]		(7 434)	(8 383)
Total debt		**1 109 765**	**1 072 803**
Current portion, interest-bearing debt		(211 488)	(165 954)
Current portion, right-of-use assets		(175 899)	(94 313)
Non-current total debt		**722 378**	**812 536**

1.Interest rate is the weighted average of interest rates (margin plus benchmark), excluding hedges, as per end of 2024

2.Debt classified as financial leases

3.Amortized and included in interest expenses over the term of the respective loan facilities

Mortgaged loans from finance institutions include debt from eight different facilities backed by ten different lenders and covers 29 vessels with an average age of 14.4 years. Seven of the facilities are sustainability-linked whereby the margin is linked to the AER performance of the Group, while one facility includes a Transition Finance element for a new facility supporting our decarbonization investments. Both instruments are measured annually, reflecting the Group's commitments to meet our 2030 and 2050 sustainability ambitions, Financial leases, classified as Other financial liabilities are made up from nine different facilities from nine different lease providers and covers 10 vessels with an average age of 16.2 years. Unsecured bonds include one senior unsecured Norwegian bond issue, denominated in NOK and swapped to USD. The bond is classified as sustainability-linked, whereby the redemption price of the bond is linked to the AER performance of the Group. As of the June 2024 measurement date the Group remained compliant, ensuring the bond´s redemption at the outstanding nominal amount in January 2025.

In 2024, the Group refinanced one loan facility covering six vessels, acquired one operational lease vessel and two financial lease vessels, and made an extraordinary USD 25 million repayment on a revolving credit facility. New mortgaged loans from financial institutions totaled USD 102 million, while balloon installments amount to USD 125 million. Scheduled loan and lease installments reached USD 69 million, reducing total nominal debt by USD 104 million for the year.

Lease liabilities related to IFRS16 right-of-use assets is mainly related to 22 time charter- and bareboat agreements with tenors longer than 12 months from delivery. Total debt related to right-of-use of vessels per December 31, 2024 was USD 397 million. Lease obligations from long-term office rental agreements totaled USD 4 million. During 2024, debts related to right-of-use assets increased with total USD 148 million. Capital repayments totaled USD 104 million, while new and extended agreements totaled USD 253 million.

Transaction expenses from financing transactions are charged to net result over the life of the underlying debt facility using the effective interest rate method, or in full at repayment if repaid ahead of maturity. During 2024, transaction expenses charged to the net result totaled USD 2.7 million (USD 5.4) million in 2023.

SUMMARY OF CHANGES IN TOTAL DEBT DURING 2024:

Changes in liabilities arising from financing activities (USD 1 000)	Jan 1, 2024	Cash inflows	Cash outflows	Foreign exchange movements	Changes in fair values	New leases	Other [1]	Dec 31, 2024
Current interest-bearing loans and borrowings	165 954	—	(165 954)	—	—	—	211 488	211 488
Current lease liabilities, right-of-use assets	94 313	—	(66 527)	—	—	140 106	8 007	175 899
Non-current interest-bearing loans and borrowing	658 239	90 000	(27 885)	(8 344)	—	—	(210 538)	501 481
Non-current lease liabilities, right-of-use assets	154 297	—	—	—	—	250 169	(183 568)	220 897
Derivatives	17 728	—	—	—	12 346	—		30 074
Dividends payable	—	—	(128 801)	—	—	—	128 801	—
Sale of treasury shares	—	—	517	—	—	—	(517)	—
Total liabilities from financing activities	**1 090 531**	**90 000**	**(388 641)**	**(8 344)**	**12 346**	**390 275**	**(46 327)**	**1 139 839**
Loans from associates and joint ventures classified as other current liabilities (see note 27)	—	—	—	—	—	—	—	—
Total	**1 090 531**	**90 000**	**(388 641)**	**(8 344)**	**12 346**	**296 256**	**47 693**	**1 139 839**

1.Other includes movements between non-current and current liabilities due to the passage of time, approval of dividends, and effects of acquistions of a subsidiary formerly recognized as a joint venture.

SUMMARY OF CHANGES IN TOTAL DEBT DURING 2023:

Changes in liabilities arising from financing activities (USD 1 000)	Jan 1, 2023	Cash inflows	Cash outflows	Foreign exchange movements	Changes in fair values	New leases	Other [1]	Dec 31, 2023
Current interest-bearing loans and borrowings	218 061	—	(218 061)	—	—	—	165 954	165 954
Current lease liabilities, right-of-use assets	63 354	—	(66 104)	—	—	78 320	18 743	94 313
Non-current interest-bearing loans and borrowing	739 091	212 900	(120 769)	(10 724)	—	—	(162 259)	658 239
Non-current lease liabilities, right-of-use assets	156 636	—	—	—	—	53 785	(56 124)	154 297
Derivatives	33 518	—	(23 216)	—	7 426	—	—	17 728
Dividends payable	—	—	(96 646)	—	—	—	96 646	—
Sale of treasury shares	—	—	300	—	—	—	(300)	—
Total liabilities from financing activities	**1 210 660**	**212 900**	**(524 496)**	**(10 724)**	**7 426**	**132 105**	**62 660**	**1 090 531**
Loans from associates and joint ventures classified as other current liabilities (see note 27)	—	—	—	—	—	—	—	—
Total	**1 210 660**	**212 900**	**(524 496)**	**(10 724)**	**7 426**	**132 105**	**62 660**	**1 090 531**

1.Other includes movements between non-current and current liabilities due to the passage of time.

Financial covenants are aligned across all debt agreements, and debt agreements do not contain restrictions on the Group's dividend policy. The Group shall at all times maintain free liquid assets of the minimum the higher of USD 50 million and 6% of interest-bearing debt (excluding debts related to rights of use of assets). The Group's leverage shall not at any time exceed 75% (excluding right-of-use assets and debts related to rights of use assets).

The Group was in compliance with its financial covenants throughout 2024 and 2023.

MATURITY OF TOTAL DEBT AS AT DECEMBER 31, 2024:

(USD 1 000)	2025	2026	2027	2028	2029	2030+	Total
Mortgaged loans from financial institutions	34 934	69 758	177 395	132 291	68 428	—	482 806
Other financial liabilities	101 586	16 134	8 404	9 539	4 346	22 620	162 629
Unsecured bonds [1]	74 968	—	—	—	—	—	74 968
Lease liabilities, right-of-use assets	175 899	70 347	31 273	33 105	34 678	51 494	396 796
Subtotal debt	**387 388**	**156 239**	**217 072**	**174 935**	**107 452**	**74 114**	**1 117 199**
Estimated interest payable	58 399	38 821	31 698	18 692	6 430	6 675	160 688
Total debt	**445 761**	**195 060**	**248 769**	**193 627**	**113 917**	**80 789**	**1 277 887**

1.Values excluding hedging effects from interest and currency swaps which is recognized as derivative financial instruments in the statement of financial position

MATURITY OF TOTAL DEBT AS AT DECEMBER 31, 2023:

(USD 1 000)	2024	2025	2026	2027	2028	2029+	Total
Mortgaged loans from financial institutions	106 480	35 585	69 284	194 673	121 139	—	527 161
Other financial liabilities	59 474	27 405	22 069	14 339	15 474	83 342	222 103
Unsecured bonds [1]	—	83 313	—	—	—	—	83 313
Lease liabilities, right-of-use assets	94 313	44 071	29 619	20 760	21 614	38 230	248 607
Subtotal debt	**260 267**	**190 374**	**120 972**	**229 771**	**158 227**	**121 565**	**1 081 177**
Estimated interest payable	80 372	48 375	36 796	28 057	15 040	21 400	230 040
Total debt	**340 639**	**238 749**	**157 768**	**257 828**	**173 267**	**142 965**	**1 311 217**

1.Values excluding hedging effects from interest and currency swaps which is recognized as derivative financial instruments in the statement of financial position

The average maturity of the Group's total interest-bearing debt is 2.9 years (3.8 years in 2023). Average maturity on mortgaged loans from financial institutions is 2.3 years (3.3 years in 2023), other financial liabilities mature on average in 6.6 years (6.4 years in 2023) and unsecured bonds mature on average in 0.1 years (1.1 years in 2023). Debts related to right of use of assets have an average maturity of 3.6 years.

Security for mortgaged loans from financial institutions is made through first priority vessel mortgages, Group guarantees, and assignments of earnings and insurances for the relevant vessels. Other financial liabilities (financial leases) are secured by Group guarantees and assignment of earnings and insurances for the relevant vessels. Bonds and debts related to rights of use of assets are guaranteed by the Group, but otherwise unsecured.

THE TABLE BELOW PROVIDES AN OVERVIEW OF THE CARRYING AMOUNT OF VESSEL FINANCING AND RELATED ASSETS:

(USD 1 000)	**2024**	2023
Mortgaged loans from financial institutions	482 806	527 161

Other financial liabilities	162 629	222 103
Lease liabilities, right-of-use assets	396 796	248 610
Nominal amount preferred vessel financing	**1 042 231**	**997 874**

Carrying amount, assets under mortgaged loans	863 094	884 643
Carrying amount, assets under other financial liabilities	282 792	312 586
Carrying amount, right-of-use assets	385 448	237 720
Total carrying amount of assets financed	**1 531 334**	**1 434 949**

The Group's financial leases, classified as Other financial liabilities, vary from 5 to 14 years from inception. In addition to the payment of hire, the Group has obligations relating to the insurance and maintenance of the relevant vessels, similar to owning the vessels. Based on the terms of the agreement, they are considered financial arrangements in accordance with IFRS 9. All financial leases have embedded purchase options to the Group.

