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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 July 2022 to 20 June 2023. The assessments have been carried out in spring 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. 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, Uruguay, 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 is 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 cargos in parcel service.

Saga Welco's core fleet consist of 49 open hatch gantry craned vessels nominated by the Pool Participants. SSH supplies 33 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. No vessels are presently chartered in.

### 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 from to follow up the practical work on due diligence under the Transparency Act. The designated person regularly reports to the board on the work that has been done under the Transparency Act and will continue to do so in the future.

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.

On our webpages [sagawelco.com](http://sagawelco.com), Saga Welco informs about the company's ongoing work under the Transparency Act and that any person has the right to information from Saga Welco regarding how we address actual and potential adverse impacts on fundamental human rights and decent working condition. Questions can be sent to [post@sagawelco.com](mailto:post@sagawelco.com).

We have 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 has been communicated to several suppliers and business partners and will be continued to be communicated to suppliers and business partners going forward.

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

- 4.1 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. 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. The owners of the vessels arrange for crewing of the vessels (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).
- 4.3 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, geography, whether the Supplier itself is covered by the Transparency Act, whether the Supplier was individual (one-off purchases and Suppliers we no longer have a relationship with were removed).
- 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 all employees and prioritized Suppliers. Not all responses have been received from the Suppliers and we will continue to follow up.
- 4.5 We have in our due diligence assessments in 2023 detected a general risk in the shipping industry and a general geographical risk in several relevant countries. We have updated our routines and code of conduct to limit the risk, and we have informed several suppliers in that regard. We will also address 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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29 June 2023

signed electronically by the board and CEO of Saga Welco AS

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