

To our Stakeholders

Bergen, March 19, 2021

## Communication on Progress 2020

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2020 has been an exceptional year for people and businesses, Odfjell included. Our organization adapted quickly to the global pandemic's challenges and consequences, keeping up the focus on operating safely and efficiently. The pandemic has demanded the front seat, but our sustainability work has kept up pace alongside – resulting in ambitious climate targets, an industry first sustainability-linked bond, and continued focus on ESG matters overall. We have in 2020 focused on setting clear targets on ESG; on safety performance, diversity, anti-corruption, and climate. To further underline the importance of sustainability for the company, Odfjell appointed the first Chief Sustainability Officer in 2020.

Sustainability in our business is about how we handle Environmental, Social, and Governance matters. Safety is at the top of our social agenda. We are committed to doing what we can to contribute to the UN Sustainable Development Goals, and our efforts on Health, Safety, and Security address goals 3, 8 and 16 of that very agenda.

Odfjell is a committed member of the UN Global Compact. We embrace to the ten defined principles, and we support and actively participate in other industry initiatives. We have reflected all ten principles in our sustainability report (see attachment I), which is integrated in our Annual, and our ESG reporting (see attachment II). Annual report and ESG reporting will also be available on our webpage [odfjell.com](https://odfjell.com). We endorsed the UN Global Compact Sustainable Ocean Principles in 2019. We take part in the Getting to Zero coalition and the Maritime Anti-Corruption Network, to name a few, and we have also engaged in several partnerships focusing on safety and industry development, such as the Fuel cell project. In our impact statement, we commit to supporting the achievements of the UN Sustainable Development Goals (SDGs). The SDGs can only be met if we work together.

Best regards,  
for ODFJELL SE

Kristian Mørch

CEO

Attachment I Sustainability report 2020 (integrated in [Annual report 2020 | Odfjell - Odfjell SE](#) page 26-39)

Attachment II Environmental, Social and Governance (ESG) reporting 2020 (integrated in [Annual report 2020 | Odfjell - Odfjell SE](#) page 121-130)



# Sustainability

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2020 has been a reminder of how fragile we are, and how easily events can alter our lives. It has driven us to confront the global threat of climate change more forcefully, to consider how climate change will affect us, and most importantly, what course of action to take. At Odfjell, our response has been to adopt new and ambitious climate targets and action plans to reduce greenhouse gas (GHG) emissions.

## Our responsibility

## Our climate targets

1. We will cut greenhouse gas emission by 50% by 2030 compared to 2008
2. We are dedicated to pursuing a zero-emission strategy and will only order vessels with zero-emission technology from 2030
3. We will have a climate-neutral fleet from 2050
4. We will actively support initiatives to develop technology and infrastructure for zero emissions and support international regulation to drive zero-emission for our industry

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# Sustainability

2020 has been an exceptional year for people and businesses, Odfjell included. Our organization adapted quickly to the global pandemic's challenges and consequences, keeping up the focus on operating safely and efficiently. The pandemic has demanded the front seat, but our sustainability work has kept up pace alongside – resulting in ambitious climate targets, an industry first sustainability-linked bond, and continued focus on ESG matters overall.

Our license to operate goes hand-in-hand with our social responsibility; in our view, profitability and sustainability are interconnected. We have a responsibility towards our employees, our investors, our customers, the local communities where we operate, the environment – and we will only be able to prosper and grow if we act in a sustainable way.

Sustainable operations are about meeting current demand without compromising the needs, health and safety of future generations. For us, responsible practices and long-term business perspectives are inextricably linked to sustainability.

Throughout our more than 106-year history, Odfjell has taken a long-term view on how we do business – sustainability is deeply rooted in our DNA.

We are committed to operating a sustainable business, continuously seek improvements, and actively support the achievement of relevant UN Sustainable Development Goals.

### Global operations - global challenges

Odfjell's ships called 410 different ports in 82 countries in 2020. We have terminals in the USA, Europe and Asia. Our suppliers and customers are both international and local companies. As such, we are exposed to many challenges wherever we do business. Each port, each community, each country is subject to different risks, customs, governance and regulations.

More than 80% of traded goods are carried over the oceans. Shipping is the most environmentally friendly transportation system over large distances. In total, shipping stands for around 2.9% of global greenhouse gas emissions. Shipping

was not directly included in the Paris Agreement in 2015, but the UN International Maritime Organization (IMO) agreed in 2018 to a new strategy<sup>1</sup> to reduce greenhouse gas emissions from ships. The IMO strategy sets some clear targets for reducing international shipping's carbon footprint by 40%, and reducing absolute emissions by 50% compared to 2008. It also sets out targets for the design of new vessels. To achieve the Paris Agreement's goals and the IMO strategy, the global shipping industry will need to transform to low or zero carbon emissions.

### ESG, risk and climate targets

Financial and operational targets are essential drivers that push us to improve and deliver. We have for many years made efforts to reduce emissions.

We know that we are exposed to the risk climate change poses, and continuously work to understand, assess and mitigate that risk. We have in 2020 focused on setting clear targets on ESG (Environmental, Social, Governance); on safety performance, diversity, anti-corruption, and climate. To further underline the importance of sustainability for the company, Odfjell appointed the first Chief Sustainability Officer in 2020.

Since 2008, we have improved the fleet's efficiency by more than 30% and reduced our carbon intensity<sup>2</sup> by 26%. This efficiency increase and emission reduction is not only good for the environment, it is also good for business, leading to substantial financial savings.

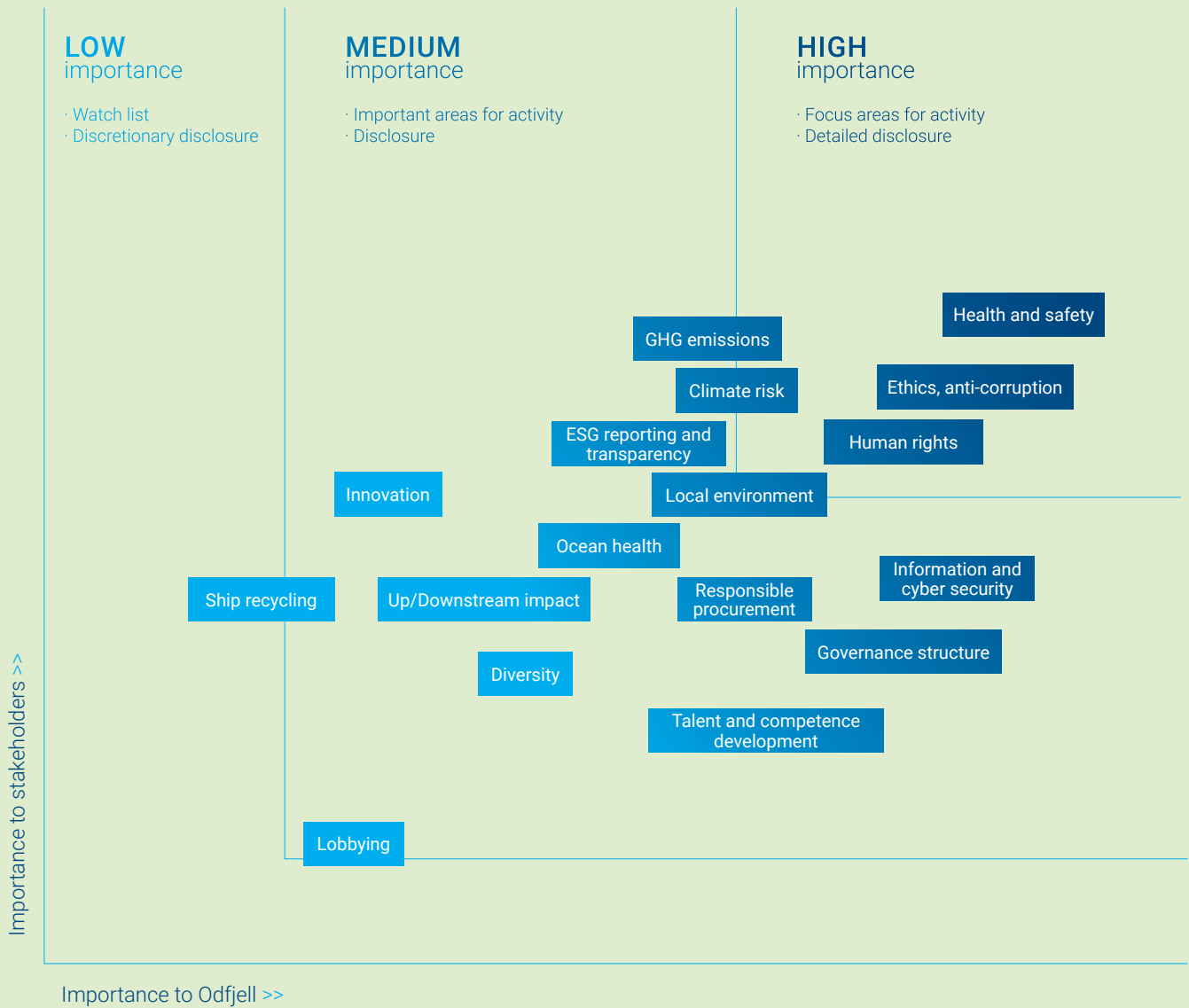
As part of our work to meet IMO targets and our own goals, we conducted a thorough fleet review and prepared a transition plan in 2020. Based on this plan, we decided to set ambitious climate targets aligned with our planned technical and operational improvements, retrofits, and digitalization efforts: We want to reduce our carbon intensity by 50%, as compared to 2008. To achieve a 50% absolute reduction, we need to reduce the intensity by more than 70-80%. Ultimately, we decided to go beyond the IMO target and set ourselves the goal of becoming climate-neutral by 2050 (see page 27).

