

Communication on Progress (reporting year 2019)

20.03.2020

Odfjell SE



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Our responsibility

Throughout our more than 100-year history, Odfjell has a long-term perspective on how we do business – sustainability is deeply rooted in our DNA. Sustainable operations answer to current demands without compromising the health and safety of future generations. No matter where we are on our journey, at sea or onshore, we can make sustainable decisions that drive global change. Every day, for the long term.

Our business

Day-to-day, we are surrounded by a multitude of products, an endless array of everyday items - electronics, paint and building materials, medicines, fertilizers, toys, the clothes we wear - which as diverse as they seem, have one thing in common: all are developed from chemicals. Chemicals are crucial to our daily lives and the economy, but they can also pose a serious risk to our health and the environment if not handled properly. Chemicals are often produced far from where they eventually end up for processing, which makes the storage and transportation of chemicals vital to the global supply chain. Our business is to connect producers and developers by storing and transporting these chemicals, safely and efficiently.

Shipping and Terminals

Shipping is by far the world's most efficient form of transportation; about 90% of the world's traded goods travel by sea. At present, shipping is still the most environmentally friendly way of transporting cargo over large distances. Terminals are an integral part of the logistic chain, and critical for efficient storage and distribution of products from sea to land.

Our arena

The oceans cover 71% of our planet's surface, but we have explored only 5%. Oceans are the new economic frontier and a key to solving some of our biggest challenges, today and in the future. The oceans produce more than half of the world's oxygen and store 50 times more CO₂ than our atmosphere. The majority of the world's population live off, and close to the oceans, and coastal communities are critical hubs for shipping.

Odfjell handles some of the world's most hazardous liquids, and we transport them through some of the world's most vital and fragile environments: the oceans. Our terminals store products close to people's homes and local communities. Emissions, soil contamination, or water pollution can all have the potential to adversely impact people and ecosystems. It is imperative, for the sake of people and businesses, that we take care of the environment in which we operate.

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. In 2019 we have also signed the UN Global Compact Sustainable Ocean Principles. We commit to operating a sustainable business, to continuously seek improvements and to actively support the achievement of relevant UN Sustainable Development Goals.

Yours sincerely,

Kristian V. Mørch

CEO, Odfjell

Bergen, Norway, March 19, 2020

Sustainability in Odfjell

A sustainable history

What started out as a Norwegian family business, with just one vessel more than a hundred years ago, is now a publicly listed company and a world-leading logistics service provider for chemicals and other specialty bulk liquids. Since 1914, we have done business in every corner of the world. We have been through crises and wars, booming markets and recessions. Through all this, we have remained viable and sustainable. We are very proud of this legacy, and our ambition is to continue evolving and developing the business so that it remains viable well into the future. This goal, however, is only possible in a society that works, and we must do our part to secure sustainable global development.

Our strategy and integration of Environmental, Social and Governance (ESG) matters

Throughout Odfjell's history, we have taken steps to operate safely and efficiently, be profitable, ensure that we comply with regulations, and minimize our impact on the environment. A good example would be the extensive measures we have taken to improve the efficiency of our vessels, thereby saving fuel, costs, and cutting emissions. Another good example is the tank design we use at our terminals, which significantly reduces vapor emissions.

In 2018, we presented our approach and sustainability strategy in the document "Global Operations – Our Responsibility". We have an impact on society and the environment, and are committed to doing our part to minimize this impact, and to reaching the UN's Sustainable Development Goals. Sustainability is an integral part of our business going forward, and intrinsic to our strategy.

Sustainability and climate risk

Climate change poses a severe threat to healthy market dynamics. Failing to live up to expectations, failing to comply with regulations, and failing to operate in a sustainable way present significant risks to trade, locally and globally. Any business is dependent on a well-functioning society and sound economic growth. That is why Odfjell makes climate risk assessment intrinsic to the work of management and the Board of Directors.