THE TABLE BELOW SUMMARIZES TOTAL DEBT BY CURRENCY:

(USD 1 000)	**2024**	2023
USD	1 042 231	997 874
NOK [1]	74 968	83 313
Debt transaction fees	(7 434)	(8 383)
Total debt	**1 109 765**	**1 072 803**

1.Unsecured bonds, nominal amounts. Swapped to USD 100 million (USD 100 million in 2023)

INTEREST EXPENSES ON TOTAL DEBT:

(USD 1000)	**2024**	2023
Interest expense, interest-bearing debt	(61 706)	(79 504)
Interest expense, right-of-use assets	(19 764)	(15 800)
Total interest expense	**(81 469)**	**(95 304)**

Note 9 Taxes

(USD 1 000)	**2024**	2023
Change in deferred tax, Norway – ordinary tax	—	—
Change in deferred tax, other jurisdictions	242	439
Taxes payable, other jurisdictions	(2 172)	(7 014)
Total tax income (expenses)	**(1 930)**	**(6 575)**

(USD 1 000)	**2024**	2023
Result before taxes	279 742	209 878
Tax calculated at Odfjell's statutory income tax rate 22%	(61 543)	(46 173)
Tax effect of:		
Income and expenses not subject to tax	(29 205)	40 385

Share of result from joint ventures and associates	2 483	1 936
Withholding tax	(93)	(333)
Non deductible expenses for tax purposes - impairment	—	—
Differences in tax rates	(166)	(2 032)
Deferred tax asset not recognized	86 693	161
Other differences	(99)	(519)
Tax income (expenses)	**(1 929)**	**(6 575)**
Effective tax rate	0.69%	3.13%

SPECIFICATION OF DEFERRED TAXES (deferred tax assets):

(USD 1 000)	**2024**	Change in temporary differences	2023
Pensions	36	(1 434)	1 470
Financial instruments/finance items	27 634	18 934	8 700
Provisions	2 293	627	1 666
Long-term temporary differences	5 128	(2 398)	7 526
Loss carried forward	350 043	(12 974)	363 017
Non-deductible interest carried forward	55 566	3 597	51 969
Total negative temporary differences	**440 700**	**6 352**	**434 348**
Differences related to depreciation of non-current assets	2 502	(187)	2 689
Deferred gain related to sale of non-current assets	1 024	(399)	1 423
Differences related to long-term debt	—	—	—
Total positive temporary differences	**3 526**	**(586)**	**4 112**
Net temporary differences	437 173	6 937	430 236
Temporary differences not accounted for [1]	432 075	9 335	422 740
Temporary differences – basis for calculation of deferred tax	**(5 099)**	**2 397**	**(7 496)**
Deferred tax liability (asset) in statement of financial position [2]	**(1 734)**		**(2 549)**
Tax rate	17-34%		17-34%

1.This applies to temporary differences for companies with losses where deferred tax assets are not recognized.

2.For 2024 and 2023 this is classified as a deferred tax asset and deferred tax liability

The Group's Norwegian companies have a total loss carried forward of USD 350 million at December 31, 2024 (USD 363 million in 2023), that is available indefinitely to offset against future taxable profits of the companies in which the losses arose. Tax Group contributions are also available within the same country and within the same tax regime.

Deferred tax assets are not recognized for companies where there is uncertainty regarding the future utilisation of temporary differences.

Any distribution of dividend to Odfjell SE's shareholders does not affect the Company's payable or deferred tax.

See note 2.2 for information about Pillar Two.

Note 10 Pension liabilities

The Group operates different types of pension schemes for the employees.

DEFINED BENEFIT PLAN EXPENSES

(USD 1 000)	**2024**	2023
Defined benefit plan cost - Overseas offices	1 768	1 785
Total	**1 768**	**1 785**

DEFINED CONTRIBUTION PLAN EXPENSES

(USD 1 000)	**2024**	2023
Defined contribution cost - Norway	1 572	2 089
Defined contribution cost – overseas offices	419	333
Total contribution	**1 991**	**2 422**
Number of employees	407	409

In the Norwegian companies all employees are included in a defined contribution plan. The Odfjell Group pays a fixed percentage of the salary as contribution to the plan limited to 12 times the base amount (G). In addition, Executive Management are entitled to additional annual contribution limited to 18G. Several of the Group foreign subsidiaries have defined contribution plans in accordance with local legislation.

PENSION LIABILITIES

(USD 1 000)	**2024**	2023
Other - Norway	36	1 470
Overseas offices	1 225	2 143
Total	**1 262**	**3 612**

Some of the Group's Norwegian subsidiaries are bound to have mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme. The Group's pension scheme meets the requirements of this Act.

In 2024, the additional pension contribution payment (18G) to Executive Management was secured by payment to an insurance company instead of holding a secured bank account. Bank deposit was transferred to the insurance company and the pension liability removed from the balance sheet. The contribution / benefit was not changed.

Other - Norway' in the table above relates to one former employee. For pension expenses for the Executive Management, see note 20.

Note 11 Property, plant and equipment

(USD 1 000)	Real estate	Ships and newbuilding contracts	Periodic maintenance	Office equipment	Total
Net carrying amount January 1, 2023	979	1 309 970	9 650	7 023	**1 327 622**
Investment	85	70 716	24 537	2 436	**97 774**
Sale at book value	—	(46 010)	—	—	**(46 010)**
Depreciation 2023	(204)	(69 527)	(19 979)	(2 671)	**(92 380)**
Net carrying amount December 31, 2023	**860**	**1 265 148**	**14 208**	**6 788**	**1 287 004**
Investment	4	10 738	18 860	3 320	**32 922**

Sale at book value	–	(3 287)	–	–	**(3 287)**
Investment in newbuildings	–	9 173	–	–	**9 173**
Purchase of former leased bare-boat vessel	–	35 500	–	–	**35 500**
Depreciation 2024	(28)	(67 721)	(23 601)	(2 997)	**(94 347)**
Impairment 2024	–	(1 021)	–	–	**(1 021)**
Reclassified to assets held for sale (book value)	–	(4 527)	–	–	**(4 527)**
Net carrying amount December 31, 2024	**836**	**1 244 003**	**9 467**	**7 111**	**1 261 417**
Cost	4 665	2 812 981	66 923	38 106	**2 922 674**
Accumulated depreciation	(3 686)	(1 506 377)	(79 156)	(33 085)	**(1 622 304)**
Investment	–	13 428	21 884	2 002	**37 314**
Sale	–	(10 062)	–	–	**(10 062)**
Net carrying amount January 1, 2023	**979**	**1 309 970**	**9 650**	**7 023**	**1 327 622**
Cost	4 665	2 816 347	88 806	40 108	**2 949 926**
Accumulated depreciation	(3 890)	(1 575 904)	(99 135)	(35 756)	**(1 714 685)**
Investment	85	70 716	24 537	2 436	**97 774**
Sale	–	(46 010)	–	–	**(46 010)**
Net carrying amount December 31, 2023	**860**	**1 265 148**	**14 208**	**6 788**	**1 287 004**
Cost	4 750	2 802 839	110 954	42 544	**2 961 087**
Accumulated depreciation	(3 918)	(1 605 412)	(120 347)	(38 753)	**(1 768 430)**
Investment	4	55 411	18 860	3 320	**77 595**
Sale	–	(3 287)	–	–	**(3 287)**
Impairment 2024	–	(1 021)	–	–	**(1 021)**
Reclassified to assets held for sale (book value)	–	(4 527)	–	–	**(4 527)**
Net carrying amount December 31, 2024	**836**	**1 244 003**	**9 467**	**7 111**	**1 261 417**

DEPRECIATION PERIODS

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows (in years):

Real estate	up to 50
Ships	25 - 30
Periodic maintenance of ships	2.5 - 5
Office equipment	3- 5

ASSETS FINANCED UNDER SALE-LEASEBACK

The carrying amount of ships financed under sale-leaseback were USD 282.8 million and USD 312.6 million at December 31, 2024 and December 31, 2023 respectively. See note 8 for future sale-leaseback obligations.

DEPRECIATION

Starting from fiscal year 2021, the Group has elected to present depreciation expense from property, plant and equipment and right-of-use assets as a single line item in the income statement. The amount of depreciation expense from each item is as follows.

(USD 1000)	**2024**	2023
Depreciation property, plant and equipment	(94 347)	(92 380)
Depreciation right-of-use assets	(66 985)	(65 739)
Total	**(161 332)**	**(158 119)**

Note 12 Leases

(USD 1 000)	Real estate	Ships	Periodic Maintenance	Total
Capitalized right-of-use assets January 1, 2024	4 989	228 855	3 876	237 720
Additions [1]	30	248 807	1 332	250 169
Remeasurement	—	—	—	—
Purchase of leased vessel	—	(35 500)	—	(35 500)
Depreciation	(2 137)	(64 652)	(152)	(66 941)
Carrying amount right-of-use assets December 31, 2024	**2 882**	**377 509**	**5 056**	**385 448**

1.Additions include declared purchase options for four vessels.

(USD 1 000)	Real estate	Ships	Periodic Maintenance	Total
Capitalized right-of-use assets January 1, 2023	5 579	199 201	3 955	208 735
Additions	1 702	131 409	72	133 183
Remeasurement	—	—	—	—
Purchase of leased vessel	—	(38 569)	—	(38 569)
Depreciation	(2 291)	(63 187)	(151)	(65 629)
Carrying amount right-of-use assets December 31, 2023	**4 989**	**228 855**	**3 876**	**237 720**

Variable lease payments made in 2024 are related to pool distributions to external participants in the pools. The total amount distributed in 2024 equals USD 29.8 million, including non-lease component (USD 26.4 million in 2023).

