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## STATEMENT – THE TRANSPARENCY ACT

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### 1 INTRODUCTION

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

The statement includes the due diligence assessments we have conducted for the period from 1 January 2023 – 31 December 2023.

The statement is issued in English, ref. the Accounting Act § 3-4 (3).

### 2 ORGANISATION AND AREA OF OPERATION

Saga Welco AS ("**Saga Welco**") is an international shipping company offering solutions for transportation of forest products, breakbulk and bulk cargoes. Saga Welco is headquartered in Tønsberg, Norway. In addition to certain head quarter functions in Bergen, we have branch offices located in all operational and strategic regions, locally staffed with dedicated, experienced commercial and operational personnel. Saga Welco's branch offices are located in Antwerp, Livorno, Savannah, Vancouver BC, Rio de Janeiro, São Paulo, Montevideo, Seoul, Shanghai and Tokyo. Saga Welco has close to 120 employees.

Saga Welco is organized with an "inner company" (the "**Pool**") as a tool for allocating the profit/loss to the owners of the Pool. The Pool (under the name of Saga Welco) is managed by Saga Welco AS. Saga Welco AS is owed 50/50 by NYK Holding (Europe) BV and Armadora AS. The vessel suppliers in the Pool are Saga Shipholding (Norway) AS ("**SSH**") and Westfal-Larsen Shipping AS ("**WLS**") (SSH and WLS together referred to as the "**Participants**"). Saga Welco is operating the Participants' cargo-carrying vessels mainly by carrying contract cargoes in parcel service.

Saga Welco's core fleet consist of 48 open hatch gantry craned vessels nominated by the Pool Participants. SSH supplies 32 vessels and WLS supplies 16 vessels to the Pool. Saga Welco from time to time periodically charter in additional vessels to meet cargo demands or contractual commitment.

### 3 GUIDELINES AND ROUTINES

Saga Welco has embedded the work on fundamental human rights and decent working conditions under the Transparency Act in the board and appointed one designated person to follow up the practical work on due diligence under the Transparency Act. The designated person cooperates with – and shall keep the CEO informed – as a part of the day-to-day operations of the company. The designated person and the CEO regularly reports to the board in relation to the Transparency Act.

Saga Welco has also adopted internal guidelines to ensure regular follow-up of work on fundamental human rights and decent working conditions. The guidelines are communicated to all employees. These guidelines are supplemented by Saga Welco's procedures on inter alia compliance, anti-corruption and anti-bribery. The guidelines have been reviewed and slightly updated after the first version was adopted in 2023.

Any questions about Saga Welco's ongoing work under the Transparency Act and any person's right to information from Saga Welco regarding how we address actual and potential adverse impacts on fundamental human rights and decent working conditions can be sent to [post@sagawelco.com](mailto:post@sagawelco.com).

In 2023, we also updated our code of conduct for suppliers in connection with the work under the Transparency Act, generally to highlight fundamental human rights and decent working conditions. This updated code of conduct was communicated to several suppliers and business partners in 2023 and up until now in 2024 and we will continue to communicate the code of conduct to suppliers and business partners going forward. The code of conduct is also available at our webpages [sagawelco.com](http://sagawelco.com).

#### **4 THE DUE DILIGENCE ASSESSMENTS**

- 4.1 As for last year, our due diligence work started with an overall analysis and gathering of information for 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.
- 4.2 We obtained a complete list of suppliers and business partners (hereinafter collectively "Suppliers") during the relevant period. This overview was compiled by obtaining lists of Suppliers to whom we have had payments during the period. Our business and Suppliers are largely the same as for our due diligence assessment last year, with the addition that our activity in Uruguay has been extended. In addition to the administrative services to our offices such as IT services, auditing etc., our Suppliers are mainly the owners of the vessels, agents, brokers, bunker suppliers and stevedores.
- 4.3 Thereafter, an assessment was made of how the employees in our own business, as well as which Suppliers, should be followed up in further mapping. The list of Suppliers was prioritized according to criteria such as the size of payments from us, industry, and geography.
- 4.4 The purpose of the limitation was to create a starting point for further mapping. In the further mapping, we first looked at publicly available information on the risk of violations of fundamental human rights and decent working conditions, related to the geography and industry of the relevant Suppliers. We used reports and information from the OECD, The International Trade Union Confederation (ITUC) international special interest organizations and national human rights institutions. Thereafter, we requested information from new employees and prioritized Suppliers. Satisfactory responses were received.
- 4.5 We have in our due diligence assessments for this reporting period detected a general risk mainly in relation to working conditions on vessels in the shipping industry and a general geographical risk in several relevant countries.
- 4.6 The owners of the vessels arrange for crewing of the vessels. We have reviewed the statements under the Transparency Act of the owners. When we conducted our due diligence assessments the published statements were for last year (published June 2023). We will review the statements to be published within 30 June 2024 after these are published and will update our statement if this is necessary after the review. We note from SSH's statement under the Transparency Act that SSH has in that regard also obtained information from the manager of the vessels and we received information from Westfal-Larsen Management that Westfal-Larsen Management conducts audits minimum once per year of their crewing agencies.
- 4.7 We have in our due diligence assessments for this reporting period detected a general risk mainly in relation to working conditions on vessels in the shipping industry and a general geographical risk in several relevant countries. We will continue to communicate the code of conduct to suppliers and business partners going forward We will also keep addressing the risk in our general vetting of suppliers going forward. In addition, we will follow up any reports of possible violations of fundamental human rights and decent working conditions that we receive.

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4 June 2024

signed by the board and CEO of Saga Welco AS



Ulrich Muller  
chairman



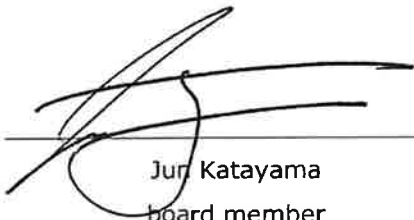
Carl Hagman  
board member



Bernt Jacob Schwings Pettersen  
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Richard Carl Beyer  
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Jun Katayama  
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Tom Henning Rasmussen  
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Trond Moe Hanssen  
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