When conducting climate risk assessment, we follow the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). We assess both transition risk and physical risk, and the direct, indirect and financial impact for the company. The work on climate risk assessment started in late 2019, and will be further enhanced in 2020.

Our approach and focus areas

We believe that even small changes can make a big difference – for people and for the planet. But we also realize that we cannot do everything. Our efforts and actions directly affect our business, so we focus on areas where we can have a real impact.

Our focus areas

1. The safety of our people
2. A profitable and sustainable business
3. Good governance and compliance
4. Local communities
5. The environment

The UN Sustainable Development Goals (SDGs) were launched in 2015. To achieve the goals by 2030, we now move into a decade of action. Our Sustainability Strategy builds on the United Nations Global Compact's ten principles. In 2019, Odfjell also endorsed the UN Global Compact Sustainable Ocean Principles. We will do what we can to contribute to the achievement of the SDGs, and report our actions and initiatives within the international framework and standards.

Sustainability reporting

Sustainability is rooted in our strategy and risk assessment, and so too in our reporting. In this year's annual report, we include a more extensive breakdown of sustainability metrics, with reference to a set of global standards (Communication on Progress report pages 5-12).

Sustainability is important to Odfjell and to our stakeholders. That is why we have expanded the analysis, and integrated it in the annual report. We believe that managing Environmental, Social, and Governance (ESG) issues at the company level is key to the sustainability of our industry, and of Odfjell.

Our reporting also follows the Norwegian Shipowner Association's (NSA) Guidelines for ESG reporting and Euronext Guidance on ESG reporting of January 2020.

Materiality assessment

In our document "Global Operations – Our responsibility," we presented our strategy and focus areas, and we are in frequent dialogue with our stakeholders on ESG matters. For 2020, we plan to conduct a materiality assessment as a part of our ESG-strategy. We will enhance the climate risk strategy process and prioritize actions based on the materiality assessment.

For further information on Odfjell please see our webpage and annual reports: www.odfjell.com and <https://www.odfjell.com/investors/reports-and-presentations/>

Environmental, Social and Governance (ESG) reporting

Environment

TOPIC	ACCOUNTING METRIC	UNIT	REF
Climate risk and climate footprint	<p>Scope 1 GHG emissions</p> <p>Gross global Scope 1 GHG emissions to the atmosphere are reported in line with the GHG Protocol.</p> <p>In 2019, Odfjell reduced the amount of CO2 by 9.1% compared to 2018.</p> <p>Odfjell reports CO2 emissions to the Carbon Disclosure Project (CDP), the source for metrics used for banks, in accordance with the Poseidon Principles.</p>	1,299,479 metric tonnes CO2.	<p>SASB TR-MT-110a.1</p> <p>GRI 305-1</p> <p>Poseidon Principles</p> <p>SDG 13</p> <p>CDP C6-C8</p> <p>IMO strategy on reduction of GHG emissions 2030-2050</p>
	<p>Scope 2 GHG emissions</p> <p>Odfjell converts purchased electricity to metric tonnes of CO2 equivalents location-based. These numbers are reported in the Carbon Disclosure Project (CDP). The numbers are from 2018, as 2019 numbers are not yet available due to the CDP's reporting cycle. Scope 2 emissions represent less than 2% of Scope 1.</p>	24,198 metric tonnes (2018).	<p>GRI 305-2</p> <p>SDG 13</p> <p>CDP C6-C8</p>
	<p>GHG emission intensity</p> <p>Odfjell uses the Energy Efficiency Operational Indicator (EEOI) to monitor fleet efficiency performance over time. The EEOI enables us to measure the fuel efficiency of the fleet and to gauge the effect of any improvement initiatives.</p> <p>In 2019, Odfjell reduced its EEOI by 7.7% to 16.07, compared to 2018 (17.4). EEOI in 2017 was 17.8.</p>	EEOI 16.07 in gram CO2 per tonne-mile. 7.7% reduction compared to 2018.	<p>GRI 305-4</p> <p>SDG 13</p>
	<p>GHG emission management</p> <p>Odfjell supports the Paris Agreement of a 40% reduction in GHG by 2030 and the IMO strategy to reduce emissions by more than 50% in 2050.</p> <p>Odfjell has a goal of reducing CO2 emissions by more than 1.5% a year, and to reduce emissions in line with the IMO strategy.</p> <p>Odfjell will also contribute to the achievement of SDG 13, to combat climate change and its impacts, by reducing GHG emissions.</p> <p>Today, there are no real alternatives to combustion engines to transport large volumes over large distances. Odfjell has, since 2008, improved the energy efficiency of its managed fleet by more than 30%. To achieve the IMO goals of a 50% reduction, we, and the industry, will need to find a new energy source and propulsion system. To date, we have joined several industry initiatives (e.g. the Getting</p>	1.5% CO2 emission reduction target for managed ships per year. Target reached in 2019.	<p>SASB TR-MT-110a.2</p> <p>GRI-DMA 305-1</p> <p>GRI 305-5</p> <p>SDG 13</p>