Information about lease payments made	**2024**	2023
Total nominal lease payments (including short term, long term and variable leases)	161 022	158 401
Of which short term lease expenses (including non-lease component)	9 287	21 419

Information about commitments for commenced leases (not included in lease liability)	**2024**	2023
Lease commitments associated with short term leases (undiscounted)	1 612	13 796
Non-lease component (OPEX) right-of-use assets, not included in lease liability (undiscounted)	164 210	102 723

The non-lease component refers to time-charter contracts including a service element. Refer to note 2.6 for a description of the Group's accounting policies related to said contracts.

Information about extension options	**2024**	2023

Extension options (undiscounted) not included in lease liability, bare-boat element vessels	51 416	82 182
Extension options (undiscounted) not included in lease liability, OPEX element vessels	23 002	38 346
Extension options (undiscounted) not included in lease liability, office buildings	7 890	7 890
Total extension options (undiscounted) not included in lease liability	**82 308**	**128 418**

Information about leases not yet commenced but where the Group is Committed	**2024**	2023
Nominal amount of future lease payments for time charter and bare-boat leases where lease term exceeds 12 months	970 128	636 037

Odfjell Group has signed long-term time charter agreements for a total of sixteen newbuildings. The table above includes the minimum / fixed payments for sixteen time charter vessels.

Right of use assets (bareboat element) and the corresponding liability will be included in the balance sheet once the vessels are delivered to the Odfjell Group.

MATURITY OF DEBT RELATED TO RIGHT-OF-USE ASSETS AS PER DECEMBER 31, 2024:

(USD 1000)	2025	2026	2027	2028	2029	2030+	Total
Installments	175 899	70 347	31 273	33 105	34 678	51 494	**396 796**
Interest expense	19 579	10 955	8 600	6 627	4 503	3 609	**53 873**
Sum	**195 478**	**81 302**	**39 873**	**39 732**	**39 181**	**55 103**	**450 669**

MATURITY OF DEBT RELATED TO RIGHT-OF-USE ASSETS AS PER DECEMBER 31, 2023:

(USD 1000)	2024	2025	2026	2027	2028	2029+	Total
Installments	94 313	44 071	29 619	20 760	21 614	38 223	**248 601**
Interest expense	14 533	7 841	5 673	4 208	2 987	2 177	**37 419**
Sum	**108 846**	**51 912**	**35 292**	**24 968**	**24 601**	**40 400**	**286 020**

Refer to note 8 for an analysis of the maturity of total debt.

Note 13 Earnings per share

The basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by weighted average number of ordinary shares outstanding during the year. Basic and diluted earnings per share are the same, as the Company has no convertible bond loan or stock option plan.

(USD 1 000/1 000 shares)	**2024**	2023
Profit/(loss) and diluted profit for the year due to the holders of ordinary shares	277 813	203 304
Weighted average number of ordinary shares for basic earnings per share /diluted average number of shares outstanding [1]	79 050	79 011
Basic/diluted earnings per share	**3.51**	**2.57**

1.The weighted average number of shares are adjusted for the time weighted average effect of changes in treasury shares during the year. See note 25.

Note 14 Transactions with related parties

The Group has carried out various transactions with related parties. All transactions have been carried out as part of the ordinary operations, based on the arm-length principle. Transactions with related parties are settled on a regular basis and the balances as per December 31, 2024 were immaterial.

The Odfjell Group shares offices in Brazil with a local terminal company related to Chair of the Board, Laurence Ward Odfjell. The Chair's family also has ownership interest in a company, which acts as Brazilian port agent for Odfjell. In addition to reimbursement of actual expenses and expenditures incurred, Odfjell Tankers AS and Flumar Transportes de Quimicos e Gases Ltda paid these companies USD 1.3 million in agency fees in 2024 (USD 0.9 million in 2023), while Flumar Transportes de Quimicos e Gases Ltda and Odfjell Brazil – Representacoes Ltds paid USD 0.1 million for administrative services in 2024 (USD 0.1 million in 2023).

In addition, the Group has income from terminal JV's in Houston, USA, USD 0.9 mill in 2024 (USD 0.8 mill in 2023).

Odfjell Management AS rent offices in Norway from a company related to Chair of the Board, Laurence Ward Odfjell. The annual lease for 2024 was USD 1.6 million.

Note 15 Commitments, guarantees and contingencies

CAPITAL COMMITMENT

As of December 31, 2024, Odfjell Group has total capital commitments of USD 247.1 million. This includes commitments related to two newbuilding contracts:

–One 25,900 dwt chemical tanker scheduled for delivery in mid 2027, with the first installment to the shipyard paid in April 2024.

–One 25,000 dwt chemical tanker scheduled for delivery in mid 2026.

Additionally, the Group has exercised purchase options for four vessels currently under bareboat charter. These vessels are already recognized under right of use debt in accordance with IFRS 16.

These commitments collectively represent the Group’s total capital obligations as of year end.

(USD 1 000)	2025	2026	2027	Total
Declared purchase options	124	36	—	**160**
Newbuilding	5	55	28	**88**
Total capex commitment	**129**	**91**	**28**	**248**

Guarantees

(USD 1 000)	**2024**	2023
100% owned subsidiaries (third party guarantees)	11	28
Joint ventures (credit facilities)	—	—
Total guarantees	**11**	**28**

See also note 27 for guarantees within the joint venture structure.

CONTINGENCIES

The Group maintains insurance coverage for its activities consistent with industry practice. The Group is involved in claims typical to the Chemical Tanker and Tank Terminal industry, but no claims have resulted in material losses to the Group.

Note 16 Cash and cash equivalents

A substantial part of the Group's cash and cash equivalents are held by overseas offices, management companies and pools as part of normal working capital. The main Norwegian entities are included in a cash pool that allows for automatic borrowing between entities and currencies. In order to earn a higher rate of interest on excess liquidity, we seek to minimize the top balance in the cash pool through placements in other financial instruments.

Excess liquidity is defined as cash in excess of normal working capital, and include funds earmarked upcoming bank payments, CAPEX and dividends. The Group considers the end-use of our cash and cash equivalent balance and match the risk, tenor and liquidity of placements accordingly. As an example, funds earmarked for working capital is usually placed in regular bank and cash pool accounts with up to a week's tenor, while funds earmarked for debt repayments, yard installments, and dividends, are usually split on various time deposits and in money market instruments.

(USD 1 000)	**2024**	2023
Cash at banks and in hand	102 313	60 473

Time deposits and Money Market instruments	44 192	51 812
Total cash and cash equivalents	**146 505**	**112 285**

Restricted cash consists of USD 1.3 million (USD 1.4 million in 2023) in funds for withholding taxes relating to employees in Odfjell Management AS and Odfjell Maritime Services AS.

Note 17 Voyage expenses

Voyage expenses are expenses directly related to the ship voyage.

(USD 1 000)	**2024**	2023
Port expenses	99 119	100 249
Canal expenses	18 885	28 056
Bunkers expenses	243 364	247 070
Transshipment expenses	9 323	10 475
Commission expenses	38 019	33 122
Other voyage related expenses	15 341	17 383
Total voyage expenses	**424 051**	**436 355**

Note 18 Operating expenses

Operating expenses consist of expenses for operating ships (for example wages and remunerations for crew and operational personnel, and materials and equipment for ships).

(USD 1 000)	**2024**	2023
Crew expenses	79 267	78 762
Other ship management expenses	88 719	85 934
Currency hedging	894	1 529
Other	317	323
Total operating expenses excluding service element of leases	**169 198**	**166 549**
Service element of leases	36 923	30 820
Total operating expenses	**206 121**	**197 369**

Note 19 General and administrative expenses

General and administrative expenses consist of expenses for headquarter activities and activities internationally for brokerage and agency.

(USD 1 000)	**2024**	2023
Salary expenses	52 639	50 332
Other expenses	19 586	16 807
Currency hedging	1 586	3 255
Total general and administrative expenses	**73 811**	**70 394**

INCLUDING IN THE ABOVE IS AUDITOR'S REMUNERATION FOR (exclusive of VAT):

(USD 1 000)	2024	2023
Statutory auditing	471	492
Other assurance services	104	62
Tax advisory services	29	—
Other non-audit services	10	64
Total remuneration	**614**	**619**

Note 20 Salary expenses, number of employees and benefits to Board of Directors and management

Salary expenses are included in ship operating expenses and general and administrative expenses according to the activity.

(USD 1 000)	2024	2023
Salaries	113 144	110 937
Social expenses	14 336	13 304
Pension expenses defined benefit plans (note 10)	1 768	1 784
Pension expenses defined contribution plans (note 10)	1 991	2 422
Other benefits	667	647
Total salary expenses	**131 906**	**129 094**

AVERAGE MAN-YEARS OF EMPLOYEES INCLUDING CREW:

(USD 1 000)	2024	2023
Europe	276	266
North America	26	26
Southeast Asia	1 604	1 576
South America	165	183
Other	14	13
Total average man-years of employees	**2 085**	**2 064**

AT THE END OF 2024 THE BOARD OF DIRECTORS CONSISTS OF SIX MEMBERS. COMPENSATION AND BENEFITS TO THE BOARD OF DIRECTORS:

(USD 1 000)	2024	2023
BoD Remuneration	357	342

For more specification – see Odfjell SE note 11.

COMPENSATION AND BENEFITS TO THE MANAGEMENT GROUP, PAID AND EARNED IN 2024:

(USD 1 000)	Salary	Bonus [1]	Pension cost	Other benefits	Total
CEO, Harald Fotland	540	535	25	26	1 126
CFO, Terje Iversen	271	222	25	23	541

CSO, Øistein H. Jensen	206	169	25	22	422
Managing Director Terminals, Adrian Lenning	247	202	25	22	496
CCO, Bjørn Hammer	287	235	25	22	569
CTO, Torger Trige	213	175	25	28	441
Total	**1 764**	**1 538**	**148**	**143**	**3 593**

1.The bonus relates to earned amount in 2024 for both short and long term incentive scheme.