### Materiality

To prioritize and better understand what is material for Odfjell and our stakeholders from an ESG perspective, we have conducted a materiality assessment. This assessment has been fundamental for the ESG reporting (see pages 120-130). To ensure consistency in our reporting, we also refer to a set of reporting guidelines and standards such as the SASB<sup>3</sup>, the Global Reporting Initiative, and the Euronext Guidance.

We communicate regularly with our key stakeholders, with governments, investors, non-governmental organizations, and others. In 2020, discussions were dominated by the issue of seafarers' welfare and the problem of crew rotations. We are also seeing a strong and growing interest in our progress and performance within ESG.

### Materiality assessment



<sup>1</sup> IMO: Adoption of the initial IMO strategy on reduction of GHG emissions from ships and existing IMO activity related to reducing GHG emissions in the shipping sector. April 2018

<sup>2</sup> Tonne-mile, measured by Annual Efficiency Ratio (AER) index  
<sup>3</sup> Sustainability Accounting Standards Board – Marine Transport, October 2018





#### Sustainable finance

Since 2015, Odfjell has completed one of the most extensive fleet renewal programs in the company's history. The result is a far more efficient and environmentally friendly fleet. We believe that this modernization, along with a clear commitment to keep reducing emissions and operate to high standards, represents good risk management for the company and benefits our various share- and stakeholders.

We support sustainable finance market developments, including the broader social and environmental progress that this type of financing can advance - and we recognize the vital role that debt markets can play in encouraging companies to enhance sustainability efforts. We believe that sustainable financing will become the norm, with a clear alignment between capital and corporate commitment.

In tandem with the development of climate targets, Odfjell therefore developed a Sustainability Linked Framework for issuing sustainability-linked loans and bonds. The framework was completed in December 2020, and verified by DNV GL in accordance with the principles<sup>4</sup>.

The bond was issued in January 2021. Not only was it the first sustainability-linked bond for shipping, it was also Odfjell's first security issued under our framework.

#### Industry collaboration and partnerships

The challenges and opportunities facing our industry are too big for us to tackle alone, which is why collaboration and partnerships are vital to our business. We participate in a range of industry organizations to collaborate and share experiences on ESG and our business.

Odfjell has been a signatory to the UN Global Compact since 2011, and we endorsed the UN Global Compact Sustainable Ocean Principles in 2019. We take part in the Getting to Zero coalition and the Maritime Anti-Corruption Network (MACN), to name a few, and we have also engaged in several partnerships focusing on safety and industry development, such as the fuel cell project (see page 33).

In our impact statement (see page 12), we commit to supporting the achievements of the UN Sustainable Development Goals (SDGs). The SDGs can only be met if we work together.



<sup>4</sup> ICMA, Sustainability-Linked Bond Principles, Jun 21, APLA, LMA, LSTA The Sustainability Linked Loan Principles (SLLP), May 2020. Framework and opinion can be found on <https://www.odfjell.com/about/our-stories/contemplated-sustainability-linked-bond-issue/>

As Bow Orion called Mongstad, Norway in May 2020, colleagues from the headquarters in Bergen greeted the crew from ashore. Photo by Gunnar Eide.

Acting today for  
a better tomorrow



Øistein Jensen  
Chief Sustainability Officer

The pandemic has been a reminder of how fragile we are, and how easily events can alter our lives. It has driven us to confront the global threat of climate change more forcefully, to consider how climate change will affect us, and most importantly, what course of action to take.

The pandemic's challenges affected us in 2020 and will continue to do so well into 2021. We are adapting to the challenges, but it will take time until crew rotation can be normalized. The difficulties for the crew, the global attention on health, diversity, unemployment, justice, and human rights have raised the awareness to the S, in ESG matters, for society, and for Odfjell.

At Odfjell, our response has been to adopt new and ambitious climate targets and action plans to reduce greenhouse gas emissions. We will monitor our progress to achieve these targets. The work to design a future carbon-neutral ship and prepare our fleet for 2030 has started in Odfjell, and we are investigating many exciting opportunities.

Many upcoming events will drive attention to sustainability in 2021. In June, we expect the IMO regulation on emission reduction to be adopted, and proposals for carbon tax regulation in the EU. UNGC will host the leaders' summit, and there will be a focus on climate change leading up to COP26 in November 2021. The EU Green Deal targets and the EU Taxonomy will continue to shape business with new requirements. We are following the developments closely.

With the Framework for Sustainability-Linked Financing in place, we will continue to identify suitable opportunities with sustainable finance. We will continue to integrate sustainability into all parts of our business.

Our operations generate a massive amount of data. To improve efficiency, reduce our footprint and find new solutions, we believe that unlocking our data can create opportunities and solutions to sustainability challenges. Not just for us, but our industry. Working on integrating the use of data and sustainability will be a priority for us in the future.

Corruption is a threat to businesses and societies, and it affects the weakest groups the most. That is why we take a clear stand and will continue to work hard against corruption. Climate change is the most significant long-term risk to our society. That is why we act today for a better tomorrow.





## Weather routing effects 2020

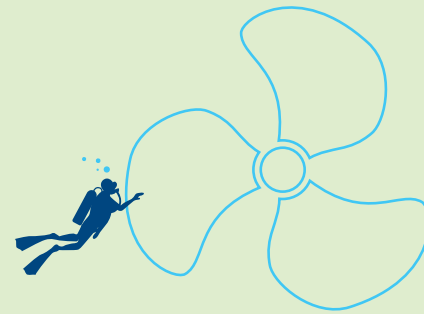
Route optimization for vessels has significant effect on safety and efficiency:

882  
voyages routed → 65  
days gained

= 1 640  
tonnes fuel

= 5 084  
tonnes reduced CO<sub>2</sub>

Average wave height reduced from 3.7 meters in 2009 to 1.8 meters in 2020



102 hull grooming  
and propeller polishing  
operations performed  
in 2020.

Depending on the vessel, this can  
equal savings of up to three tonnes  
bunkers and 9.3 tonnes reduced CO<sub>2</sub>  
emissions per day.

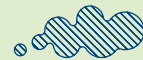


### Odfjell Tankers'

operated fleet<sup>1)</sup> consumed 430,800 tonnes  
marine fuels, of which 70,303 tonnes  
are marine distillates.

<sup>1)</sup> Ships included: All vessels operated by Odfjell Tankers, Odfjell Asia and Flumar.  
CO<sub>2</sub> emissions increased 4% from 2019.

<sup>2)</sup> Increase of 4% from 2019. The increase is due to a growing number of vessels in  
the Odfjell fleet. While the total is up, the emission transportation factor is down.



### CO<sub>2</sub> emissions

Total emissions of CO<sub>2</sub> in 2020  
amounted to 1,361,308 tonnes.<sup>2)</sup>



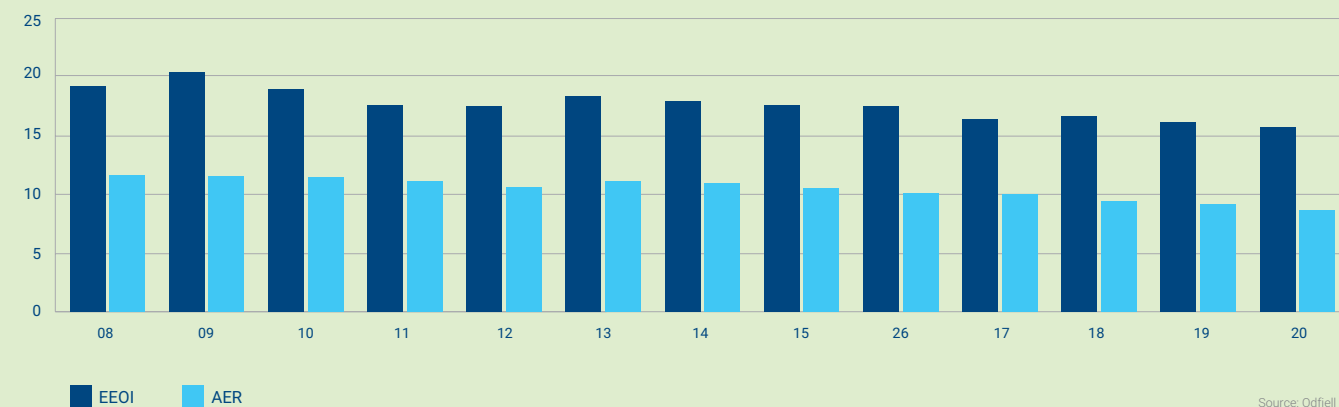
### SO<sub>2</sub> emissions

Based on all consumption in 2020 (in port  
and at sea), Odfjell's vessels emitted on  
average 0.04 grams SO<sub>2</sub> per tonnes cargo  
transported one nautical mile.