	<p>to Zero Coalition) and R&D projects (e.g. fuel cell technology) to find a solution for zero-emission tankers in the future, and to accelerate the reduction of emissions.</p>		
	<p>Climate risk reporting</p> <p>As of 2020, Odfjell has included climate risk as a part of our enterprise risk management process and system. We intend to develop this risk assessment further, and report on climate-related risks and opportunities in line with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD) and the Euronext guidance. Climate risk poses a threat but it also creates new opportunities, as our industry will need to transform to a zero-carbon business. That is why climate risk is integrated into our strategy and fleet transition planning.</p>	<p>Climate risk assessment is initiated. We will communicate this in 2020.</p>	<p>TCFD GRI 201-2 SDG 13 CDP C1-C4</p>
	<p>Energy mix</p> <p>2019 was a year of transition, as Odfjell made preparations to comply with the new IMO regulation on sulphur emissions.</p> <p>Fuel consumption in 2019 was as follows:</p> <ul style="list-style-type: none"> • 80% HFO • 17% MGO • 3% VLSFO <p>0 % of the energy consumed is renewable/ low-carbon energy.</p> <p>From 2020, HFO will be replaced by VLSFO/Compliant fuel, as a part of the sulphur cap regulation.</p> <p>Total energy consumption for 2019 is not yet available due to the CDP reporting cycle.</p>	<p>Total energy consumption 19,242,058 GJ (2018).</p>	<p>SASB TR-MT-110a.3 GRI 302-1 SDG 13 CDP C8</p>
<p>Air pollution</p>	<p>Other air emissions</p> <p>Odfjell has established an advanced bunkers monitoring system through which we track deliveries, providers, volumes, and chemical content of all fuel.</p> <p>We are not able to monitor SO₂ emissions directly, but we can calculate a weighted average based on all bunker delivery notes for purchase in 2019; sulphur in % is multiplied with delivery quantity (mt) to get the sulphur in MT.</p> <p>We expect a significant drop in SO₂ emissions in 2020 as we will use VLSFO instead of HFO as a part of the IMO Global Sulphur Cap 2020. None of Odfjell's vessels are fitted with open or closed loop scrubbers.</p> <p>At Odfjell Terminals, our storage tanks are sealed and pressurized. This reduces emissions more than regular atmospheric storage tanks for chemicals.</p>	<p>Odfjell vessels emitted on average 0.10 grams of SO₂ per million t/nm. For 2018, this number was 0.12. Total SO₂ emissions was 16,757 tonnes, down from 18,922 in 2018. Sulphur emission based on total fuel consumption was 8,319 tonnes, down 11% from 9,464 tonnes in 2018.</p>	<p>SASB TR-MT-120a.1 GRI 305-7 SDG 3 IMO Global Sulphur Cap 2020</p>