COMPENSATION AND BENEFITS PAID TO THE MANAGEMENT GROUP IN 2023:

(USD 1 000)	Salary	Bonus [1]	Pension cost	Other benefits	Total
CEO, Harald Fotland	521	521	25	26	1 093
CFO, Terje Iversen	263	219	25	22	529
CSO, Øistein H. Jensen	200	166	25	21	412
Managing Director Terminals, Adrian Lenning [2]	237	197	24	21	479
CCO, Bjørn Hammer	265	220	24	21	531
CTO, Torger Trige	197	170	25	38	429
Total	**1 683**	**1 492**	**148**	**149**	**3 473**

1.The bonus relates to earned amount in 2023 for both short and long term incentive scheme. This is a change in methodology compared to 2021, where paid, not earned was reported.

2.Included as member in the Management Group from December 1st 2022. The compensation presented above relates to their Executive Management Positions from December 2023.

In 2024, the bonus related to the long-term incentive program, net of withholding tax, have been used to acquire Restricted Shares in accordance with the long-term incentive program.

Only the CEO of the Executive Management has a defined agreement with regard to severance pay. In case the Company terminates the employment, the CEO is, in addition to payment of salary and other remuneration during the notice period, also entitled to 6 months' base salary.

Refer to our Report on Salary and other Remuneration to Leading Personnel in Odfjell SE for the financial year 2024. The Report will be published on the Company's website once approved by the General Meeting.

Note 21 Other financial items

(USD 1 000)	**2024**	2023
Financial assets and liabilities at fair value through profit or loss statement	(7 671)	13 357
Realized gain/losses on other current financial assets	—	2 658
Currency gains (losses) – see note 22	7 810	(11 294)
Other financial income	562	956
Other financial expenses	(817)	(305)
Total other financial items	**(116)**	**5 372**

See note 6 for overview of hedging exposure, and note 22 for specification of currency gains (losses).

Note 22 Currency gains and losses

(USD 1 000)	2024	2023
Currency gains (losses) on non-current receivables and liabilities	8 347	10 254
Currency gains (losses) on cash and cash equivalents	(1 724)	912
Currency gains (losses) on other current assets and current liabilities	1 187	(22 460)
Total currency gains (losses)	**7 810**	**(11 294)**

See note 6 for overview of currency hedging exposure.

Note 23 Current receivables

(USD 1000)	2024	2023
Trade receivables from contract with customers	94 843	88 328
Other receivables	31 746	31 644
Contract asset (accrued revenues)	14 897	3 975
Prepaid costs	1 329	1 708
Allowance for expected credit losses	(2 309)	(1 758)
Total current receivables	**140 507**	**123 896**

Trade receivables are for a major part related to revenue from contract with customers with payment terms shortly after bill of lading to upon delivery. Allowance for expected credit losses relates to trade receivables; see Note 5 for information on credit risk management.

Contract assets are recognized revenue for freight services partly satisfied from voyages that have commenced but are not completed and invoices that have not been issued as per December 31. Contract assets are reclassified to receivables from contracts with customers once the freight service is being invoiced to the customer, at the latest when the voyage is completed (at the latest a few months after it commences). Contract assets include variable consideration only when it is highly probable there will be no significant reversal at a later date when the uncertainty related to the variable payment is resolved.

As the voyages and related contracts have a duration of less than a year, the Group does not disclose separately the transaction price related to partially unfulfilled contracts at the reporting date, refer to IFRS 15.121.

At the end of 2024, the group recognized gross revenues of USD 78 million related to voyages in progress. The remaining freight services (performance obligations) for voyages in progress at year-end 2024, which will be recognized as freight income in 2025, is estimated to USD 75 million.

AS AT DECEMBER 31, THE AGING ANALYSIS OF TRADE RECEIVABLES, CONTRACT ASSETS AND OTHER CURRENT RECEIVABLES ARE AS FOLLOWS:

				Days past due			
(USD 1000)	Total [1]	Contract asset	Current	<30 days	30-60 days	60-90 days	>90 days
2024	141 486	14 897	45 727	53 564	9 153	6 141	12 003
2023	123 946	3 975	58 616	33 282	6 617	6 548	14 910

1.Not including prepaid cost and allowance for expected credit losses

THE TABLE BELOW SUMMARIZES TOTAL CURRENT RECEIVABLES INTO DIFFERENT CURRENCIES:

(USD 1 000)	2024	2023
USD	135 436	113 400
EUR	1 173	3 421

SGD	73	77
Other currencies	3 826	6 999
Total current receivables	**140 507**	**123 896**

Note 24 Other current liabilities

(USD 1000)	**2024**	2023
Trade payables	26 861	28 995
Accrued voyage expenses	20 161	16 340
Accrued expenses Ship Management	7 056	8 898
Accrued interest expenses	4 921	3 596
Other accrued expenses	10 566	11 220
Employee taxes payable	5 490	8 779
Working capital liabilities to pool partners	6 596	5 999
Other current liabilities	3 469	3 703
Total other current liabilities	**85 120**	**87 530**

THE TABLE BELOW SUMMARIZES THE MATURITY PROFILE OF THE GROUP'S OTHER CURRENT LIABILITIES:

(USD 1000)	Total	On demand	< 3 months	3-6 months	6-9 months	> 9 months
2024	85 120	65 597	17 546	1 492	220	265
2023	87 530	77 696	8 027	252	1 301	253

THE TABLE BELOW SUMMARIZES OTHER CURRENT LIABILITIES INTO DIFFERENT CURRENCIES:

(USD 1 000)	**2024**	2023
USD	68 094	66 820
EUR	1 073	2 075
SGD	591	856
Other currencies	15 361	17 779
Total current liabilities	**85 120**	**87 530**

Note 25 Share capital and premium

	Number of shares (1 000)		Share capital (USD 1 000)		Share premium (USD 1 000)	
	2024	2023	**2024**	2023	**2024**	2023
A-shares	60 464	60 464	21 057	21 057	130 748	130 748
B-shares	19 256	19 256	6 706	6 706	41 640	41 640
Total	**79 720**	**79 720**	**27 763**	**27 763**	**172 388**	**172 388**

Per December 31, 2024 Odfjell SE holds 153 292 A - shares and 497 634 B - shares.

The shares are all authorized, issued and fully paid. Nominal value is NOK 2.50, equivalent to USD 0.25 as per December 31, 2024. All the shares have the same rights in the Company, except for B-shares which have no voting rights.

SHARES OWNED/CONTROLLED BY MEMBERS OF THE BOARD OF DIRECTORS, CEO AND OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT (INCLUDING RELATED PARTIES) ARE:

	2024		2023	
	A-shares	B-shares	A-shares	B-shares
Chair of the Board of Directors, Laurence Ward Odfjell	29 463 964	7 724 160	29 463 964	7 524 160
Director, Jan Kjærvik [1]	—	—	—	—
Director, Nils Petter Dyvik [1]	1 219	—	2 719	—
Director, Christine Rødsæther	1 800	1 880	—	—
CEO, Harald Fotland	85 715	4 000	72 188	4 000
CFO, Terje Iversen	63 634	507	59 287	—
CSO, Øistein Jensen	57 954	—	54 153	—
CTO, Torger Trige	16 335	190	12 461	190
CCO, Bjørn Hammer	30 871	—	25 997	—
MD, Adrian Lenning	15 422	—	23 317	—

1.At the Annual General Meeting 2024,Jan Kjærvik succeeds Nils Petter Dyvik to the Odfjell SE Board of Directors.

Note 26 List of subsidiaries

THE FOLLOWING SUBSIDIARIES ARE FULLY CONSOLIDATED IN THE FINANCIAL STATEMENTS AS PER DECEMBER 31, 2024

Company	Country of registration	Ownership share	Voting share
Odfjell Argentina SA	Argentina	100 %	100 %
Flumar Transportes de Quimicos e Gases Ltda	Brazil	100 %	100 %
Odfjell Brasil Ltda	Brazil	100 %	100 %
Odfjell Chile Ltd	Chile	100 %	100 %
Odfjell Korea Ltd	Korea	100 %	100 %
Odfjell Terminals BV	Netherlands	100 %	100 %
Odfjell Terminals Management BV	Netherlands	100 %	100 %
Norfra Shipping AS	Norway	100 %	100 %
Odfjell Chemical Tankers AS	Norway	100 %	100 %
Odfjell Chemical Tankers II AS	Norway	100 %	100 %
Odfjell Insurance & Properties AS	Norway	100 %	100 %
Odfjell Management AS	Norway	100 %	100 %
Odfjell Maritime Services AS	Norway	100 %	100 %

Odfjell Tankers AS	Norway	100 %	100 %
Odfjell Terminals AS	Norway	100 %	100 %
Odfjell Terminals US Holdings AS	Norway	100 %	100 %
Odfjell Terminals Global Holdings AS	Norway	100 %	100 %
Odfjell Peru S.A.C.	Peru	100 %	100 %
Odfjell Ship Management Philippines Inc	Philippines	100 %	100 %
Odfjell Asia II Pte Ltd	Singapore	100 %	100 %
Odfjell Singapore Pte Ltd	Singapore	100 %	100 %
Odfjell Terminals Asia Holdings Pte Ltd	Singapore	100 %	100 %
Odfjell Terminals Asia Pte Ltd	Singapore	100 %	100 %
Odfjell Terminals China Pte Ltd	Singapore	100 %	100 %
Odfjell Durban South Africa Pty Ltd	South Africa	100 %	100 %
Odfjell Mazibuko SA Pty Ltd	South Africa	55 %	55 %
Odfjell Middle East DMCC	United Arab Emirates	100 %	100 %
Odfjell USA (Houston) Inc	United States	100 %	100 %
Odfjell Terminals Management Inc	United States	100 %	100 %

Note 27 Investments in joint ventures and associates

Odfjell Terminals BV, is acting as holding company for the Group's investments in terminals. In Odfjell Terminals BV, the terminal investments are structured as joint ventures, with a separate holding company owned by the respective joint venture partners.