For more information about ESG in Odfjell,  
visit [Odfjell.com](https://odfjell.com) and see pages 120-130 in this report.

#### EEOI and AER trend for the Odfjell fleet<sup>1)</sup>

EEOI = gram CO<sub>2</sub> per tonne cargo transported one nautical mile  
AER = gram CO<sub>2</sub> emitted per deadweight tonne transported one nautical mile



## Fuel cell project develops ground-breaking solution for deep-sea shipping

New and flexible fuel cell technology can reduce emissions from shipping by 40 to 100%. Odfjell has partnered up with Prototech, Wärtsila and Lundin Energy Norway to develop a ground-breaking fuel solution for ships and offshore. The goal is to develop a technology that can provide emission-free operation over long distances.

The core of the pilot fuel cell project is as simple as it is complex: it is fuel flexible. The new technology opens for many different types of fuel, including green ammonia and LNG. With a flexibility like this, vessels can choose fuel according to availability – even fuel solutions that are not on the market yet.

The system will first be tested at the Sustainable Energy catapult centre in Norway before installation on board an Odfjell chemical tanker. Tests show a CO<sub>2</sub> reduction of as much as 40-45% when using LNG, compared to current solutions. Increased efficiency and reduced fuel consumption also provide significant cost savings, and the ship will be able to sail significantly longer on the same amount of energy. The system will also be ready to operate completely emission-free from locations where, for instance, ammonia is available for bunkering.

“Ships are operated for 20-30 years, and we need flexible solutions that can meet future emission requirements. We do not have time to wait, we have to think about zero emissions today.

The fuel cell project is one of the paths we are pursuing. We focus on machinery rather than on one single type of fuel. Fuel cell technology gives us flexibility that ensures environmentally efficient operation regardless of fuel changes that may occur in the years ahead.”

Erik Hjortland, VP Technology



Illustration of the fuel cell installation on board a chemical tanker.



# Safety first - always

We are guided by one overarching principle: We do not compromise on safety. We build safety into everything we do, and it is our number one priority. All activities are based on a zero-accident mindset.

Safety is an integral part of our foundation, our daily operations and business, at sea and ashore. We believe that all accidents related to people, environment, and assets can be prevented. The safety and wellbeing of our people are essential to achieving our business goals. As a company, we have a holistic approach to safety, with a focus on minimizing the risks for anyone involved in our business, setting high standards and actively building an exemplary safety culture.

**Safety in 2020**  
Our priority throughout 2020 has been to operate safely, protect our people, and run our business with a focus on operations.

The pandemic challenged our operations, but most of all, it challenged our ability to rotate crew on our ships. We have made substantial efforts to enable crew rotations, and to keep them safe and protected once they are on board. We have also introduced strict measures to minimize the possibility of infections on board.

The pandemic changed our work situation, and Odfjell's onshore staff have worked from home for most of the year. This poses a risk to physical and mental wellbeing, and we have taken several steps to ensure our employee's health and welfare through this challenging time.

Despite the negative effects of the pandemic, we have relentlessly strengthened our safety culture over the past year. Preventive measures around Covid-19 have become routine on board and ashore, and we have successfully contained outbreaks within our own organization.

On January 14, our vessel, the Bow Fortune, made contact with a fishing boat at the entrance to Galveston Bay. At the time of the incident, there was heavy fog, and Bow Fortune was inbound, under pilotage, as the first vessel in a convoy.

Tragically, three crew members from the fishing boat lost their lives when their vessel capsized. The cause of the collision is still under investigation. We are fully supporting and assisting the United States Coast Guard and National Transportation Safety Board as they work to establish the course of events that led to this tragic incident.

- Our safety focus areas**
- Risk assessment and work permits for all tasks done on board and at our terminals
  - Process safety, including spill and release reduction at our terminals
  - Stop work authority for all employees
  - Collaboration, learning, and continuous improvement of safety management systems
  - Constant advancement of safety culture

**Safety and security**  
Our core business of operating ships and terminals are governed by regulations that put health and safety front and center. Odfjell complies with all relevant health and safety regulations and requirements. The safety management system for our ships is certified according to the ISM Code, and the safety management system for terminals is certified and audited through the CDI-T process. Odfjell has dedicated emergency preparedness policy procedures and systems, dedicated contingency/operations teams, and regular training and exercises.

Safety and security are everyone's responsibility, and we regularly carry out risk assessments, including security-related risk, to understand the threats we face and how best to mitigate them.

Cybersecurity is a growing security threat, and we are continuously testing our systems and organization, improving our technical solutions, and training our employees.

Failure to meet security expectations could result in injury to our people, damages, breach of compliance, and information loss. The ability to keep our people, assets, and operations safe from security threats is key to our business.

**Safety and sustainability**  
Sustainability in our business is about how we handle ESG matters. Safety is at the top of our social agenda. We are committed to doing what we can to contribute to the UN Sustainable Development Goals, and our efforts on Health, Safety, and Security address goals 3, 8 and 16 of that very agenda.

Lost time injuries 2020				
LTIF Ships managed by Odfjell	Target	2018	2019	2020
	0.30	0.40	0.89	0.21
TRCF Ships managed by Odfjell	Target	2018	2019	2020
	1.5	1.75	1.68	1.16
LTIF Terminals operated and managed by Odfjell	Target	2018	2019	2020
	0.30	0.19	0.51	0.00

LTIF for ships is calculated as lost time injuries \* 1,000,000 / number of exposure hours. For terminals, LTIF is calculated using 200,000 as multiplier. A 'lost time injury' is a fatality, permanent total or partial disability, or a lost workday case. The Total Recordable Case Frequency (TRCF) also includes restricted work cases and medical treatment cases.

## A multi-faceted approach to the crew change crisis

There are several criteria required for a successful crew change: a port that allows crew change, available flights and connecting airports, and for the crew member's home country to accept seafarers travelling in and out. Most of these factors all but disappeared when governments closed borders and issued travel restrictions due to the Covid-19 pandemic.

Businesses and public offices were closed and in the Philippines, where more than 90% of Odfjell's crew pool reside, domestic travel was prohibited, making it nearly impossible to line up seafarers for their next assignment. Rapid and unexpected changes in local regulations around the world added to the complexity. For months on end, the IMO estimated that about 300,000 seafarers around the world had to extend their contracts on board or were stranded on shore, waiting to embark.

The safety and health of our people is our top priority. We have chosen a multi-faceted approach to mitigate the crew change crisis. Our crewing departments work relentlessly to find solutions, in cooperation with our trade teams, management, agents and local authorities. We initiate route deviations to Manila and other cooperative ports to facilitate safe and efficient crew changes, and continuously monitor developments in ports our ships call. Different countries have different requirements for ships and seafarers, and we diligently work to comply with all. On board, extra measures are implemented to ensure the well-being of the crew. Our integrated model, with in-house chartering, operations

and ship management, has proved very valuable as we strive to facilitate crew changes and make them as seamless as possible.

Odfjell takes an active role in industry appeals and initiatives advocating seafarer welfare, and works through international organizations such as the IMO and BIMCO to push for urgent action on the crew change crisis. We also work with industry partners in providing concrete solutions, such as the quarantine facility led by the Norwegian Shipowners' Association in Manila.

At the end of the year, the crew change situation was far from resolved. It is not a crisis one company can solve alone. We are dependent on government cooperation and a common and reliable government-backed framework.

“Throughout this crisis, our seafarers have shown exceptional dedication and professionalism. We are proud and thankful for the impressive way they are handling this unpredictable situation.”

Torger Trige, Global Head of Ship Management

Keeping the global supply chain intact is critical, and it would not be possible without seafarers. They are key workers, and to ensure their safety and health, we continue our appeal to governments across the world to open for crew changes and facilitate travel logistics.



## Our people

Every day, all around the world, in our offices, from their homes, on our ships and at our terminals, our employees' dedication is evident as they work together and apply themselves to the task of providing excellent services to our customers. We continue to be grateful for, and proud of, our global team.

When reflecting on 2020, it is commendable how our employees around the world responded to an ever-changing pandemic, remaining resilient, while adapting to both where and how they conduct their work.

