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Statement according to the Norwegian Transparency Act for 2023

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.

This Statement is made and published by the holding company Skibsaktieselskapet Navigation Co. Ltd. but covers all the companies within Westfal-Larsen that are reportable by the Norwegian Transparency Act i.e. Masterbulk AS, Welco Eco Ship AS and Westfal-Larsen & Co. AS.

This Statement is published on our corporate web site: www.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 and technology development.

Westfal-Larsen & Co AS, Welco Eco Ship AS, Masterbulk AS, Westfal-Larsen Management AS and Westchart AS are companies involved in various shipping activities as owners, technical- and commercial management for the Westfal-Larsen fleet and transporting various goods worldwide. 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. Seafarers on board the Westfal-Larsen vessels are employed through Magsaysay Maritime Corporation, Philippines and Lapa Ltd., Lativa

J. Berstad Eiendom AS and Primozone Production AB are companies involved in property investments and technology development.

Westfal-Larsen Group Resources AS and J. Berstad Eiendom AS are the resource centers for the other companies in Westfal-Larsen. Their main activities include general management and accounting services.

Employees in Westfal-Larsen are employed in one of the following companies; Skibsaktieselskapet Navigation Co. Ltd., Westfal-Larsen Management AS, Westchart AS, J. Berstad Eiendom AS. Primozone Production AB and Westfal-Larsen Group Resources AS.



Westfal-Larsen has established internal guidelines and routines for employees, in order to deal with actual and potential negative consequences for basic human rights and decent working conditions such as Code of Conduct, ethical guidelines, routines for risk assessments, employee surveys, employee interviews, HSE system including sickness absence treatment, preventive health and working environment measures, safety rules in the event of injuries and accidents, rules for employment in terms of salary, leave and holiday in accordance with current Norwegian legislation as well as a whistle blower procedure for reporting objectionable conditions.

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

Starting in 2023 the Transparency group 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. In order to carry out the due diligence assessment the Transparency group questionnaire has been sent to more than 230 suppliers evaluated as "medium-risk" and "high-risk" according to the established criteria.

The Transparency group has received response from all suppliers that received the questionnaire. Based on the feedback received on the questionnaires, the Transparency group has carried out a further risk analysis and assessment in particular related to risks associated with fundamental human rights and decent working conditions.



The answers to the various questions were given a weighted response score and the threshold value was set at the median score. About 1 out of 8 of the respondents scored above the median score and thus underwent further assessment. Potential reaction after this additional assessment would be;

- a) considered acceptable
- b) put on watchlist
- c) put on exit list.

To carry out an additional assessment the Transparency group started analysing the responses from six specific topics from the questionnaire that were considered to fall under fundamental human rights and decent working conditions and which the Transparency group wanted to investigate in more details. These topics were:

1. Has the supplier a whistleblower procedure?
2. Has the supplier a Health and Safety Management System?
3. Has the supplier procedures to ensure that their employees receive wages that cover the basic human needs?
4. Has the supplier procedures to prevent forced labour and child labour?
5. Has the supplier procedures against discrimination of women, persons with reduced functional capacity, migrant workers and others in connection with employment?
6. Are the suppliers customers/agents/suppliers/brokers established in or operate from a high-risk country as defined in: <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-february-2023.html>

Rather than jumping to conclusion, one had to assess if the responses with negative answers was due to misinterpretation, incorrect answers, and analyses of the suppliers in depth. The Transparency group would investigate with the persons who have had direct contact with the supplier in question regarding their own assessment before entering into a contract with the supplier.

Thereafter the Transparency group would contact the supplier in question directly with control questions where the supplier also must explain their answers.

Continuous and systematic work

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

The initial questionnaire has been reviewed and amended. The Transparency group has evaluated the responses and has adjusted the questions for 2023 to facilitate for more precise data collection. The Transparency group assume that some answers from the 2022 survey may be related to the fact that the suppliers have not understood the questions.

The adjusted questionnaire was sent out to new suppliers during spring 2024 and the Transparency group is awaiting the responses.

Updated questionnaire will be sent to all new suppliers meeting the threshold value. The responses to be followed up in the same way as stated above.



On a regular basis questionnaire will be sent to all suppliers as follows:

Those suppliers that scored below the median – every 3 years

Those suppliers that score above the median - every year with an annual follow-up

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

Bergen, 30 June 2024
Board of Directors of
Skibsaktieselskapet Navigation Co. Ltd.

Bernt Jacob Pettersen
Chairman

Anne Dinesen
Board member

Karianne Westfal-Larsen
Board member

Rolf Westfal-Larsen jr.
Board member

Alexander Grieg
Board member