Odfjell Terminals US Holding AS, an indirectly, wholly owned subsidiary of Odfjell Terminals B.V., owns 51% of Topco LLC, while Northleaf owns the remaining 49% of the shares.

The holding company for the Asia terminal is Odfjell Terminals AS. Odfjell Terminals AS owns 50% in the terminal in Korea.

The investment in Noord Natie Odfjell Terminals NV is owned directly by Odfjell Terminals BV.

Odfjell and its joint venture partner continues to share control over the investments, thus the investments in the terminal holding companies are accounted for as investments in joint ventures, applying the equity method.

THE INVESTMENT IN JOINT VENTURES AND ASSOCIATES INCLUDES THE FOLLOWING COMPANIES ACCOUNTED FOR ACCORDING TO THE EQUITY CONSOLIDATION METHOD DURING 2024:

Joint ventures and associates	Country of registration	Business segment	Ownership share
Tank Terminals:			
Tank Terminal entities in Europe			
Noord Natie Odfjell Terminals NV	Belgium	Tank Terminals	25.0 %
Tank Terminal entities in USA			
Topco LLC	United States	Tank Terminals	51.0 %
Odfjell Holdings (USA) Inc	United States	Tank Terminals	51.0 %
Odfjell Terminals (Charleston) LLC	United States	Tank Terminals	51.0 %

Odfjell Terminals (Houston) Inc	United States	Tank Terminals	51.0 %
Odfjell USA Inc	United States	Tank Terminals	51.0 %
Tank Terminal entities in Asia			
Odfjell Changxing Terminals (Dalian) Co Ltd	China	Tank Terminals	40.0 %
Odfjell Terminals (Korea) Co Ltd	South Korea	Tank Terminals	50.0 %

THE SHARE OF RESULT AND BALANCE SHEET ITEMS FOR INVESTMENTS IN JOINT VENTURES AND ASSOCIATES ARE RECOGNIZED BASED ON EQUITY METHOD:

				2024				2023
(USD 1 000)	Tank Terminals Europe	Tank Terminals USA	Tank Terminals Asia	Total	Tank Terminals Europe	Tank Terminals USA	Tank Terminals Asia	Total
Gross revenue	63 426	117 563	22 304	203 292	55 720	110 969	20 274	**186 963**
EBITDA	35 267	58 422	11 645	105 335	27 678	53 960	9 344	**90 982**
EBIT	18 313	27 044	7 039	52 396	12 450	26 284	4 793	**43 527**
Net result	**12 114**	**13 970**	**5 432**	**31 517**	**8 276**	**13 623**	**3 506**	**25 406**
Odfjell owner interest	3 029	7 125	2 716	12 869	2 069	6 948	1 753	**10 770**
Depreciation excess values net of deferred tax	(895)	(52)	(634)	(1 581)	(1 120)	(806)	—	**(1 926)**
Group's share of profit for the year	**2 134**	**7 073**	**2 082**	**11 288**	**949**	**6 142**	**1 753**	**8 844**
Dividend received	—	—	1 272	1 272	1 496	—	1 327	**2 823**
Non-current assets	147 835	337 388	73 999	559 222	131 357	337 922	87 719	**556 998**
Current assets	9 676	49 917	8 373	67 967	17 995	41 268	6 260	**65 522**
Total assets	**157 511**	**387 305**	**82 372**	**627 188**	**149 351**	**379 190**	**93 979**	**622 520**
Non-current liabilities	84 128	45 792	5 016	134 935	77 048	233 065	3 494	**313 608**
Current liabilities	15 474	225 376	4 113	244 963	22 184	40 208	9 049	**71 441**
Total liabilities	**99 602**	**271 168**	**9 129**	**379 898**	**99 232**	**273 273**	**12 543**	**385 049**
Total equity closing balance	**57 909**	**115 511**	**73 243**	**246 664**	**50 119**	**105 245**	**81 436**	**236 800**
Odfjell owner interest	14 477	58 911	35 699	109 087	12 530	53 675	40 122	**106 327**
Excess values	24 550	37 893	—	62 443	26 811	37 945	—	**64 756**
Carrying amount	**39 027**	**96 803**	**35 699**	**171 529**	**39 341**	**91 620**	**40 122**	**171 083**
Capital expenditure, Odfjell share	(10 283)	(15 283)	(572)	(26 138)	(8 851)	(30 668)	(1 004)	**(40 523)**

The table above illustrates that Odfjell owns its terminal investments through separate joint ventures. Tank Terminals Europe include financial information for the Noord Natie Terminals NV. Tank Terminals USA represent the summarized financial information from the consolidated US Holdings Inc. Similar, Tank Terminals Asia represent the summarized financial information for the Odfjell Terminals Korea Co Ltd.

The Group did not receive any dividend from Noord Natie Terminals NV in 2024 (USD 1.5 million in 2023), the Group received from Odfjell Terminals Korea Co. Ltd USD 1.3 million in 2024, (USD 1.3 million in 2023).

(USD 1000)	2024	2023
Loan to / from associates and joint ventures	–	–

All transactions between the Group, Joint Ventures and Associates are considered being at commercial reasonable market terms.

Note 28 Contingent liabilities

In the ordinary course of business, the Group is party to certain disputes etc. of various scopes. The resolution of these disputes etc. is associated with uncertainty, as they depend on legal proceedings, such as negotiations between the parties affected. At the end of 2024 and 2023, neither the parent company nor its consolidated subsidiaries were involved in disputes etc. where the likely outcome could be material for the Group.

Note 29 Held for sale

As per December 31, 2024, the vessel Bow Oceanic were classified as held for sale. The vessel was delivered to new owners during the first quarter of 2025.

Note 30 Subsequent events

Subsequent events are events that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

In January 2025 Odfjell Group repaid the unsecured bond loan of NOK 850 million hedged to USD 100 million.

On February 6th 2025, the Board approved, based on proxy granted by the General Meeting, a dividend of USD 0.78 per share, totaling USD 61.7 million. The dividend was paid out February 20, 2025. Early 2025, one vessel was sold for recycling. In addition, the vessel classified as held for sale was delivered to new owner during the first quarter of 2025.

In March 2025, the group concluded new time-charter agreements for two 35,000 Dwt stainless steel vessels. The duration is 8 year and lease payment are fixed for the whole lease term. Estimated delivery of these two vessels are during fourth quarter 2027 and second quarter 2028.

In March 2025, Odfjell and its JV partner NCP LP (Northleaf) agreed to amend and extend the existing loan facility agreement in Odfjell Terminals US Holdings LLC with 1 year with option to extend for another 1 year.

Note 31 Exchange rates of the Group’s major currencies against USD

	Norwegian kroner (NOK)		Euro (EUR)		Singapore dollar (SGD)	
	Average	Year-end	Average	Year-end	Average	Year-end
2024	10.74	11.34	0.92	0.96	1.34	1.36
2023	10.56	10.20	0.92	0.90	1.34	1.32

Financial Statements, Odfjell SE

Statement of profit or loss and other comprehensive income

(USD 1 000)	Note	2024	2023
Statement of profit or loss			
General and administrative expenses	6, 11	(10 428)	(8 209)
Operating result (EBIT)		**(10 428)**	**(8 209)**
Financial income (expenses)			
Reversal impairment shares	12	–	53 400
Income on investment in subsidiaries and joint ventures	8	422 424	1 686
Interest income	8	4 871	5 398
Interest expenses	8	(15 863)	(25 589)
Other financial items	8	(4 019)	19 208
Currency gains (losses)	9	5 414	(11 928)
Net financial items		**412 827**	**42 175**
Result before taxes		**402 399**	**33 967**
Income taxes	4	–	–
Net result		**402 399**	**33 967**
Total comprehensive income		**402 399**	**33 967**

Statement of financial position

Assets as per December 31 (USD 1 000)	Note	2024	2023
Non-current assets			
Newbuilding contracts		9 173	–
Shares in subsidiaries	12	939 218	939 218
Loans to Group companies and joint ventures	10	–	4 382
Derivative financial instruments	2	2 488	4 384
Total non-current assets		**950 880**	**947 984**
Current assets			
Current receivables		14	591

Derivative financial instruments		4 271	5 259
Receivables from Group companies and joint ventures	15	17 016	11 090
Cash and bank deposits	15	109 946	79 276
Total current assets		**131 247**	**96 216**
Total assets		**1 082 127**	**1 044 200**

Equity and liabilities as per December 31	Note	**2024**	2023
Equity			
Share capital	5,13	27 764	27 764
Treasury shares	5,13	(947)	(959)
Share premium	5	172 388	172 388
Other equity	5	671 635	397 425
Total shareholders' equity		**870 839**	**596 618**
Non-current liabilities			
Derivatives financial instruments	2	1 367	1 120
Long-term interest-bearing debt	3	—	82 884
Total non-current liabilities		**1 367**	**84 004**
Current liabilities			
Derivative financial instruments	2	23 823	16 399
Current portion of long term interest-bearing debt	3	74 945	—
Other current liabilities		1 533	1 150
Loans from Group Companies	15	109 620	346 030
Total current liabilities		**209 920**	**363 578**
Total liabilities		**211 288**	**447 582**
Total equity and liabilities		**1 082 127**	**1 044 200**
Guarantees	14	633	734