Increased digitalization has been essential in 2020 to ensure safe and efficient operations, while mitigating the impact of reduced mobility. New technology is in use at all levels of the organization, and ongoing digitalization efforts have gained momentum. Virtual meetings quickly became the new way of working for many. Regular live online townhalls have allowed the global organization

access to the same information simultaneously, and an opportunity to engage directly with senior management. At our headquarters, we have long enjoyed a flexible working hours policy, but now, because of the pandemic, many of our employees, in all locations, have significantly more flexibility in terms of workplace and working hours. We believe that this flexibility has contributed to the wellbeing of employees coping with the pandemic in their personal lives.

Throughout the year, multiple surveys, across several locations, have given insights into how our organization is coping. Those insights have influenced leadership decision-making. The new,

virtual habits seemed to bring employees who were geographically far apart closer together, while adding distance between colleagues who have been used to being in the same building.

Safety, for people and the environment, always comes first. Every employee has both the responsibility, and the mandate, to stop unsafe work. We have prevention measures in place which include regular health checks, and we provide employees with quality health coverage and continuous health awareness. Our low turnover rate and below industry absence rate indicate that the working environment, ashore and at sea, can be considered healthy.

We aspire to build a learning organization where our employees understand how they fit in to the larger picture, are motivated to contribute and empowered to perform well. Such an organization requires strong people managers and a working environment that is physically and psychologically safe. The performance management system for our shore-based shipping organization ensures that managers and employees check in multiple times a year to discuss performance, and align on training, development, and objectives.

We promote a safe, non-discriminating, and inclusive work environment, where everyone is valued for their qualifications and contributions. We work systematically to build a diverse workforce; we recruit, train, and retain people with a variety of backgrounds and experience, throughout the organization. In support of this, we recently joined EY's She Index in Norway.

Odfjell offers a variety of exciting jobs that provide opportunities for growth and development around the world. Several new hires joined our company in 2020, albeit with much of the onboarding taking place remotely. We aim to be an attractive and engaging place to work for our employees, today and in the future.

Having one of the world's largest, and most qualified, workforces in chemical shipping is a competitive advantage that we are proud of. Our ability to attract, develop and retain talent, both on board and ashore, is vital for our continued success.

## Retain and renew



Ingjerd Nettekstad  
VP Corporate HR

The current global situation impacts all of us. Our ways of communicating, collaborating and working have changed. The lines between work life and personal life, workspace and personal space, working hours and personal hours have become even blurrier. Any notion of predictability is by and large gone, and with it the ability to make plans. This is especially true for our seafarers, whether on board or ashore.

We do not know what the long-term effects will be, but we hope that we end up re-discovering some of the positives we have temporarily lost, while keeping some of the positives we have found.

One thing we do believe is that over this past year, we have learned and gained confidence from our proven ability to be agile at an individual, team and organizational level. We have become confident users of cloud-based technology much, much faster than if we had all been in the office. We have shown that we can respond to sudden changes well. Despite the many changes and challenges of 2020, there has been one constant throughout: Our unwavering commitment to safety.

In our view, the ability to continuously learn, to develop our digital mindset, and to find ways to contribute to the well-being and physical and mental health and safety of our colleagues, will all be key competencies in a post-Covid era.

We have used employee surveys, and will continue to do so, to ensure that real-time, data-driven insights shape the way leadership makes decisions and determines a course of action. In addition to finding out whether our employees are motivated at work, we are also seeking to understand whether there are barriers that make efficient and effective performance difficult, and to learn about the work/life balance of our employees and their well-being.

We have set ambitious targets, and are looking to renew our organization through increased diversity, while continuing to offer value and operational excellence to our customers. We need to foster a working environment that is inclusive and that welcomes diversity of thought and perspective. If we succeed in this, research shows that we can expect a positive return on our ability to make decisions, be innovative and drive business value.

  
**2 294**  
employees  
30 nationalities

  
**1 632**  
seafarers

The Odfjell  
team

**292**  
terminal employees



**370**  
shipping employees on shore







## Diversity and inclusion at Odfjell

Diversity goes beyond gender, and it goes beyond age and nationality. It is about all people, all backgrounds, all phases of life. It is about ethnicity, experience, educational background, age, competence, culture, point of view, sexual orientation, religion, and disability. It is also about different perspectives and diversity of thought. Inclusion puts diversity into action by creating an environment of belonging, respect, and connection.

Historically, our industry has predominantly attracted male employees both at sea and onshore. For more than a century, we have proven our ability to adapt to shifts in markets and societies.

We have a strong and proud legacy at Odfjell. Moving forward, we need to continue delivering world-class services, while renewing our organization to keep our competitiveness over the long run. This includes developing more diverse and inclusive teams, with a range of expertise, experience and backgrounds, that will work together to solve the challenges of tomorrow.

We are committed to increasing diversity and putting our words into action. We have set a key target for our shipping shore organization to reach a minimum 30% gender balance, at all levels, by 2030. This is an ambitious target for Odfjell, as we have a gender imbalance at several levels today.

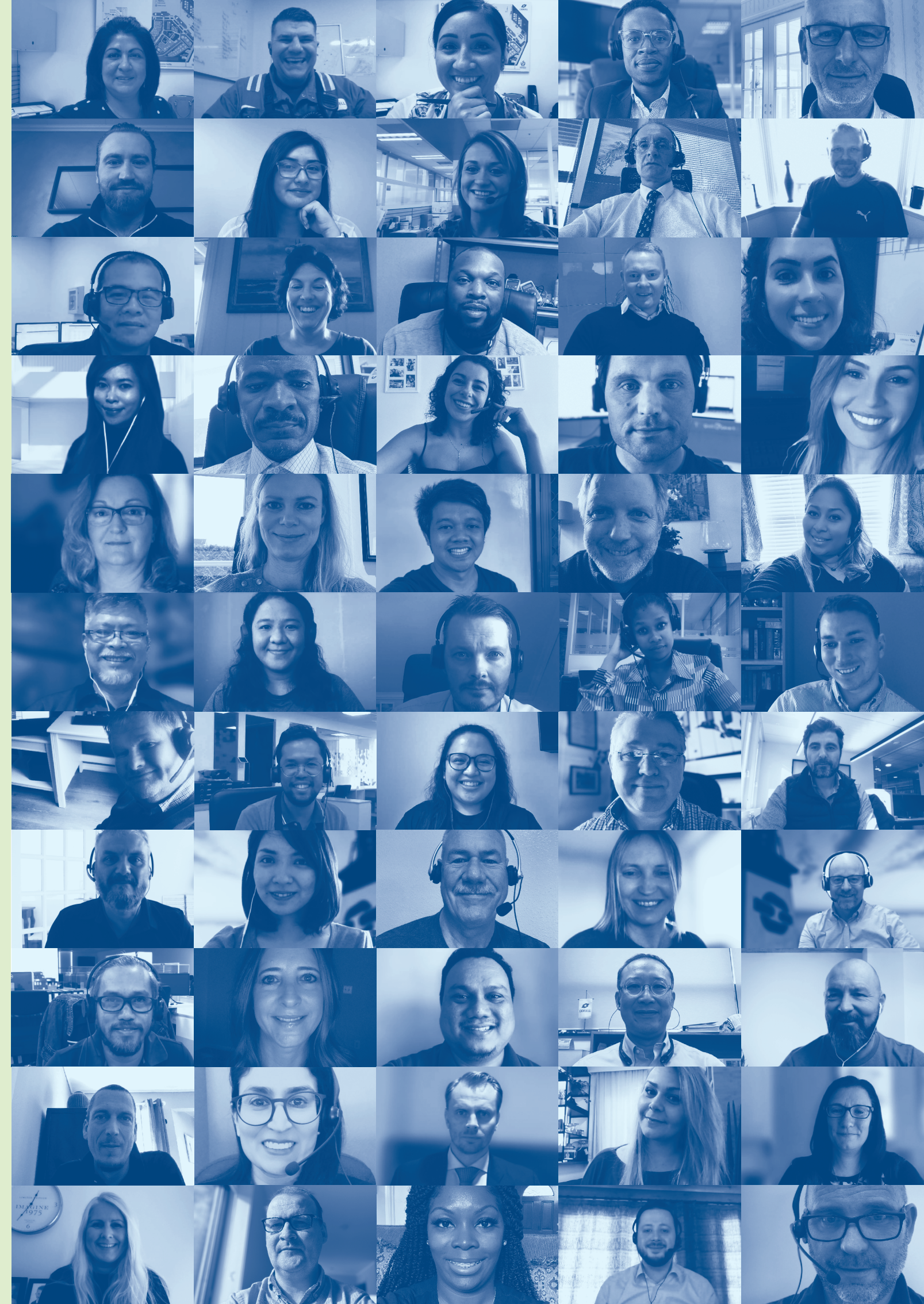
Our Executive Management and Board are committed to increasing the diversity of our organization. Beyond established efforts, we have started implementing several new initiatives to boost gender balance and diversity in the areas of recruitment, performance management, retention, compensation review and rhetoric. We also work with, and support, industry networks in parallel initiatives.

