

Kristian Gerhard Jebsen Skipsrederi AS - Human Rights Due Diligence

Report in accordance with Section 4 and 5 of the Norwegian Transparency Act

26 June 2024

Since the Company's inception in 1967, Kristian Gerhard Jebsen Skipsrederi (KGJS) has strived to treat people with respect and act in a responsible way - towards its employees, suppliers, and other stakeholders. The health and safety of our people remains key to KGJS and without it we are not able to run our day-to-day business operations. Abiding by human rights is part of KGJS' DNA as a company and something we won't compromise on.

As a company in the international shipping industry, KGJS relies on various suppliers. We acknowledge that we are not in total control of the complete inherent risk universe of our business. However, we strongly believe in close cooperation within our value chain to reduce inherent risks to the extent possible.

Transparency Act reporting requirements

In June 2021, the Norwegian Parliament enacted the Transparency Act, which came into force in June 2022 and with actual reporting requirements from 30 June 2023. The goal of the Transparency Act is to establish legal reporting requirements for larger enterprises on fundamental human rights and decent working conditions, in line with the OECD's and the UN's international principles and guidelines for companies' work on human rights. This includes due diligence and follow-up across the value chain, including vendors and business partners. Another requirement in the Act is to make this information accessible to the public.

The report from each qualifying company will require:

- Description of a company's organization and area of operations
- Description of guidelines and routines for handling actual and potentially negative consequences for fundamental human rights and decent working conditions as well as details on how the work with the due diligence assessment is organized
- Specific information on actual negative consequences and substantial risk for negative consequences which enterprises have identified through their due diligence assessments and measures the enterprises have taken or plan to take to stop actual negative consequences or to limit substantial risk

This is our second Transparency Act report, the first report was published in June 2023.

Description of the Company's organization and area of operations

KGJS is an international shipowner and part of the Kristian Gerhard Jebsen Group (KGJG). KGJS and its subsidiaries comprise the legal entities relevant for this report. In 2023 and 2024, KGJS had presence in two different shipping segments – dry bulk and product tankers. When issuing this report, 9 of 10 vessels in the product tanker fleet has been sold and delivered to new owners. Therefore, this report is focused on the dry bulk trade that will be core for KGJS going forward.

Dry bulk trade

KGJS operates a fleet of 5 modern Kamsarmax bulk carriers that carry dry cargoes. The most common cargoes for the BTG vessels are grains and soy products. The dry bulk trade is global and thus the dry bulk fleet calls ports across the world.

Product tanker trade - ongoing exit from segment

KGJS operates in the long-range product tanker trades through SKS Tankers, which is jointly owned by KGJS and Greentankers Holdings Ltd. – a company controlled by Hayfin Capital Holdings Ltd. The SKS fleet consisted of 10 x LR2 tankers by the publication of the previous Transparency Act report and one vessel when issuing this report. The trade includes a broad range of oil products e.g. gasoil/diesel, condensate, and jet fuel. The trade is global and the fleet calls ports across the world.

The group is ultimately owned and controlled by Hans Peter Jebsen and his family. KGJS including its subsidiaries has its head office in Bergen, Norway and one employee in London, UK.

In 2020, KGJS sold off its Fleet Management activity to OSM Thome. As a result of this transaction, all seafarers as well as onshore technical management functions were shifted from being employees to being hired from a third-party vendor, namely OSM Thome.

KGJS' CEO is overseeing the company's work on human rights, similarly to that of other corporate and business matters. The KGJS Board of Directors is responsible for oversight and ensuring respect for human rights throughout the business activities.

KGJS works to maintain a culture focused on safety and human rights. Through safety awareness and the right attitudes towards our employees and vendors we seek to maintain a strong track record. This culture is promoted throughout the organization, including regular dialogue between owners and fleet management and close follow-up of our ship manager's approach to the safety of seafarers onboard KGJS' vessels.

Guidelines and routines for human rights due diligence

The KGJS Employee Handbook lays out the company's policies and approach to human rights. A separate Human Rights Policy is implemented in KGJS to further lift the focus on the topic and to extend our reach to also include the supply chain. The work related to due diligence of human rights in our supply chain is conducted by a dedicated working group consisting of employees with different roles and competency.

Safety and human rights are embedded in the daily operation of KGJS. We have established policies, procedures, and control processes to ensure compliance with applicable laws and regulations and going beyond what are legal requirements in certain cases. We are committed to the UN Guiding Principles on Business and Human Rights (UNGP), and we are signatory to the United Nations Global Compact.

In KGJS, a process for human rights due diligence has been established. The review takes place annually and starts with a mapping of KGJS' suppliers to ensure relevant vendors are accounted for. Subsequently, vendors are assessed along several dimensions, which leads to a weighted risk score. In certain cases, this prompts a requirement for further due diligence and to increase our attention to specific suppliers, countries of operation and/or nature of the supplier's business. Examples can be specific countries in which human rights or labor rights have been compromised, which can be monitored and mitigated through local inspections of e.g. shipyards.