The Board of Directors of Odfjell SE, Bergen, March 31, 2025

LAURENCE WARD ODFJELL, CHAIR

CHRISTINE RØDSÆTHER

JANNICKE NILSSON

JAN BJØRN KJÆRVIK

ERIK NYHEIM

TANJA EBBE DALGAARD

HARALD FOTLAND, CEO

Statement of cash flow

(USD 1 000)	**2024**	2023
Cash flow from operating activities		
Result before taxes	402 399	33 967
Reversal of impairment shares in subsidiaries	–	(53 400)
Effect of currency loss/(gain)	(8 344)	13 186
Unrealized changes in derivatives	11 268	(8 768)
Gain from sale of shares	–	(2 658)
Dividends and (gain)/loss from sale of shares	(422 424)	(1 686)
Other short-term accruals	664	(987)
Net cash flow from operating activities	**(16 437)**	**(20 346)**
Cash flow from investing activities		
Investment in new building	(9 173)	–
Dividend received	422 424	1 686
Sale of available for sale investments	–	15 528
Loans to/from subsidiaries	(237 954)	240 986
Net cash flow from investing activities	**175 297**	**258 200**
Cash flow from financing activities		
Repayment of interest-bearing debt	–	(130 794)
Dividend payment	(128 707)	(96 646)

Repurchase/sale of treasury shares	517	322
Net cash flow from financing activities	**(128 190)**	**(227 118)**
Effect on cash balances from currency exchange rate fluctuations	—	—
Net change in cash balances	**30 670**	**10 737**
Cash balances as per January 1	79 276	68 539
Cash balances as per December 31	**109 946**	**79 276**

Note 1 Accounting principles

The parent's separate financial statements have been prepared in accordance with the simplified IFRS, ref Norwegian Account Act § 3-9 (5).

The functional and presentation currency of the company is USD. The accounting principles are based on the same accounting principles as the Group financial statement with the following exceptions:

INVESTMENTS IN SUBSIDIARIES

Subsidiaries are presented according to the cost method. Group relief received is presented as dividend from subsidiaries. Group contribution and dividends from subsidiaries are recognized in the year for which it is proposed by the subsidiary to the extent the parent company can control the decision of the subsidiary through its shares holdings.

Shares in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the recoverable amount . The recoverable amount is the higher of the investments fair value less cost to sell and its value in use.

Accordingly, a reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company has assessed both internal and external sources for impairment indicators and concluded that theres is no need to conduct a detailed impairment assessment of shares in subsidiaries.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company, on behalf of subsidiaries, enters into derivative financial instruments to reduce currency and bunkers exposure in subsidiaries. Fair value and changes in fair value of these financial instruments are charged to the respective subsidiary and therefore not recognized in the balance sheet nor net result.

The Company uses various derivative financial instruments to reduce fluctuations in earnings and cash flow caused by volatility in foreign exchange rates and interest rates. Derivatives are classified as current asset/liability if payments occur within 12 months after the balance sheet date. Derivatives where payment takes place more than 12 months after the balance sheet date are classified as non-current.

Changes in fair value of derivatives are recognized in the income statement together with changes in the fair value of the hedged item. This also applies to derivatives that qualify for hedge accounting in the Group financial statements.

See Note 5 to the Group Financial Statements for more details regarding risk management.

INCOME TAXES

Deferred tax is calculated using the liability method on all temporary differences arising between the tax base of the assets and liabilities and their carrying amount in the financial statements.

Deferred tax is determined using the tax rate and laws which have been enacted on the balance sheet date. Deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available. Deferred tax asset/deferred tax is not calculated on temporary differences arising on investments in subsidiaries, joint ventures and associates.

Note 2 Financial assets and financial liabilities

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES AS AT DECEMBER 31, 2024:

(USD 1000)	Other current financial assets through profit and loss	Derivatives held as hedge instrument [1]	Derivatives at fair value through profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2024
Assets							
Cash and cash equivalents	–	–	–	109 946	–	–	109 946
Other current financial assets	–	–	–	–	–	–	–
Derivative financial instruments	–	6 760	–	–	–	–	6 760
Current receivables	–	–	–	17 030	–	–	17 030
Loan to Group companies	–	–	–	–	–	–	–
Other non-financial assets	–	–	–	–	–	948 391	948 391
Total assets	**–**	**6 760**	**–**	**126 976**	**–**	**948 391**	**1 082 127**
Liabilities							
Other current liabilities	–	–	–	–	1 533	–	1 533
Loan from subsidiaries	–	–	–	–	109 620	–	109 620
Derivative financial instruments	–	–	25 190	–	–	–	25 190
Interest-bearing debt	–	–	–	–	74 945	–	74 945
Total liabilities	**–**	**–**	**25 190**	**–**	**186 098**	**–**	**211 288**

1. Items measured at fair value.

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES AS AT DECEMBER 31, 2023:

(USD 1000)	Other current financial assets through profit and loss	Derivatives held as hedge instrument [1]	Derivatives at fair value through profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial assets/ liabilities	Carrying amount 2023
Assets							
Cash and cash equivalents	–	–	–	79 276	–	–	79 276
Other current financial assets	–	–	–	–	–	–	–
Derivative financial instruments	–	9 643	–	–	–	–	9 643
Current receivables	–	–	–	11 681	–	–	11 681
Loan to Group companies	–	–	–	4 382	–	–	4 382
Other non-financial assets	–	–	–	–	–	939 218	939 218

Total assets	**—**	**9 643**	**—**	**95 339**	**—**	**885 818**	**1 044 200**
Liabilities							
Other current liabilities	—	—	—	—	1 150	—	1 150
Loan from subsidiaries	—	—	—	—	346 030	—	346 030
Derivative financial instruments	—	—	17 519	—	—	—	17 519
Interest-bearing debt	—	—	—	—	82 884	—	82 884
Total liabilities	**—**	**—**	**17 519**	**—**	**430 063**	**—**	**447 582**

1. Items measured at fair value.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Odfjell SE classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The measurement used by Odfjell is either level 1 or 2, where level 1 is quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date, and level 2 are inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly. For some non-derivative financial assets and liabilities, we consider carrying amount to be the best estimate of fair value due to short maturity date and valid terms, i.e. current receivables and payables.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Derivative financial instruments and available-for-sale-investments are recognized in the balance sheet at the fair value at the balance sheet date. The fair value is obtained from active markets or based on third party quotes. For cash and cash equivalents and current liabilities the carrying amount is considered to be the best estimate of fair value of these instruments due to the short maturity date. Receivables are measured at nominal value reduced by any impairment. Carrying amount is considered to be best estimate of fair value due to short maturity date and valid terms. For dividend payable the carrying amount is considered to be best estimate of fair value due to short maturity date and valid terms. Fair value of bonds is calculated based on market values on the bonds.

The Company's bond debt constitutes one bond, ODF11, with a carrying amount of USD 75 million (NOK 850 million). The market value per December 31, 2024, was USD 75.1 million. The bond was swapped at issuance to USD 100 million. The carrying amount and market value of the bond outstanding per December 31, 2023 , were USD 83 million (NOK 850 million). The market value per 31,2023, was USD 87 million.

(USD 1 000)	**2024**		2023	
Recurring fair value measurement	Level 1	Level 2	Level 1	Level 2
Financial assets at fair value:				
Derivatives instruments - hedging	—	6 760	—	9 643
Financial liabilities at fair value:				
Bond debt	75 111	—	86 754	—
Derivatives instruments - hedging	—	—	—	—
Derivatives instruments - non-hedging	—	25 190	—	17 519

HEDGING

The Company uses various derivative financial instruments to reduce fluctuations in earnings and cash flow caused by volatility in foreign exchange rates, interest rates and bunker prices. Derivatives are classified as current asset/liability if payments occur within 12 months after the balance sheet date. Derivatives where payment takes place more than 12 months after the balance sheet date are classified as non-current asset/liability.

See note 6 in the Group Financial Statements for more details regarding risk management.

BELOW OVERVIEW SHOWS STATUS OF HEDGING EXPOSURE PER DECEMBER 31, 2024 (figures in 1 000):

(USD 1 000)					Time to maturity – USD amounts			
Interest rates	Sold		Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedge, interest rate swaps	USD	350 000	2.43%	6 760	100 000	200 000	50 000	350 000

						Time to maturity – USD amounts			
Cross currency interest rate swaps	Sold			Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Fair value/Non hedge [2]	USD	100 000	From NOK to USD	6.39%	(25 190)	100 000	—	—	100 000

1.Mark to market valuations

2.Related to NOK bonds issued by Odfjell SE

3.SOFR adjusted by way of ISDA fallback or bilateral conversion agreements

BELOW OVERVIEW SHOWS STATUS OF HEDGING EXPOSURE PER DECEMBER 31, 2023 (figures in 1 000):

(USD 1 000)					Time to maturity – USD amounts			
Interest rates	Sold		Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Cash flow hedge, interest rate swaps	USD	300 000	2.32%	9 643	—	300 000	—	300 000

						Time to maturity – USD amounts			
Cross currency interest rate swaps	Sold			Avg. rate [3]	MTM [1]	<1 year	1 – 5 years	> 5 years	Total
Fair value/Non hedge [2]	USD	213 400	From NOK to USD	6.39%	(17 519)	—	100 000	—	100 000

1.Mark to market valuation

2.Related to NOK bonds issued by Odfjell SE

3.SOFR adjusted by way of ISDA fallback or bilateral conversion agreements

Negative value MTM of the cross currency swap related to the outstanding bond loan swapped to USD 100 million (USD 100 million in 2023), amounts to USD 25.2 million per December 31, 2024 (USD 17.5 million in 2023). Accumulated currency gain booked related to the same bond loan per December 31, 2024 amounts to USD 25 million (USD 16.0 million in 2023).

