

Statement according to the Norwegian Transparency Act.

Purpose of the statement

All larger companies in Norway have to comply with the Norwegian Transparency Act.

The purpose of this Statement is to comply with the rules and regulation in order for Westfal-Larsen group of companies (“Westfal-Larsen”) to promote its respect for fundamental human rights and decent working conditions in relation to the services Westfal-Larsen group provide.

The Statement shall also ensure that the public have access to information regarding how Westfal-Larsen deals with potential negative impact on human rights and decent working conditions in its supply chains.

The Statement is published on the WEB-site: wlco.no

Introduction to the Westfal-Larsen group of companies

The Westfal-Larsen family is the ultimate owners of a group of companies, mainly involved in shipping activities and maritime transportation.

Skibsaktieselskapet Navigation Co. Ltd., Bergen Norway, (“Navigation”) is the holding company. Through its various subsidiaries, Navigation is performing various activities such as chemical and dry bulk shipping, property investments, retail business and technology development. Navigation’s subsidiaries Westfal-Larsen & Co AS, Welco Eco Ship AS, Masterbulk AS, Westfal-Larsen Management AS and Westchart AS are owners, technical- and commercial managers for the Westfal-Larsen fleet, transporting various goods worldwide. Navigation through its subsidiaries J. Berstad Eiendom AS, Wallendahl AS and Primozone Production AB is involved in property investments, retail business, and technology development. Westfal-Larsen Group Resources AS and J. Berstad Eiendom AS are the resource centers for the other companies in Westfal-Larsen, the main activities conducted include general management and accounting services. Westchart AS is the company within the Westfal-Larsen, commercially operating the chemical tankers. Westfal-Larsen Management AS is the technical manager of a total of 24 vessels, 16 vessels on behalf of Masterbulk AS of which eight are subcontracted to external technical manager named Zeaborn Ship Management (Singapore) Pte. Ltd., six vessels on behalf of Westfal-Larsen & Co AS and two vessels on behalf of Welco Eco Ship AS.

Due diligence assessment

The Transparency Act states that all larger companies must carry out due diligence assessments in line with the OECD’s guidelines for multinational companies.

Westfal-Larsen has established a transparency group (“Transparency group”) responsible for working with the Transparency Act requirement over time.

Screening and mapping

The Transparency group has carried out a process of comprehensive screening and mapping of all the Westfal-Larsen’s suppliers. All suppliers have been categorized and prioritized with regards to risk based on location and magnitude of the business relationship in terms of turnover.

We have based our country risk classification on the two lists “High-risk countries listed by EU” and “High-risk countries listed by FATF”.

In order to categorize suppliers in terms of turnover, we have been screening and mapping all suppliers having an annual turnover of more than USD 10 000, which is considered to be a low amount limit in order to capture a large number of our suppliers.

Initially, no assessment has been carried out for Norwegian companies as they must follow the Transparency Act and thus are considered “low-risk”. However, as part of the continuous and systematic work under the Transparency Act, Norwegian companies may be included in the assessment over time.

The screening and mapping have resulted in an evaluation of the suppliers as “low-risk”, “medium-risk” and high-risk”. The suppliers who are considered medium-risk and high-risk have undergone a closer due diligence assessment.

To carry out the due diligence assessment the Transparency group had prepared a comprehensive questionnaire covering the Transparency Acts condition regarding Human Rights and Decent Working Conditions. In addition, the questionnaire also contains questions regarding corporate governance, money laundering, terrorist financing, bribery/corruption and economic sanctions, environmental issues, supply chain and quality issues.

The questionnaire has been sent to more than 230 suppliers evaluated as “medium-risk” and “high-risk” according to the established criteria.

Continuous and systematic work

The work to improve fundamental human rights and decent working conditions will be continuous and systematic.

Based on feedback received on the Questionnaires, the Transparency group will carry out a further risk analysis and assess which measures will be needed to promote fundamental human rights and decent working conditions if such discrepancies are detected.

The result of the assessment could be that certain suppliers will no longer be used and phased out. Other measures may be to have direct follow-up contact with suppliers and to encourage suppliers to implement their own measures that can improve human rights and decent working conditions. Westfal-Larsen will then follow up and examine whether the supplier has complied with its own procedures.

The Transparency group will take the initiative to establish a process where due diligence assessment of suppliers is carried out continuously and consider expanding the risk areas if deemed necessary.

Bergen, 30 June 2023



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Group CEO



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