KGJS has historically encouraged its suppliers to adopt its Code of Conduct. In 2023 and 2024, KGJS also started actively sharing a newly developed Supplier Code of Conduct and requesting our main suppliers to sign.

Risk of negative consequences for Human & Labor Rights

KGJS operates in a competitive and international shipping industry. The industry runs across borders 24/7, inherently having certain risks related to safety, the environment, and human rights that need to be closely monitored. KGJS constantly works to maintain a safety culture through safety awareness.

Based on an internal assessment, KGJS has concluded that the below table represents relevant risk categories:

Category	KGJS status and impact
Right to a healthy and safe work environment and living environment	KGJS is a Norwegian based company with employees in Norway, and the UK. KGJS operates in accordance with local labor laws in Norway and the UK to maintain employees' health and safety. In addition to this, KGJS constantly works to maintain a strong safety culture, through safety awareness. We believe that a positive working environment with measures for a proactive lifestyle, contributes to reducing and minimizing injuries, illness, disorders, sickness, and diseases. We aim to achieve continuous health improvement for our employees by providing support from healthcare and medical specialists.
Right of freedom from forced labor and human trafficking	In KGJS, we ensure that all our employees are employees of free will. We expect the same from our suppliers.
Right to access a clean, healthy, and sustainable environment	KGJS supports IMO's goals for reducing emissions of greenhouse gases from the maritime industry, as well as ambitions to cut waste and improve biological diversity in our oceans.
Right to non-discrimination in hiring, employment, and pay	In KGJS there are clear policies and procedures on hiring and employment, and these are monitored to ensure fair pay
Right to a non-harassing work environment	KGJS has zero tolerance for discrimination and harassment. Additionally, we expect all our employees to follow our Code of Conduct, ensure a non-harassing climate, and report any incident as outlined in our policies.

For the abovementioned categories, we aim to assess the impact KGJS has across the relevant dimensions. Of particular importance is geography: e.g. location of offices, where we maintain our vessels or what ports we call. Perceived as the biggest risk are ship managers and shipyards.

Measures KGJS has taken/plan to take to stop negative consequences or to limit substantial risk:

Supplier Code of Conduct: To further clarify KGJS' expectations towards suppliers, we have implemented a Supplier Code of Conduct. This means that suppliers over USD 50,000 yearly spend receive the document and asked to sign it to ensure that they abide by it. To date, KGJS' 3 largest suppliers have signed the document, most important being OSM Thome due to the comprehensiveness of the ship manager's business on behalf of a shipowner. Given the change in strategic focus for KGJS

and the exit from the product tanker segment, the focus has been on following-up with suppliers that will remain suppliers for KGJS also in the future.

Ship manager: For our ship manager, which we have a close working relationship with, we maintain strict KPIs and monitoring processes to ensure that seafarers onboard our vessels have the correct working conditions. For our dry bulk vessels, we have a retention rate of 100% over the past 3 years. We believe this high retention rate is driven by our focus on seafarers' safety and health.

Shipyards: Another risk category is yards for newbuilding projects, dry dockings and vessel recycling. Dry dockings, which are done every 5 years for our vessels, have been most relevant in recent years and will be relevant going forward. Before a yard is selected, there is a review process conducted by KGJS technical department together with our ship manager. More specifically, this means a clear selection, audit, and follow-up process of any yard that is to be used, including on-site inspections. Furthermore, KGJS is always present with supervisors at the yards whenever such projects are ongoing. Since dry dockings will be upcoming for our dry bulk vessels in the coming years, a review process for selection of yards will be initiated in due course.

Whistleblower program: KGJS' whistleblower program was put in place to ensure that employees and stakeholders are comfortable reporting misconduct in the organization without fear of retaliation or negative consequences. The whistleblower program aims to tackle all types of misconduct, including human rights. Whistleblowers may report through any channel they feel comfortable with, including to our dedicated email address [gdpr\(a\)kgjs.no](mailto:gdpr(a)kgjs.no). Procedures have been put in place to ensure that all whistleblower reports are treated strictly confidential, and that whistleblowers may remain anonymous.

Through our due diligence assessments, we have not uncovered actual violations of human rights or decent working conditions. That being mentioned, we continue to strive to further improve our internal processes and policies to support human rights in the shipping industry.

Information request

The following email shall be used to send an information request regarding how KGJS addresses actual and potential adverse impacts on human rights: [compliance.request\(a\)kgjs.no](mailto:compliance.request(a)kgjs.no). Please clearly specify the information being requested, so that the request can be answered correctly and efficiently.

Please note that KGJS does not have an obligation to disclose information about an individual's personal affairs, or data regarding technical devices and procedures or other operational and business matters which must be kept secret for competitive reasons.



The board of directors of
Kristian Gerhard Jebsen Skipsrederi AS

Hans Peter Jebsen
Chairman

Jarle Haugsdal

Board member

Hans Petter Høegh

Board member

Ørjan Lunde

CEO