In addition to the derivatives above, Odfjell SE held currency forwards to reduce exposure in subsidiaries. The result of these contracts is transferred to the respective subsidiary at maturity and therefore not recognized in Odfjell SE's separate financial statement. Fair values of these contracts are:

(USD 1 000)	**2024**	2023
Currency	(4 884)	1 154
Derivative financial instruments	(4 884)	1 154

Note 3 Interest-bearing debt

Long-term debt per December 31, 2024 consists of one unsecured bond issued in the Nordic bond market. Interest is based on floating US SOFR. See note 8 to the Group Financial Statements for more information about interest-bearing debt and covenants.

(USD 1 000)	Interest rate year end [1]	2024	2023
Bonds – unsecured	11.62%	74 968	83 313
Subtotal interest-bearing debt	11.62%	**74 968**	**83 313**
Debt transaction fees		(23)	(429)
Total interest-bearing debt		**74 945**	**82 884**

1.Average interest rate is the weighted average of interest rates, excluding hedging, as per end of 2024.

MATURITY OF INTEREST-BEARING DEBT AS PER DECEMBER 31, 2024:

(USD 1 000)	2025	2026	2027	2028	2029	2030+	Total
Mortgage loans from financial institutions							
Bonds – unsecured [1]	74 968	–	–	–	–	–	74 968
Subtotal interest-bearing debt	**74 968**	**–**	**–**	**–**	**–**	**–**	**74 968**
Estimated interest payable	2 970	–	–	–	–	–	2 970
Total interest-bearing debt	**77 938**	**–**	**–**	**–**	**–**	**–**	**77 938**

1.Values excluding hedging effects from interest swaps which is recognized as derivative financial instruments in the statement of financial position

MATURITY OF INTEREST-BEARING DEBT AS PER DECEMBER 31, 2023:

(USD 1 000)	2024	2025	2026	2027	2028	2029+	Total
Mortgage loans from financial institutions							
Bonds – unsecured [1]	–	83 313	–	–	–	–	83 313
Subtotal interest-bearing debt	–	**83 313**	**–**	**–**	**–**	**–**	**83 313**
Estimated interest payable	11 603	2 817	–	–	–	–	14 420
Total interest-bearing debt	**11 603**	**86 130**	**–**	**–**	**–**	**–**	**97 733**

1.Values excluding hedging effects from interest swaps which is recognized as derivative financial instruments in the statement of financial position

The average maturity of the Company's total interest-bearing debt is 0.1 years (1.1 years in 2023).

LONG TERM INTEREST-BEARING LOANS TO AND FROM SUBSIDIARIES:

	Currency	2024	2023
Loans from Group companies	USD	7 319	7 319
Loans to Group companies	USD	–	4 382

Loans to and from Group companies generally have no fixed repayment schedule. Repayment is based on available liquidity. Loans to and from Group companies are priced on an arms-length basis.

Note 4 Taxes

(USD 1 000)	2024	2023
Taxes payable related to withholding tax on received dividend	–	–
Prior years adjustments	–	–

Total tax expenses (income)	**—**	**—**
Effective tax rate	N/A	N/A

TAXES PAYABLE:

(USD 1 000)	**2024**	2023
Result before taxes	402 399	33 967
Permanent differences	(468 178)	(59 488)
Changes temporary differences	12 188	(8 281)
Basis taxes payable	**(53 591)**	**(33 802)**
Group contribution with tax effect (received)	—	—
Utilization of carried forward losses	—	—
Losses brought forward	53 591	33 802
Basis taxes payable after Group contribution	**—**	**—**

SPECIFICATION OF DEFERRED TAXES (deferred tax assets):

(USD 1 000)	**2024**	2023
Non-current assets	599	740
Other long-term temporary differences	695	965
Financial instruments/finance expenses	(17 285)	1 230
Tax-loss carried forward	(311 106)	(320 327)
Non-deductible interest	(48 096)	(43 668)
Net temporary differences	**(375 193)**	**(361 060)**
Tax rate	22%	22%
Total deferred tax (deferred tax assets)	(82 542)	(79 433)
Total deferred tax assets not recognized	82 542	79 433
Deferred tax assets	**—**	**—**

Deferred tax asset is not accounted for due to uncertainty of future utilization of temporary differences. Temporary differences are translated to USD from NOK at closing rate. Basis for calculating taxes payable is average exchange rate, while deferred tax/deferred tax assets are calculated using end exchange rate.

Note 5 Shareholders' equity

	Share capital	Treasury shares	Share premium	Other equity	Total equity
Shareholders' equity as per January 1, 2023	**29 425**	**(2 486)**	**172 388**	**459 648**	**658 974**
Comprehensive income	—	—	—	—	—
Sale of treasury shares	(1 661)	1 528	—	456	322
Dividend paid	—	—	—	(96 646)	(96 646)
Net result	—	—	—	33 967	33 967

Shareholders' equity as per December 31, 2023	**27 764**	**(959)**	**172 388**	**397 425**	**596 618**
Comprehensive income	—	—	—	—	—
Sale / deletion of treasury shares	—	11	—	517	528
Dividend paid	—	—	—	(128 707)	(128 707)
Net result	—	—	—	402 399	402 399
Shareholders' equity as per December 31, 2024	**27 764**	**(947)**	**172 388**	**671 634**	**870 839**

Note 6 Related parties

In the normal course of the conduct of its business, Odfjell enters into a number of transactions with related parties. The Company considers these arrangements to be according to arm-length principles and on commercially reasonable market terms. Please see note 15 for specification of outstanding balances as per December 31, 2024.

Odfjell SE also has service fee agreements and several financial transactions with Group companies, all considered being at commercial reasonable market terms. Management fee from wholly owned subsidiaries is charged with USD 8.6 million (USD 7.7 million in 2023).

Note 7 Subsequent Events

Subsequent events are events that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

On February 6th 2025, the Board approved, based on proxy granted by the General Meeting, a dividend of USD 0.78 per share, totaling USD 61.7 million. The dividend was paid out February 20, 2025.

Refer to note 30 in the Group financial statements for subsequent events for the Group as a whole.

Note 8 Financial income and expenses

(USD 1 000)	**2024**	2023
Reversal impairment shares	—	53 400
Dividend/Sale of shares/Group contribution	422 424	1 686
Inter-company interest income	—	443
Other interest income bank deposit	4 871	4 955
Total interest income	**4 871**	**5 398**
Inter-company interest expenses	—	(242)
Interest expenses, loans	(15 863)	(25 347)
Total interest expenses	**(15 863)**	**(25 589)**
Guarantee income from related company	6 720	7 264
Sale of shares and other financial income	562	3 615
Other financial expenses	(33)	(47)
Financial assets and liabilities at fair value through net result	(11 268)	8 376
Sum other financial income/expenses	**(4 019)**	**19 208**
Net currency gains (losses) - see note 9	5 414	(11 928)

Net financial items	**412 827**	**42 175**

Note 9 Currency gains (losses)

(USD 1 000)	**2024**	2023
Non-current receivables and debt	8 344	10 724
Cash and cash equivalents	(1 615)	937
Other current assets and current liabilities	(1 316)	(23 589)
Total currency gains (losses)	**5 414**	**(11 928)**

Note 10 Loans to Group Companies

(USD 1 000)	Currency	**2024**	2023
Odfjell Chemical Tankers AS	USD	–	4 382
Total loans to Group companies and joint ventures		**–**	**4 382**

Note 11 Salaries, number of employees, benefits to Board of Directors, CEO, other members of the Management Group and auditor's remuneration

For 2024 the Company has no employees and the Company is not bound to have mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme.

COMPENSATION AND BENEFITS PAID TO BOARD OF DIRECTORS IN 2024:

(USD 1 000)	Compensation	Other benefits	Total
Laurence Ward Odfjell (Chair)	103	–	103
Jannicke Nilsson	51	–	51
Åke Gregertsen [1]	20	–	20
Åse Aulie Michelet [1]	16	–	16
Nils Petter Dyvik [2]	63	–	63
Christine Rødsæther	47	–	47
Erik Nyheim [3]	28	–	28
Tanja Jo Ebbe Dalgaard [3]	28	–	28
Jan B. Kjærvik [4]	–	–	–
Total	**357**	**–**	**357**

1.Served as board member until May 3 2023

2.Served as board memeber until May 7 2024

3.Served as board member from May 3 2023

4.Served as board memeber from May 7 2024

AUDITOR'S REMUNERATION (exclusive of VAT):

(USD 1 000)	**2024**	2023

Statutory auditing	162	168
Other assurance services	65	26
Tax advisory services	—	—
Non-audit services	—	—
Total remuneration	**227**	**194**

Note 12 Shares in subsidiaries and joint ventures

Subsidiaries and activities under joint control are included in the parent company financial statement based on historical cost.