"We believe that accessing and providing opportunities to a wider talent pool is the right thing to do. Also, we are here to stay. We aim for sustainable and long-term success. We want to provide a representative and inclusive workplace for all, where uniqueness is valued, and everyone is treated with respect. A workforce that will retain and attract tomorrow's talent. We believe that increased diversity will improve our ability to innovate, solve problems and stay relevant."

Kristian Mørch, CEO

To get to increased diversity, we will need to work systematically over time. We will need to take specific actions on how we engage with employees. And it starts even before that – it starts when potential employees out there first learn about Odfjell. We are not talking about quotas, and we will continue to seek the best hire while working hard to ensure a balanced pool of candidates. We will systematically pursue this goal, work together to overcome barriers, strive to advance diversity and become more accepting of diversity in all its shapes and forms. This will benefit us as individuals, businesses, and societies.

For our shore organization, one of the most significant changes in 2020 was the move to home office. Digital team meetings suddenly became the new normal.





Climate risk assessment in accordance with TCFD recommended disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures			
<p>a) Describe the Board's oversight of climate-related risks and opportunities.</p> <ul style="list-style-type: none"><li>The corporate risk assessment (including climate-related risks) is presented and discussed at all Board meetings.</li><li>Management reports status and progress on ESG at all Board meetings.</li><li>The Chief Sustainability Officer also reports to the Board's audit committee.</li><li>The global and geopolitical long-term risk is always a part of the Board's risk discussions and strategy agenda.</li><li>The risks and opportunities are fundamental for setting Odfjell's ambitious climate targets and are integral to our strategy.</li></ul>	<p>a) &amp; b) Describe a) the climate-related risks and opportunities the organization has identified over the short, medium, and long term, and b) the impact on the organization's businesses, strategy, and financial planning.</p> <p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>The Odfjell fleet has recently been renewed to be modern and fuel efficient. Reducing emissions is good for business and we are ahead on the journey towards decarbonization. Solving the issue of zero emissions creates opportunities.</li><li>Partnering with industry for new solutions, e.g., Fuell cell project.</li><li>Increased use of technology drives changes in business models.</li><li>Being a leader in ESG is viewed positively by stakeholders.</li><li>We are linking ambitious climate targets with financing, which attracts new capital and improves capital cost.</li></ul> <p><b>Risks</b></p> <ul style="list-style-type: none"><li>Climate change is a source of long term geopolitical risks. (e.g., instability, conflicts, growth, disruptions, migrations).</li><li>Severe weather can impact ships and our terminals. We are collaborating with Storm Geo, and we have a separate performance section to analyze and optimize route planning to avoid severe weather on our routes.</li><li>On the journey towards low carbon operation, it is a risk that assets will not meet the demands of the future. This risk is mitigated through the fleet transition plan with continuous improvement and renewal.</li><li>Capex and technology risk related to renewal and upgrades. We have a dedicated department to work on this.</li><li>Increased taxation on GHG will increase costs. We are closely monitoring the effects and design of a possible taxation, and how any increased costs would be distributed across the value chain.</li></ul> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p> <ul style="list-style-type: none"><li>Odfjell is resilient, in the short term, to the risk of a 2-degree climate change scenario in the short term.</li><li>Long-term effects of more severe weather and rising sea levels operate our terminals and manage our terminal investments.</li></ul>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p> <ul style="list-style-type: none"><li>Efficiency and emission reduction are material for Odfjell. GHG emissions are central to our business. We have made ambitious plans to reduce emissions, mitigating the climate risk of capex, taxation, non-compliance, and negative attractiveness of the sector.</li><li>For the long term risk assessment, we have used the 2-degree scenario in our risk assessment, focusing on:<ul style="list-style-type: none"><li>Oceans</li><li>Economy</li><li>Storms and flooding</li></ul></li><li>Using the Carbon Brief extracted data from 70-peer review climate studies as reference for the 2-degree scenario<sup>1</sup>.</li></ul> <p>b) Describe the organization's processes for managing climate-related risks.</p> <ul style="list-style-type: none"><li>Climate risk is a part of the integrated enterprise risk assessment. The risk assessment follows the COSO guidance.</li><li>Odfjell has created an executive role to focus on sustainability, including climate risk.</li><li>Climate risk assessment is a tool in the risk management process.</li></ul> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p> <ul style="list-style-type: none"><li>Climate risks are included in the risk assessment and are an integral part of the corporate risk assessment.</li><li>We are using a 2-degree scenario to estimate the impact of climate change and risk to our business.</li><li>We continuously work to reduce emissions and environmental footprint, and seek climate neutral solutions to contribute to climate targets and investigate new opportunities.</li></ul>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <ul style="list-style-type: none"><li>In the ESG table, we provide metrics for emissions in line with the SASB metrics and the metrics in the ESG reporting framework developed for the Norwegian Shipowners' Association.</li><li>Primary metrics for CO<sub>2</sub> emissions are metric tons in accordance with SASB TR-MT-110a1. These numbers are used in the calculations of Energy Efficiency Indicator (EEOI) and Annual Efficiency Ratio (AER) as used by IMO.</li></ul> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p> <ul style="list-style-type: none"><li>GHG emissions are listed in the ESG table.</li></ul> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p> <ul style="list-style-type: none"><li>Odfjell has in 2020 set four climate targets as described in the chapter on sustainability in the annual report.</li></ul>

ESG report

In 2018, we presented our approach and sustainability strategy in the document 'Global Operations – Our Responsibility'. For the 2020 ESG reporting, we follow the guidance of the Norwegian Shipowners' Association and the SASB framework. The climate risk assessment follows the TCFD guidance, and the reporting is in line with the Euronext ESG reporting guidance.

We also report emissions to the EU MRV, the IMO DCS, the CDP, and the Poseidon Principles. We annually present Communication of Progress to the UN Global Compact and also report sustainability data to EcoVadis. Our sustainability strategy and documentation are published on Odfjell.com.

ENVIRONMENT

TOPIC	ACCOUNTING METRIC	UNIT	REF
Climate risk and climate footprint	<b>Scope 1 GHG emissions</b>  Gross global Scope 1 GHG emissions to the atmosphere are reported in line with the GHG Protocol.  In 2020, Odfjell increased the amount of CO <sub>2</sub> emission by 3 % compared to 2019 due to a larger fleet. The fleet is more energy-efficient, and this is reflected in the reduced carbon intensity numbers.  Odfjell reports CO <sub>2</sub> emissions to the Carbon Disclosure Project (CDP), the source for metrics used for banks, in accordance with the Poseidon Principles. Odfjell also reports CO <sub>2</sub> via the EU MRV and the IMO DCS protocol.  Shipping emissions represent 99% of our total Scope 1 emissions.  Odfjell has set a target to have a climate-neutral fleet by 2050.  Vessels included in the emission calculations are all vessels operated by Odfjell Tankers, Odfjell Asia & Flumar.	1,375,770 metric tonnes CO <sub>2</sub> , compared to 1,321,185 in 2019	SASB TR-MT-110a.1 GRI 305-1 Poseidon Principles SDG 13 CDP C6-C8 IMO strategy on reduction of GHG emissions 2030-2050 IMO DCS EU MRV
	<b>Scope 2 GHG emissions</b>  Odfjell converts purchased electricity to metric tonnes of CO <sub>2</sub> equivalents location-based. These numbers are reported in the Carbon Disclosure Project (CDP). Scope 2 emissions represent less than 2% of Scope 1.  Terminals represent 98,4% of our total Scope 2 emissions.	10,998 metric tonnes CO <sub>2</sub> , compared to 18,290 in 2019	GRI 305-2 GRI 305-2 SDG 13 CDP C6-C8
	<b>GHG emission intensity</b>  Odfjell uses the Energy Efficiency Operational Indicator (EEOI) and Annual Efficiency Ratio (AER) to monitor fleet efficiency performance over time. The indicators enable us to measure the fuel efficiency of the fleet and to gauge the effect of any improvement initiatives.  Odfjell has previously not reported its AER, but will include AER from 2020 as this emerges as the new industry standard and is a metric in the Odfjell Sustainability Linked Financing Framework.  Odfjell has set a climate target to reduce carbon intensity (using AER) by 50% by 2030 compared to 2008.  Numbers are for operated fleet.	In 2020, Odfjell reduced its EEOI by 2.4 % to 15.69 compared to 2019 (16.06).  In 2020, Odfjell reduced its AER by 5.1 % to 8.64 compared to 2019 (9.1).	GRI 305-4 SDG 13

<sup>1</sup> <https://interactive.carbonbrief.org/impacts-climate-change-one-point-five-degrees-two-degrees/>





