
STATEMENT REGARDING THE TRANSPARENCY ACT

1 INTRODUCTION

The act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the "**Transparency Act**") came into force on 1 July 2022. This statement is Saga Shipholding (Norway) AS' ("**SSH**") report on the due diligence assessments pursuant to Section 5 of the Transparency Act.

The statement includes the due diligence assessments we have carried out for the period 1 July 2022 to 14 June 2023.

2 ORGANIZATION AND AREA OF OPERATION

SSH is a tonnage supplier with head office in Tønsberg. SSH is owned by Nippon Yusen Kaisha, Japan ("**NYK**").

SSH have 33 vessels (owned or chartered by SSH). The vessels are placed in a pool venture, Saga Welco AS ("**SW**"). SW is a global shipping company that offers high quality solutions for the transportation of forest products, breakbulk and bulk cargoes.

The vessels are on full technical management with Anglo-Eastern Ship Management Ltd. ("**AESM**") who are also responsible for manning with highly qualified crew from India and the Philippines. AESM is a leading global provider of ship management services, and they operate all around the world, with their head office in Hong Kong.

3 GUIDELINES AND ROUTINES

SSH has embedded the work with fundamental human rights and decent working conditions under the Transparency Act in the board and has appointed a designated person to follow up the practical work with due diligence assessments under the Transparency Act. The designated person also cooperates with the CEO in relation to the Transparency Act. The designated person regularly reports to the CEO and the board on the work that has been done under the Transparency Act and will continue to do so in the future.

SSH's board has also adopted internal guidelines to ensure regular follow-up of the work with fundamental human rights and decent working conditions. The guidelines have been communicated to all employees. Through its owners NYK, SSH has also adopted its own internal code of conduct including requirements to comply with human rights, which have been communicated to all employees. The guidelines under the Transparency Act supplements said internal code of conduct.

4 REGARDING THE DUE DILIGENCE ASSESSMENT

4.1 General industry risks

Our work with the due diligence assessments started with an overall analysis of risks in the shipping industry. These risks are mainly related to poor working conditions on the vessels, security risks and environmental risks.

4.2 SHHs own operations

Thereafter we gathered information regarding our own business, suppliers and business partners. The purpose was to identify which areas pose the highest risk of negative impact on fundamental human rights and decent working conditions.

As mentioned, NYK has a code of conduct which SSH has committed to, and the code of conduct has been communicated to all employees. The rules set out, among other things, requirements to comply with human rights.

Our own operations consist of 6 employees at our offices in Norway and Hong Kong. We have very few risks linked to our own business as the we consist of few employees who are office workers. These are taken care of through relevant labor legislation and we regularly follow up to ensure that the employees have safe and good working conditions.

4.3 Relevant suppliers

We obtained a complete overview of suppliers and business partners (hereafter collectively "**Suppliers**") we have had during the reporting period stated in section 1 above. This overview was created by obtaining lists of Suppliers to whom we have had payments during the period. After the total number of Suppliers had been identified, an assessment was made of which Suppliers should be followed up by further mapping.

The list of Suppliers was narrowed down according to, inter alia, the following criteria industry (group and product category), geography (place of production and place of origin), whether the Supplier itself is subject by the Transparency Act, whether the Supplier was in relation to a single purchase (one-off purchases and Suppliers whom we no longer have a relationship with were removed).

The purpose of the delimitation was to create a starting point for further mapping.

Based on the delimitation we concluded to concentrate further due diligence assessments on the supplier AESM.

As a method in the further mapping, we first looked at public available information about the risk of violations of basic human rights and decent working conditions, mainly related to the relevant Suppliers' geography and the shipping industry. We also used information from International Maritime Organization, a specialized agency of the United Nations which is responsible for measures to improve the safety and security of international shipping and to prevent pollution from ships. The assessment of the public information show that there is a risk of violations of workers' rights in the relevant countries and industry.

AESM has a code of conduct which imposes strict rules, inter alia, with regards to human rights and decent working conditions, on both their employees and their vendors. Furthermore, they have a vendor application form where the relevant business partners and suppliers of AESM must provide information regarding their compliance with, inter alia, fundamental human rights and decent working conditions. They must also return a signed copy of the form stating that they shall comply with AESM' demands.

We provided AESM with questions relating to the Transparency Act, and their responses showed that they had a system in place with regards to the follow-up of requirements and sanctions related to any violations. We have however detected a risk concerning the shipyards as they are not subject to the same audit as the other Suppliers. On the other hand, the shipyards are visited AESM at times during docking, and the docking is supervised by a dedicated vessel manager. AESM has informed us that they work with well reputed shipyards, where they have repeated business, so they know their counterparts well. AESM have not detected or witnessed any violations of fundamental human rights during any drydockings.

4.4 Conclusion

We have detected a general risk in the shipping industry and a general geographical risk. We have reviewed AESM's code of conduct to their suppliers and followed up with questions to ASEM regarding their systems to ensure that the code of conduct is followed, as well as their system for supervision at the shipyards. After this, we have not uncovered actual negative consequences or a significant risk of negative

consequences through our due diligence assessments. In order to keep limiting the risk going forward, we will keep monitoring the risks involved in the shipping industry and will ensure that our Suppliers are serious companies. Further we will follow our internal guidelines which are in accordance with the requirements stated in Transparency Act. We will also follow up and if necessary, sanction possible violations of basic human rights and decent working conditions that we receive.

If you have questions or wish to report potential breaches under the Transparency Act, please contact SSH at nta@sagashipholding.com.



Katsuhito Yamane
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Shiroichi Yoshihara
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