SUBSIDIARIES

	Registered office	Share/voting rights	Book value	Result 2024	Equity 2024
Odfjell Argentina SA [1]	Argentina	90%	129	—	195
Odfjell Brasil - Representacoes Ltda	Brazil	100%	983	(186)	1 229
Odfjell Terminals BV [2]	Netherland	100%	199 172	11 288	171 529
Norfra Shipping AS	Norway	100%	694 630	405 370	648 128
Odfjell Insurance & Properties AS	Norway	100%	6 090	(828)	18 047
Odfjell Management AS	Norway	100%	21 858	6 918	29 094
Odfjell Maritime Services AS	Norway	100%	1 929	(150)	478
Odfjell Tankers AS	Norway	100%	9 858	899	4 688
Odfjell Peru	Peru	100%	195	—	70
Odfjell Ship Management (Philippines) Inc	Philippines	100%	2 600	339	2 206
Odfjell Singapore Pte Ltd	Singapore	100%	13	222	1 406
Odfjell Korea Ltd	South Korea	100%	43	86	(36)
Odfjell Middle East DMCC	United Arab Emirates, Dubai	100%	1 717	122	881
Odfjell USA (Houston) Inc	USA	100%	—	2 119	12 016
Total			**939 218**		

1.The company Odfjell Argentina SA is directly and indirectly 99% owned by Odfjell SE.

2.Odfjell Terminals BV became a subsidiary in December 2018. Odfjell's terminal activity is operated through joint ventures owned by Odfjell Terminals BV. The result and equity presented are consolidated figures for the terminal segment (see note 4 to the Group Financial Statements).

The Company has tested investments for impairment in accordance with requirements in IAS 36. No impairment has been recognized for 2024. In 2023 Odfjell SE made a reversal of previous impairment loss of USD 53.4 million related to shares in subsidiaries.

Note 13 Share capital and information about shareholders

	Number of shares	Nominal value (NOK)	(NOK 1 000) 2024	(NOK 1 000) 2023
A-shares	60 463 624	2.50	151 159	151 159
B-shares	19 256 222	2.50	48 141	48 141
Total	**79 719 846**		**199 300**	**199 300**

All shares have the same rights in the Company, except that B-shares have no voting rights.

20 LARGEST SHAREHOLDERS AS PER DECEMBER 31, 2024 ACCORDING TO VPS:

	Name	A shares	B shares	Total	Percent of votes	Percent of shares
1	Norchem A/S	25 966 492	7 061 148	33 027 640	43.05%	41.43%
2	Stolt-Nielsen Norway AS	8 233 612	5 055	8 238 667	13.65%	10.33%
3	Rederiet Odfjell AS	3 497 472	—	3 497 472	5.80%	4.39%
4	Pareto Aksje Norge Verdipapirfond	2 626 972	—	2 626 972	4.36%	3.30%
5	B.O. Steen Shipping AS	250 000	2 095 000	2 345 000	0.41%	2.94%
6	Ingeborg Agnete Berger	892 400	464 800	1 357 200	1.48%	1.70%
7	Carl Berger	891 500	460 900	1 352 400	1.48%	1.70%
8	Lgt Bank AG [1]	745 000	355 000	1 100 000	1.24%	1.38%
9	Forsvarets Personellservice	1 030 900	—	1 030 900	1.71%	1.29%
10	Eriko AS	169 484	750 516	920 000	0.28%	1.15%
11	Ubs Switzerland AG [1]	573 683	288 545	862 228	0.95%	1.08%
12	Svenska Handelsbanken AB [1]	535 305	215 780	751 085	0.89%	0.94%
13	Rederiet Jacob Christensen AS	750 000	—	750 000	1.24%	0.94%
14	Odfjell SE	153 292	497 634	650 926	[2]	0.82%
15	Frode Tobiasson	396 458	219 648	616 106	0.66%	0.77%
16	Norchem Lwo Holding AS	—	563 012	563 012	—	0.71%
17	Petter Goldenheim	35 600	464 800	500 400	0.06%	0.63%
18	Bjørn Arvid Olsen	141 524	302 837	444 361	0.23%	0.56%
19	Verdipapirfondet DNB SMB	139 043	266 368	405 411	0.23%	0.51%
20	Ten Commandments AS	246 000	110 000	356 000	0.41%	0.45%
	Total 20 largest shareholders	**47 274 737**	**14 121 043**	**61 395 780**	**77.73%**	**77.01%**
	Other shareholders	13 188 887	5 135 179	18 324 066	21.87%	22.99%
	Total	**60 463 624**	**19 256 222**	**79 719 846**	**99.60%**	**100.00%**
	International shareholders	35 016 017	10 491 324	45 507 341	58.06%	57.08%
	Treasury shares [2]	153 292	497 634	650 926	—	0.82%

1.Nominee account

2.No voting rights for own shares ref. Public Limited Companies Act §5 -4

Source: Norwegian Central Securities Depository (VPS).

For an analysis of the 20 largest shareholders of December 31, 2024, see text in section Shareholder Information. See note 25 in the Group Financial Statements for details regarding shares owned by members of the Board and Executive Management (including related parties).

Note 14 Guarantees

(USD 1 000)	**2024**	2023
100% owned subsidiaries (credit facilities)	632 608	733 697
100% owned subsidiaries (third party guarantees)	—	—
Total guarantees	**632 608**	**733 697**

Odfjell SE issues guarantees on behalf of subsidiaries as part of our day-to-day business, and to joint ventures on a case-by-case basis.

Per December 31, 2024, the Company has issued guarantees on behalf of 100% owned subsidiaries for credit facilities totaling USD 633 million (USD 734 million in 2023).

Guarantees to and from Group companies are entered into on arms-length basis.

Note 15 Cash and cash equivalents

The Group uses a cash pool arrangement with Odfjell SE as the legal entity maintaining the accounts. Other participants deposits into the arrangement are considered intercompany balances and are presented as such in the financial statement.

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the period January 1 to December 31, 2024, have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the Group and Company's consolidated assets, liabilities, financial position and results of operations, and that the Report from the Board of Directors provides a true and fair view of the development and perforce of the business and the position of the Group and the Company, together with description of the principal risks and uncertainties facing the Company and the Group.

We also confirm that the sustainability statement is prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) as required by amendments to the Norwegian Accounting Act as well as article 8 in the EU taxonomy regulation.

The BOARD OF DIRECTORS OF ODFJELL SE

Bergen, March 31, 2025

LAURENCE WARD ODFJELL, CHAIR

CHRISTINE RØDSÆTHER	**JANNICKE NILSSON**	**JAN BJØRN KJÆRVIK**
ERIK NYHEIM	**TANJA EBBE DALGAARD**	**HARALD FOTLAND, CEO**

Statsautoriserte revisorer
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Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of Odfjell SE

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Odfjell SE (the Company) which comprise:

- The financial statements of the company, which comprise the statement of financial position as at 31 December 2024, statement of profit or loss and other comprehensive income, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of the Group, which comprise the consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company since before the listing in 1986, for more than 39 years from the election by the general meeting of the shareholders.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition of voyages in progress at year end

Basis for the key audit matter

The Group's total gross revenues amounted to USD 1 249 million as of 31 December 2024. Gross revenues consist of freight revenues and variable considerations, with demurrage being a material variable consideration. As per 31 December 2024 the Group recognized gross revenues of USD 78 million related to voyages in progress at year end. The remaining freight services (performance obligation) for voyages in progress at year end, to be recognized in 2025, amounted to USD 75 million.

The Group recognizes freight revenue over time from the load port to discharge port. Key estimate for recognizing freight revenues for voyages in progress at year end is the number of days sailed from load port compared to the total estimated days until discharge port. Demurrage (based on contracted price terms and estimated excess time taken to discharge or load) are being recognized when highly probable. Estimates relates to the excess time taken to load or discharge cargo, and number of days from the delay occur to the discharge port.

Considering the estimation uncertainty, the magnitude of such revenues on the Group consolidated financial statement, we have determined revenue recognition of voyages in progress at year end as a key audit matter.

Our audit response

We re-calculated the client's calculation of accrued revenues for all voyages in progress at year end. We tested completeness and accuracy of data used in the calculation, such as freight revenues, demurrage and days in operation, to the Group's voyage system. Furthermore, we reconciled terms for recorded freight revenues back to charter contracts and Bill of Lading. For demurrage we agreed terms for recorded revenue back to charter contracts and vessel reports.

We assessed accuracy of management's estimates through a review of actual revenues from voyages in progress at year end 2023 against last year's forecast. In addition, we compared estimated revenues for voyages in progress at year end 2024 against updated revenues after the balance sheet date.

We refer to notes 2.3, 3, and 23 of the consolidated financial statements.

Other information

The Board of Directors and Chief Executive Officer (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises information in the Company's annual report, except for the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report that fact if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate Governance.

Our statement that the Board of Directors' report contains the information required by applicable law does not cover the sustainability report, for which a separate assurance report is issued.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

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detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Odfjell SE we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name odf-2024-12-31-0-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

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In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 31 March 2025
ERNST & YOUNG AS

Jørn Knutsen

Jørn Knutsen
State Authorised Public Accountant (Norway)

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Statsautoriserte revisorer
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To the General Meeting in Odfjell SE

INDEPENDENT SUSTAINABILITY AUDITOR'S LIMITED ASSURANCE REPORT

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Odfjell SE («the Group») included in the Sustainability Statement of the Board of Directors' report (the "Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in disclosure *ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities*, and
- compliance of the disclosures in subsection *EU Taxonomy Report* of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Sustainability auditor's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Chief Executive Officer (management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in disclosure ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the, Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in subsection *EU Taxonomy Report* within the environmental section of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and

- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in disclosure *ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.*

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents), and
  - reviewing the Company's internal documentation of its Process, and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in disclosure *ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities*.

In conducting our limited assurance engagement, with respect to the consolidated Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by
  - obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
  - obtaining an understanding of the Group's risk assessment process.
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;

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- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Bergen, 31 March 2025
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Jørn Knutsen

Jørn Knutsen
State Authorised Public Accountant (Norway) – Sustainability Auditor