TOPIC	ACCOUNTING METRIC	UNIT	REF
GHG emission management	<p>Od fjell supports the Paris Agreement and the IMO strategy to reduce GHG emissions and global warming. Od fjell will contribute to the achievement of SDG 13 to combat climate change and its impacts by reducing GHG emissions.</p> <p>Od fjell has in 2020 set ambitious climate targets that go beyond IMO's levels of ambitions/targets. Od fjell's climate targets are approved by the Board of Directors. Od fjell:</p> <p>1) will cut the carbon intensity of our fleet by 50% by 2030 compared to 2008</p> <p>2) is dedicated to pursuing a zero-emission strategy and will only order vessels with zero-emission technology from 2030</p> <p>3) will have a climate-neutral fleet from 2050</p> <p>4) will actively support initiatives to develop technology and infrastructure for zero emissions, and support international regulation to drive zero-emission for our industry</p> <p>Currently, there are no viable alternatives to combustion engines in the transportation of great volumes over great distances. Od fjell has, since 2008, improved the energy efficiency of its managed fleet by more than 30%. To achieve our goals, we, and the industry as a whole, will need to find a new energy source. To date, we have joined several industry initiatives (e.g., the Getting to Zero Coalition) and R&amp;D projects (e.g., fuel cell technology) to find a solution for zero-emission tankers, and to accelerate the reduction of emissions. This work is central to our strategy.</p> <p>By setting ambitious climate targets, Od fjell is committed to reducing GHG emissions and has prepared a fleet transition plan to achieve that goal. The plan and performance of targets are audited annually by a third-party assessor under the Sustainability Linked Bond Framework.</p> <p>Scope 2 emissions represent less than 2% of Scope 1, and targets have not yet been set. Still, we are dedicated to the efficient use of energy, and have made several energy improvements at our headquarters.</p>	For 2020 we are in line with our carbon intensity trajectory to achieve our 2030 target.	SASB TR-MT-110a.2
			GRI-DMA 305-1
			GRI 305-5
Climate risk reporting	See separate table on climate risk reporting in accordance with the TCFD Recommended Disclosures and the guidelines of Euronext ESG reporting (page 120).		SDG 13
			IMO strategy on reduction of GHG emissions 2030-2050
			Od fjell Sustainability Linked Finance Framework
Energy mix	<p>In 2020 Od fjell stopped using Heavy Fuel Oil (HFO) and moved to Very Low Sulphur Fuel Oil (VLFSO) and Marine Gas Oil (MGO).</p> <p>Fuel consumption in 2020 was as follows:</p> <ul style="list-style-type: none"><li>• 0.06% HFO (81% in 2019)</li><li>• 16.3% MGO (17% in 2019)</li><li>• 83.6% VLSFO (3% in 2019)</li></ul> <p>Total energy consumption is calculated based on a model from CDP that includes all energy consumed related to purchased electricity for terminals and offices as well as consumed fossil fuels and gases for vessels, terminal sites, and owned cars.</p>	1) Total energy consumption 18,086,312 GJ, compared to 18,646,860 GJ in 2019	SASB TR-MT-110a.3
			GRI 302-1
			SDG 13
		2) 0% Heavy Fuel	CDP C8
		3) 3% Renewable/ Low carbon energy, compared to 3,7 % in 2019	

TOPIC	ACCOUNTING METRIC	UNIT	REF
Air pollution	<p><b>Other air emissions</b></p> <p>We are not able to monitor SO<sub>2</sub> emissions directly, but we can calculate a weighted average based on all bunker delivery notes for purchase in 2020.</p> <p>None of Od fjell's owned ships are fitted with open- or closed-loop scrubbers.</p> <p>Two ships owned by TRF entered an Od fjell commercial pool in 2020. These vessels are fitted with an open-loop scrubber.</p> <p>At Od fjell Terminals, our storage tanks are sealed and pressurized. This reduces emissions more than regular atmospheric storage tanks for chemicals.</p> <p>Vapors generated by product movements are managed through vapor balancing to reduce emissions, and any remaining vapors are flared, along with breathing losses from products requiring vapor treatment.</p>	Total SO <sub>2</sub> emissions in 2020 were 3,264 tonnes, down from 16,757 in 2019.	SASB TR-MT-120a.1
			GRI 305-7
			SDG 3
Sea and land pollution	<p>The Od fjell fleet is, or will be, fitted with ballast water treatment systems (BWTS) to prevent the spread of harmful aquatic organisms from one region to another, thus complying with the BWM regulation.</p> <p>As of 2020, Od fjell has 56 ships that fall within the scope of the requirements and of those, 44 have BWTS.</p> <p>All pool and time-charter vessels in the Od fjell fleet are in compliance with the BWM regulation.</p> <p>The fleet is fitted with compliant and class-approved systems to handle effluent water, wastewater, and oily water. The systems are registered and subject to inspections by authorities.</p> <p>Throughout our organization, we continue to strive to reduce our waste. By modifying the processes for correctly segregating waste, we can further recycle the waste generated or dispose of it properly.</p> <p>At our terminals, we have wastewater treatment systems for effluent management. The remaining waste at our Houston terminal is treated off-site by the Houston terminal Gulf Coast Waste Disposal Authority (GCWDA), to which we are connected by pipeline for wastewater.</p> <p>Our storage tanks are designed to reduce hazardous waste. The sloped design of the tank bottoms limits residual product in tanks, making cleaning easier and better. We use infrared inspection techniques to detect heat leaks due to damaged insulation, which is then repaired, reducing heat losses and thereby reducing energy consumption.</p> <p>We also employ acoustic inspection techniques for nitrogen and compressed air systems to eliminate small leaks and reduce energy consumption.</p>	In 2020, 79% of our fleet was fitted with BWTS. All ships in scope will be fitted by March 2023.	International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)





TOPIC	ACCOUNTING METRIC	UNIT	REF
Ship recycling	<b>Responsible ship recycling</b>  Odfjell supports and follows the recommendations of the Norwegian Shipowners' Association, the EU and the IMO.  Responsible and compliant ship recycling is a notable part of the circular economy, keeping resources in use for as long as possible and minimizing waste. Ship recycling is an important industry for sustainable production, and it supports the developing economies of several countries.  We are an active participant in the Recycling Forum of the Norwegian Shipowners' Association and have dedicated personnel to follow up on recycling issues.  We encourage ratification and implementation of the IMO Hong Kong convention to have a mandatory international regulation for ship recycling.  Odfjell has not sent a ship for recycling since 2016. Should an Odfjell ship be earmarked for recycling, the process shall be fully in compliance with applicable rules and regulations of the flag state of the ship and international rules and regulations, including but not limited to The Basel Convention, including the Ban Amendment and the EU Regulation on Shipments of Waste.  The Ship Recycling Facility shall be compliant with the rules and regulations of the flag state of the ship and applicable international conventions.	Zero ships recycled since 2016.  No recycling of vessels are planned for 2021.	EU Ship Recycling Regulation (EU 1257/2013) FOR-2018-12-06-1813 Hong Kong Convention  Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and Ban Amendment  EU Regulation on Shipments of Waste. Responsible Ship Recycling Standard SDG 8, 12, 14
	<b>Shipping duration in marine protected areas and areas of protected conservation status</b>  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 UNEP WCMC.  Emission Control Areas (ECAs), or Sulphur 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.	Of total days, the Odfjell fleet operated 5,597 days in ECA areas (including days in port), representing 19.3% of total days (including days in port).	SASB TR-MT-160a.1  SDG 14  Annex VI[1] of the 1997 MARPOL Protocol  GRI 304-2  UNEP World Conservation Monitoring Centre (UNEP WCMC)
Ecological Impacts	<b>Number and aggregate volume of spills and releases to the environment</b>  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.  At our terminals, we strive to further reduce the number of spills through better inspections and additional operational training.  There was no pollution outside the terminals caused by spills in 2020. None of the spills had to be reported to the authorities. Terminals are complying with the regulations mentioned in their permits.	38 registered spills contained on board and no pollution of the environment in 2020 on our managed ships.  Terminals' number of spills > 5 liters was 19 (improved from 33 in 2019).  LOPC (Loss of Primary Containment) was 35 (improved from 45 in 2019).	SASB TR-MT-160a.3  SDG 14  GRI 306-3
Sustainable Procurement	Sustainable procurement is important to Odfjell, and we follow up and ensure suppliers will follow our Suppliers Conduct Principles.  Odfjell annually reports its status to EcoVadis status on green and sustainable procurement, and how we interact with our suppliers and suppliers' performance in ESG audits, ESG clauses in contracts, training etc.		