<p>Sea and land pollution</p>	<p>The Odfjell fleet is, or will be, fitted with ballast water treatment systems to prevent the spread of harmful aquatic organisms from one region to another, thus complying with the Ballast Water Management (BWM) regulation.</p> <p>Odfjell has 35 vessels which falls within the scope of the requirements.</p> <p>The fleet is fitted with compliant and class approved systems to handle effluent water, wastewater, and oily water. This is 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>For our terminals, we have wastewater treatment systems for effluent management.</p> <p>The remaining waste for 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 through damaged insulation which is then repaired, reducing heat losses and thereby reducing energy consumption</p> <p>We are also employing acoustic inspection techniques for the nitrogen and compressed air systems to eliminate small leaks and reduce energy consumption.</p>	<p>In 2019, 37% of our fleet was fitted with BWT. All vessels will be fitted by March 2023.</p>	<p>International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)</p>
<p>Ship recycling</p>	<p>Responsible ship recycling</p> <p>Odfjell supports and follows the recommendations given by the Norwegian Shipowners' Association and IMO.</p> <p>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.</p> <p>We are an active participant in the Recycling Forum of the Norwegian Shipowners' Association, and have dedicated personnel to follow up on recycling issues.</p> <p>We encourage ratification of the IMO Hong Kong convention, to have a mandatory international regulation for ship recycling.</p> <p>Odfjell has not sent a vessel for recycling since 2016. Should an Odfjell owned vessel be earmarked for recycling, we would be required to use certified yards, compliant with the Hong Kong</p>	<p>Zero vessels recycled, No recycling planned for the next 1-3 years.</p>	<p>EU Ship Recycling Regulation (EU 1257/2013) FOR-2018-12-06-1813 Hong Kong Convention Responsible Ship Recycling Standard SDG 8, 12, 14</p>

Ecological Impacts	Convention and the EU Ship Recycling Regulation. This regulation closely follows the Hong Kong Convention. The Regulation sets out a number of requirements for European ships, ship owners, recycling facilities.		
	<p>Shipping duration in marine protected areas and areas of protected conservation status</p> <p>We do not currently track time and operations in areas of protected conservation status in accordance with UNEP WCMC.</p> <p>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.</p>	Of total days, the Odfjell fleet operated 5,489 days in ECA areas (including days in port), representing 20.2% 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)
	<p>Number and aggregate volume of spills and releases to the environment</p> <p>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.</p> <p>At our Terminals, we strive to further reduce the number of spills through better inspections and additional operational training. All spills in 2019 were contained within the secondary containment. One of the spills had to be reported to the authorities. Terminals are complying with the regulations mentioned in their permits.</p>	<p>Managed vessels - 25 spills contained on board and two pollutions of the environment in 2019:</p> <ul style="list-style-type: none"> - 2 L of cleaning chemicals spilled to a jetty - 20 L VLSFO to sea <p>Terminals - number of spills > 5 liters is 33, LOPC (number of spills outside primary containment) is 40.</p>	SASB TR-MT-160a.3 SDG 14 GRI 306-3

Social

TOPIC	ACCOUNTING METRIC	UNIT	REF
Accidents, Safety, and Labor Rights	<p>Lost Time Injury Frequency (LTIF)</p> <p>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 case (MTC) and First Aid Case (FAC). Management and organization have incentive KPIs related to LTIF.</p> <p>LTIF for the fleet is calculated as lost time incidents * 1,000,000 / number of Exposure Hours. For</p>	<p>For 2019, LTIF for managed vessels is 0.89.</p> <p>LTIF Terminals consolidated is 0.51.</p>	SASB TR-MT-320a.1 GRI 403-9 IMO ISM Code SDG 8