SOCIAL

TOPIC	ACCOUNTING METRIC	UNIT	REF
Accidents, Safety, and Labor Rights	<b>Lost Time Incident Frequency (LTIF)</b>  At Odfjell, we have a goal of zero accidents and incidents. We monitor and track all Lost Time Injuries (LTIs), Restricted Work Cases (RWC), Medical Treatment Cases (MTC) and First Aid Cases (FAC). Management and the organization have incentive KPIs related to LTIF.  LTIF for shipping is calculated as lost time incidents * 1,000,000) / number of Exposure Hours.  LTIF for terminals is calculated as lost time incidents * 200,000) / number of Working Hours.	For 2020 LTIF for our managed fleet is 0.21.  We have reduced LTIF by 76% since 2019 (0.89).  For 2020 LTIF for Terminals consolidated is 0. We have reduced LTIF by 100% since 2019 (0,51).	SASB TR-MT-320a.1  GRI 403-9  IMO ISM Code  SDG 8
	<b>Safety</b>  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 and surrounding communities by improving the way we operate as a company. We continually review personal protective equipment to find the best for our employees, so that they can safely perform their tasks. We strive to ensure our employees do things the right way, and only the right way. We continuously develop and monitor our safety training, and we do not compromise on safety.  For all operations, we conduct safety hazard identification and safety risk assessment to ensure that all risks are mitigated, and to ensure the safety of our people and the environment.  Odfjell has dedicated emergency preparedness policy procedures and systems, a dedicated contingency/operations room, and we conduct regular training and exercises with the Emergency Response Management Team (ERMT).  Odfjell has implemented safety standards in accordance with the requirements of the flag state of vessels and Odfjell's policies.  To raise awareness and employee involvement, Odfjell has implemented a minimum target of safety observation rounds (SOR) per employee, per month at our terminals.	Total Recordable Case Frequency for our managed fleet is 1.16 in 2020. This is an improvement of 31% since 2019 (1.68).  Two LTI cases in month of December 2020. Both cases were eye injury due to exposure during routine tasks. A safety campaign on the subject will be released 1H 2021.	ISM Code
Diversity	<b>Diversity</b>  Odfjell promotes diversity, inclusion, and equal opportunities for our employees. We believe that recruiting from a wide talent pool, increasing diversity, and creating an inclusive organization adds business value.  In 2019, we implemented a policy to actively improve gender diversity in Odfjell, which is now bearing fruit.  We have taken steps to collaborate with industry networks in driving the diversity agenda, as we believe that this is a missed opportunity in our industry today. We support offshore career initiatives and recruiting initiatives to drive gender balance. We have a goal to increase the ratio of females in leadership positions and to improve the gender balance at all levels.  In 2020, we have set a diversity target of having a minimum 30% gender balance at all levels by 2030 in our shipping shore-based organization.  Odfjell has entered the SHE index and will report diversity status and progression under this reporting framework.  Odfjell will follow up the requirements of the Norwegian Equality and Anti-Discrimination Act §26 with analysis, actions and reporting for 2020, made available on our website.	At our headquarters in Bergen, Norway, the employees are 68% male and 32% female. (71/29% in 2019)  Corresponding global figures are 66% and 34%. (67/33% in 2019)  At our headquarters, 50% of our new hires in 2019 and 2020 were women.  50% of Directors of the Board of Odfjell SE are women.  All four members of the Executive Management are men.	GRI 405-1  SDG 5,  SDG 10





TOPIC	ACCOUNTING METRIC	UNIT	REF
	<b>Labor rights</b>  Odfjell is a signatory to the UN Global Compact and supports all the ten principles. Principles 3 to 6 concern labor rights.  Odfjell supports freedom of association and, in line with local norms and regulations, adheres to various collective bargaining agreements for elements of our workforce. Odfjell has established work councils with employee representatives and local management.  Odfjell complies with the Maritime Labor Convention (MLC), and all our vessels are externally audited and carry a certificate of compliance with the MLC.  Odfjell has no people < 18 years working or living at sites.		MLC, 2006  GRI 102-41  SDG 8
	<b>Human Rights</b>  Human rights actions are managed by our Human Rights Management System, and policies are reflected in several of Odfjell's policies and reporting, such as our human rights policy and Communication of Progress (COP) to the UN. We also expect the same from our suppliers, who must sign our Suppliers Code of Conduct principles and which also covers human rights. Odfjell expects suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses or child labor.  Human rights and child labor are a part of the integrity risk assessments that are conducted by Odfjell. This assessment is also presented to the Board of Directors. We implement mitigating actions where needed, in line with the UN Guiding Principles of Human Rights and the ILO conventions on child labor.  In our reviews and risk assessment, we score the risk of direct non-compliance with the regulation on human rights and child labor as low.  Odfjell cooperates with the Rafto Foundation for Human Rights to continuously develop and improve our policies and best practice on human rights, and we also support the development of Ship Lifecycle Principles with the Rafto Foundation, Institute for Human Rights and Business, and the Danish Institute for Human Rights.  Our policies on human rights are in line with the new law proposals on ethics information in Norway as presented in Norway (August 2020).  Due to Covid-19, there have been no on-site audits of suppliers with regards to human rights.	No ethical incidents or legal actions required in 2020.	GRI 412 GRI 408 SDG 8 SDG 4 SDG 16  ILO Maritime Labour Convention (MLC), International Maritime Organisation (IMO) Conventions, the UN Convention on the Law of the Sea (UNCLOS), Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, UNGP OECD Guidance
	<b>Working Hours</b>  Odfjell has a policy on working hours, but due to our global presence, this will differ from country to country depending on local regulations.  The policies are built into our HR systems to ensure overtime and/or extra time is calculated, monitored, compensated and to ensure that it is compliant with local regulation.  Work and rest hours on board are regulated under ILO MLC regulations. Any violations of work/rest are reported and monitored, and records are audited.		MLC 2006 ML 2.3
	<b>Port State Control (PSC)</b> is the inspection of foreign ships in national ports to verify that the condition of the ship and its equipment comply with the requirements of international regulations and that the ship is manned and operated in compliance with these rules.  Management and organization in Odfjell have incentives with KPIs related to Port State Control (PSC) findings.	In 2020, Odfjell had 0.66 findings per PSC inspection (0.77 in 2019).  We had one detention of one managed vessel in 2020 in Bilbao due to an error on Auto Start of Emergency Generator.	SASB TR-MT-540a.3  SDG 8, 14

TOPIC	ACCOUNTING METRIC	UNIT	REF
	<b>Marine casualties</b>  Odfjell defines a marine casualty in accordance with the UN IMO's Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident, MSC resolution 255(84).  On January 14, 2020, the vessel Bow Fortune made contact with a fishing boat in the Galveston Bay entrance. At the time of the incident, Bow Fortune was inbound and under pilotage as the first vessel in a convoy. There was heavy fog in the area at the time.  Tragically, three crew members of the fishing boat lost their lives when their boat capsized after it made contact with Bow Fortune. For more information, see page 34.	One incident in which an Odfjell vessel, in an inbound convoy to Houston, collided with a fishing vessel.	SASB TR-MT-540a.1  SDG 8
	<b>Process Safety Terminals</b>  Odfjell follows the reporting guidelines and practices of the American Petroleum Institute (API) Recommended Practice (RP) 754, Process Safety Performance Indicators for the Refining and Petrochemical Industries. Tier 1 and 2 include LOPC (see more on page 124).  On December 12, 2020, our terminal in Houston experienced a fire in the building housing its hydraulic power unit. Thanks to the quick and effective response from Odfjell's Emergency Response Team and local fire department, the fire was under control within 30 minutes and extinguished within three hours. There were no injuries, no impact to storage tanks nor loss of containment of any products stored at the terminal. For further information, see page 23.	Tier 1 and 2 events in 2020 were 6 compared to 11 in 2019	API RP 754





GOVERNANCE

TOPIC	ACCOUNTING METRIC	UNIT	REF
Business Ethics	<b>Anti-corruption and integrity framework</b>  Odfjell has a clearly stated zero-tolerance policy on corruption.  We have an anti-corruption and integrity framework based on the UK Bribery Act Guidance and Norwegian anti-corruption regulation. We conduct an annual risk assessment from which we devise an action plan on anti-corruption work for the company.  We do annual mandatory training and signing of Code of Conduct and anti-corruption policies and procedure for Board Members, all of our employees, consultants and we include relevant integrity clauses in all our contracts.  Odfjell is a member of the Maritime Anti-Corruption Network (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.  Odfjell has an Integrity Council that coordinates all actions under the framework from all areas of our business.  All employees sign the Code of Conduct and the Anti-corruption policy , among other corporate policies, in an annual compliance sign-off campaign based in our compliance management system (GAN Integrity Solutions). The Board of Directors has annual training in Anti-Corruption. The Corporate Compliance Officer delivers a status and progress report on an integrity work plan to the Board's Audit Committee. The Board of Directors is involved in the work of Odfjell's integrity risk assessment and integrity work plan.		UK Bribery act
	<b>Corruption risk</b>  Number of port calls or net revenue in countries that rank in the bottom of Transparency International's Corruption Perception Index.	0 port calls in 2020 and  0 revenue in 20 lowest countries in 2020	SASB TR-MT-510a.1  SDG 16
	<b>Facilitation payments</b>  The number of incidents where facilitation payments or bribes have been requested.  Odfjell follows MACN's 'Say No' campaign adopted for Suez, and has implemented the same policy and reporting globally for all ports.	7 incidents compared to 17 in 2019.	SDG 16
	<b>Fines</b>  The total monetary value of significant fines and the total number of non-monetary sanctions for non-compliance with laws and/or regulations.	Zero	GRI 419-1  SASB TR-MT-510a.2  SDG 16
	<b>Anti-Money Laundering (AML)</b>  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.		GRI 205-2