	<p>terminals, LTIF is calculated using 200,000 as multiplier.</p>		
	<p>Safety</p> <p>Safety is more than a priority to 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 which personal protective equipment is best for our employees, so that they can safely perform the tasks expected of them. We strive to ensure our employees do things the right way, and only the right way. We do not compromise on safety.</p> <p>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.</p> <p>Odfjell has dedicated emergency preparedness policy procedures and systems, dedicated contingency/ operations room, and we conduct regular training and exercises with the Emergency Response Management Team (ERMT).</p> <p>The safety management system is certified according to the ISM Code.</p> <p>Odfjell has implemented safety standards in accordance with requirements of the the flag state of vessels.</p>	<p>Total Recordable Case Frequency (TRCF) was 1.68 in 2019, up from 1.49 in 2018.</p> <p>All incidents in 2019 happened in 1H.</p> <p>A new action plan was initiated, and in 2H there were no incidents.</p>	<p>ISM Code</p>
	<p>Diversity</p> <p>Odfjell promotes diversity, inclusion, and equal opportunities for our employees. We believe it is of value to the business to have diversity in our organization, and it is also important for us to attract talent from a wide population.</p> <p>In 2019, we implemented a policy to actively improve gender diversity in Odfjell which is now showing effect.</p> <p>We have also taken steps to collaborate with industry networks to put diversity on the agenda, as we believe that diversity is a missed opportunity in the industry today. We support offshore career initiatives and recruiting initiatives attract female candidates.</p> <p>We have a goal to increase the ratio of women in leadership positions.</p>	<p>At our head-quarters in Bergen, Norway, the employees are 71% men and 29% women.</p> <p>Corresponding global figures are 67% and 33%.</p> <p>At our head-quarters, 50% of our new hires in 2019 were women.</p> <p>50% of Directors of the Board of Odfjell SE are women.</p> <p>All four members of the Executive Management are men.</p>	<p>GRI 405-1</p> <p>SDG 5,</p> <p>SDG 10</p>

	<p>Labor rights</p> <p>Odfjell is a signatory to the UN Global Compact and supports all the ten principles, where numbers 3 to 6 concern labor rights.</p> <p>Odfjell supports freedom of association and, in line with local norms and regulations, adheres to various collective bargaining agreements for elements of our workforce.</p> <p>Odfjell has established work councils with employee representatives and local management.</p>	<p>Maritime Labor Convention (MLC) certification on all managed vessels.</p>	<p>GRI 102-41 SDG 8</p>
	<p>Port State Control</p> <p>Port State Control (PSC) 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.</p> <p>A deficiency is defined as a condition found not to comply with such regulations (see reference).</p> <p>Serious findings would lead to detention.</p> <p>Management and organization in Odfjell have incentives with KPIs related to Port State Control (PSC) findings.</p>	<p>In 2019, Odfjell had 0.77 findings pr PSC inspection and zero detentions.</p>	<p>SASB TR-MT-540a.3 SDG 8, 14</p>
	<p>Marine casualties</p> <p>Odfjell defines a marine casualty in accordance with UN IMO's Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84).</p>	<p>In 2019, we had zero marine casualties.</p>	<p>SASB TR-MT-540a.1 SDG 8</p>
<p>Human Rights and child labor</p>	<p>Human Rights and child labor</p> <p>Human rights are reflected in several of Odfjell's policies and reporting i.e. on Communication of Progress (COP). We also expect the same from our suppliers that must sign our Suppliers principles. 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.</p> <p>Human rights and child labor are a part of the integrity risk assessments, and we implement mitigating actions where we see that we are exposed, in line with the UN Guiding Principles of Human rights and the ILO conventions on child labor.</p>	<p>In our reviews and risk assessment we score the risk of direct non-compliance with regulation on human rights and child labor as low.</p> <p>In 2019, we introduced new integrity terms in our contracts with agents, and that all yards and suppliers will sign the supplier principles.</p>	<p>GRI 412 GRI 408 SDG 8 SDG 4 SDG 16</p>