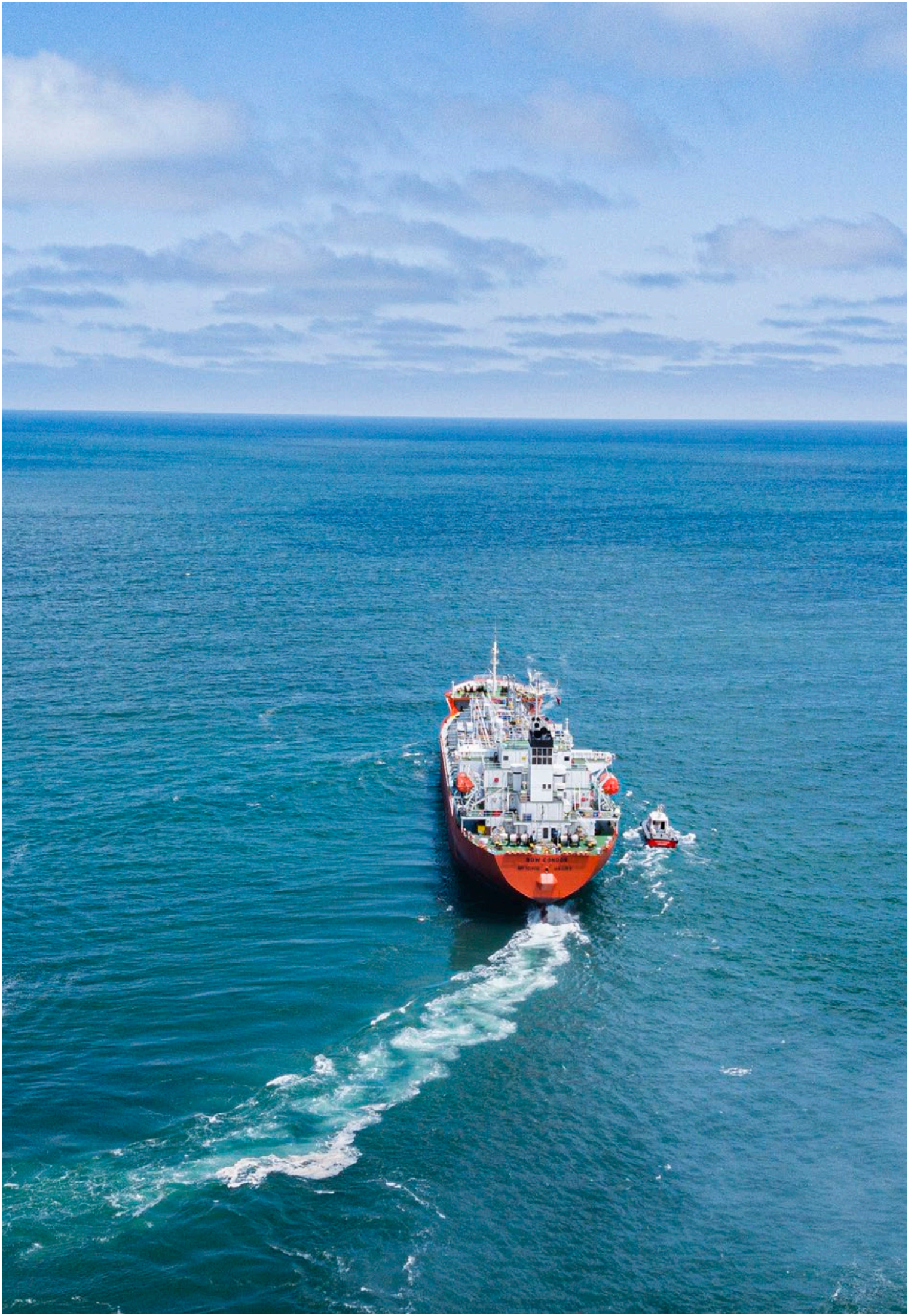
TOPIC	ACCOUNTING METRIC	UNIT	REF
ESG governance	<b>Main policies</b>  Corporate Strategy and Values, Code of Conduct, Health, Safety and Environmental Policy, Governance Policy, Anti-corruption Policy, Environmental Policy of Ship Management, Supplier Conduct Principles, Supplier Audits incl. ESG, Audits of Yards, Sanctions Policy, Antitrust/Competition Policy, Whistleblowing Policy, Security & Contingency Policy, Anti-Money Laundering & Counter-Terrorist Financing Policy, Data Privacy & Protection Policy, among many others.  Our document "Global Operations – Our Responsibility" describes our ESG strategy and actions.  <b>Environmental policy</b>  Odfjell is committed to environmental protections and creates environmental awareness within our organization.  The climate targets have been approved by the Board of Directors. Odfjell has published an impact statement that commits Odfjell to work to achieve the Sustainability Development Goals as a part of the strategy.  Our environmental policy is presented in our policies and our document "Global Operations – Our responsibility", available on our website.  <b>Environmental Management System</b>  We have implemented an environmental management system to ensure we are in compliance with the IMO MARPOL convention.  Odfjell has a fleet transition plan that is audited by a third party, that outlines details on how to achieve climate targets for the fleet.  In addition, ships have the following certifications covering compliance with international environmental rules and policies (not complete list): <ul style="list-style-type: none"><li>• Document of compliance for the company covering International Safety Management (ISM) certification.</li><li>• Document of compliance for the ship covering International Safety Management (ISM) certification.</li><li>• IOPP (International Oil Pollution Prevention) Certificate.</li><li>• ISPP (International Sewage Pollution Prevention) Certificate.</li><li>• IAPP (International Air Pollution Prevention) Certificate.</li><li>• International Anti-Fouling System Certificate.</li><li>• International Energy Efficiency Certificate.</li><li>• International Ballast Water Management Certificate</li><li>• Certificates of Civil Liability for Oil Pollution</li></ul> Environmental Management systems are also audited as a part of the TMSA audit, in accordance with OCIMF TMSA-3 Best Practice Guidance.  The Board of Directors' role in ESG Governance is described under the Climate Risk assessment framework. ESG matters are reported to the Board of Directors' Audit Committee through Corporate Compliance.		GRI Disclosure of Management Approach  IMO MARPOL OKIMP TMSA-3
	<b>Emergency Response</b>  Odfjell has dedicated teams and procedures for emergency response (ERMT).  Odfjell conducts frequent training, with external facilitators.  The emergency response procedures are audited according to ISM Code. Oil majors and hired experts will do the TMSA audit of the Emergency Response in accordance with OCIMF TMSA-3 Best Practice Guidance.		





TOPIC	ACCOUNTING METRIC	UNIT	REF
Standards	International standardization continues to be a focus across the terminal organization. All terminals are compliant with the international standards ISO 9001, ISO 14001, and Chemical Distribution Institute-Terminals (CDI-T), and are audited by a third party to ensure compliance with these standards. The focus on standardization allows the terminals to have consistent management processes and common systems.		ISO 9001
			ISO 14001
			CDI-T
Whistle-blowing	Odyssey has a whistleblowing policy and procedure, including an anonymous reporting hotline, available both internally and externally.	Total 14 reports in 2020.  None regarded as material.	
Executive pay	Executive pay policy is explained in the declaration in the annual report.  Incentive plans are in place for the different parts of the business and approved annually by the Board of Directors. The incentive systems have KPIs linked to safety, quality, performance, and financial results.		Norwegian Code of Practice for Corporate Governance Ch 12
Corporate tax	The shipping activities are operated in several countries and under different tax schemes, including the ordinary tax system in Norway, the Norwegian shipping tax system and the Approved International Shipping system in Singapore. In addition, we operate under local tax systems, most importantly in Brazil. 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. We report tax in our annual reports in accordance with IFRS and accounting regulations.		GRI 207
Political contributions	Political involvement is regulated by our Code of Conduct.  Odyssey does not make political contributions.		Norwegian Code of Practice for Corporate Governance Ch 12

SASB Activity metric table		UNIT OF MEASURE	CODE
Number of shipboard employees	1 632	Number	TR-MT-000.A
Total distance traveled by vessel	4 687 645	Nautical miles	TR-MT-000.B
Operating days	28 848	Days	TR-MT-000.C
Deadweight tonnage (Operated fleet per December 2020)	2 526	Thousand Deadweight tonnes	TR-MT-000.D
Number of vessels in total shipping fleet (Operated fleet per December 2020)	89	Number	TR-MT-000.E
Number of vessels port calls	410	Number	TR-MT-000.F



Drone photo of Bow Condor as the chemical tanker departs the Odyssey Terminals Terquim in Chile. Photo by B&M Agencia Maritima.