TOPIC	ACCOUNTING METRIC	UNIT	REF
Business Ethics	<p>Anti-corruption and integrity framework</p> <p>Odfjell has a clearly stated zero-tolerance policy on corruption.</p> <p>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 as a basis for a company action plan on anti-corruption work.</p> <p>We do annual mandatory training and signing of Code of Conduct and anti-corruption policies for all of our employees, and have included relevant integrity clauses in all our contracts.</p> <p>Odfjell is a member of the Maritime Anti-Corruption Network, and we have implemented and supported the MACN “Say No” campaign on all our vessels. We also track requests for facilitation globally.</p> <p>We have established a reporting hotline, available internally and externally, for the reporting of any compliance-related matters.</p> <p>Odfjell has an Integrity Council that coordinates all actions under the framework from all areas of our business.</p>	Member in Maritime Anti-Corruption Network (MACN). Integrity Council in place.	UK Bribery act
	<p>Corruption risk</p> <p>Number of calls at ports or net revenue in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index</p>	Two port calls to Nicaragua in 2019.	SASB TR-MT-510a.1 SDG 16
	<p>Facilitation payments</p> <p>The number of incidents where bribes have been requested.</p>	17 incidents where facilitation/gifts have been requested according to “Say No” statistics.	SDG 16
	<p>Fines</p> <p>The total monetary value of significant fines and the total number of non-monetary sanctions for non-compliance with laws and/or regulations.</p>	Zero.	GRI 419-1 SASB TR-MT-510a.2 SDG 16
ESG governance	<p>Policies and targets</p> <p>Main policies are Code of Conduct, HSE Policy, Sustainability Policy, Corporate Governance Policy, Anti-corruption Policy, Environmental Policy of Ship Management, Supplier Code of Conduct Principles, Supplier Audits incl. ESG, Audits of Yards, Sanctions</p>		GRI Disclosure of Management Approach

	<p>Policy, Antitrust / Competition Compliance Policy, among many others.</p> <p>Our document “Global Operations – Our Responsibility” describes our ESG strategy and actions.</p>		
Standards	<p>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.</p>		<p>ISO 9001 ISO 14001 CDT-I</p>
Whistle-blowing	<p>Reporting hotline</p> <p>Odfjell has a whistle-blowing policy and procedure including an anonymous reporting hotline, available both internally and externally.</p>	<p>Total 20 reports in 2019. None regarded as material.</p>	

Human Rights principles – goals and outcome

Defined goals for 2019

- Implement a Performance Management system, incl. cascade strategy & goals and develop value driven KPI's across functions
- Implement a new HR Management system, incl. time, absence, travel, payroll, salary adjustment and organization structure
- Prepare an action plan for diversity, where we want to increase the percentage of women
- Continue the leadership program
- Improve succession planning

Measurement of outcome for 2019

- Implemented Performance Management system
- Implemented new HR Management system, incl. time, absence, travel, payroll, salary adjustment and organization structure
- Prepared action plan for diversity, where we want to increase the percentage of women
- Continued the leadership program
- Improve succession planning - ongoing

Goals for 2020

- Further implement action plan for diversity
- Continue the leadership program
- Improve succession planning
- Implement policies regarding UN Guiding principles on Human Rights paragraph 15
- Include human rights and child labor risk in the risk assessment

Labor Rights principles – goals and outcome

Defined goals for 2019

- Cascade strategy & goals and develop value driven KPI's across functions
- Improve succession planning
- Absence rate $\leq 2.4\%$
- LTIF Managed ships ≤ 0.3 , TRCF Managed ships ≤ 1.5
- LTIF Terminals ≤ 0.15
- Global Safety Day in end of April execute successfully in all entities

Measurement of outcome for 2019

- Cascade strategy & goals and develop value driven KPI's across functions - ongoing
- Improve succession planning - ongoing
- Absence rate goal reached - HQ Bergen was 1.99, Seafarers was 1.23, Singapore office 1.43 and Houston office was 0.19
- LTIF Managed vessels was 0.89 – target not reached, TRCF Managed vessels was 1.68 – target not reached
- LTIF Terminals was 0.51 – target not reached
- Executed Odfjell's Global Safety Day in end of April successfully in all entities

Goals for 2020

- Cascade strategy & goals and develop value driven KPI's across functions
- Improve succession planning
- Absence rate $\leq 2.4\%$
- LTIF Managed ships ≤ 0.3 , TRCF Managed ships ≤ 1.5
- LTIF Terminals ≤ 0.3
- Odfjell's Global Safety Day is executed successfully
- Odfjell intends to follow up the requirements of the new Equality and Anti-Discrimination Act §26 with analysis, actions and reporting in 2020

Environmental principles - goals and outcome

Defined goals for 2019

- Reduce discharge of CO₂ to air from managed vessels by 1.5 %
 - Sophisticated antifouling system with ultra-low resistance
- Reduce discharge to sea
 - Retrofitting with biodegradable lube oil in compliance with US VGP according procedure 1318 VGP US Biodegradable Lube Oil

Measurement of outcome for 2019

- Reduce discharge of CO₂ to air from managed vessels to by 3.9 % - goal reached
 - Sophisticated antifouling system with ultra-low resistance – progressing as planned
- Reduce discharge to sea
 - Retrofitting with biodegradable lube oil in compliance with US VGP according procedure 1318 VGP US Biodegradable Lube Oil – progressing as planned

Goals for 2020

- Reduce discharge of CO₂ to air from managed vessels more than 1.5 %
 - Sophisticated antifouling system with ultra-low resistance
 - NorSingProp Propulsion Efficiency project
 - Propeller Boss-Cap Fin project
 - Reverse Osmosis Plant project
- Contribute to reduce carbon intensity of the fleet through implementation of further phases of the energy efficiency design index (EEDI) for new ships
- Review with the aim to strengthen the energy efficiency design requirements for ships with the percentage improvement for each phase to be determined for each ship type, as appropriate
- Reduce CO₂ emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 (will be depending on IMO guidance for chemical tankers)
- GHG emissions to peak as soon as possible and to reduce the total annual GHG emissions by at least 50% by 2050 compared to 2008 whilst pursuing efforts towards phasing them out
- Substantially reduce SO₂ emissions due to implementation of IMO 2020 sulphur cap regulation
- Reduced discharge of Ozone-depleting substances
 - reduce risk of emission of R22 Refrigerant (all R22 has been phased out of service)
- Reduced risk of discharge of oil to sea
 - Retrofitting with biodegradable lube oil in compliance with US VGP according procedure 1318 VGP US Biodegradable Lube Oil
- Contribute in Getting to Zero coalition
- Conduct and report climate risk assessment for the group in line with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD)
- Follow the Norwegian Shipowner Association's (NSA) Guidelines for ESG reporting and Euronext Guidance on ESG for sustainability reporting

Anti-corruption principle – goals and outcome

Defined goals for 2019

- Integrity risk assessment across departments
- Anti-corruption training with board
- Quarterly Integrity Council meetings
- Implementation of new integrity module in GAN for all employees
- Roll out joint integrity policy for business unit Terminals
- Annual Anti-Corruption Policy training and signing

Measurement of outcome for 2019

- Completed Integrity risk assessment across departments
- Completed Anti-corruption training with board
- 2 Integrity Council meetings in 2019
- Implementation of new integrity module in GAN for all employees planned for 1H 2020
- Roll out joint integrity policy for business unit Terminals planned for 1H 2020
- Completed Annual Anti-Corruption Policy training and signing
- Published Corporate Sanctions Policy

Goals for 2020

- Integrity risk assessment across departments
- Anti-corruption training with board
- Quarterly Integrity Council meetings
- Implementation of new integrity module in GAN for all employees planned for 1H 2020
- Roll out joint integrity policy for business unit Terminals planned for 2H 2020
- Annual Compliance Sign-off campaign Ongoing
- Integration of Say No (facilitation payment) reports in Port log
- Implementation of Supplier Conduct Code Principles at all yards and for docking agents
- Update procedure for pre-approval of yards
- Continue to be a active member in Maritime Anti-corruption Network (MACN)