

Guidelines for Compliance with Human Rights and Decent Working Conditions

for the group Skibsaktieselskapet Navigation Co. Ltd. (org.nr. 922 480 834) and its subsidiaries.

Adopted by the board of Skibsaktieselskapet Navigation Co. Ltd. hereinafter "Westfal-Larsen", "Navigation" or "the Group" on June 13th 2025.

PURPOSE

Respect for human rights and decent working conditions is an important part of the Group's ethical guidelines and is an integral part of our governing principles.

The purpose of these guidelines is to ensure the implementation and awareness of;

- **our work, responsibility, and obligations** regarding human rights and decent working conditions towards our employees, suppliers, business partners, and the public,
- **our expectations and requirements** for our employees, suppliers, and business partners regarding human rights and decent working conditions;
- **our method and processes** in working with human rights and decent working conditions.

The guidelines provide information about the Group's work with human rights and decent working conditions and describe the Group's approach to fulfilling the obligations under the Transparency Act. The guidelines apply to the entire Group, all employees, managers, board members, and to suppliers and business partners.

DEFINITIONS

These guidelines are based on the definition of fundamental human rights as stated in the Transparency Act's definition in section 3, first paragraph letter b:

"[...] the internationally recognized human rights as set out in, among others, the UN International Covenant on Economic, Social and Cultural Rights of 1966, the UN International Covenant on Civil and Political Rights of 1966, and the ILO core conventions on fundamental principles and rights at work."¹²

and the definition of decent working conditions as stated in the Transparency Act's definition in section 3, first paragraph letter c:

¹ The Transparency Act § 3, section 1, letter b.

² Particularly relevant regulations from a Norwegian and international perspective are the Norwegian Constitution (LOV-1814-05-17), the Human Rights Act (LOV-1999-05-21-30), the Equality and Anti-Discrimination Act (LOV-2017-06-16-51), and the MLC (Maritime Labour Convention 2006).

"[...] work that ensures the fundamental human rights according to letter b and health, environment, and safety at the workplace, and that provides a living wage."³⁴

All workers involved in our business operations, workers in our supplier chain, and/or our other business partners must, at a minimum, have:

- fair and good working conditions,
- a wage that makes it possible to support themselves and their family,
- a work life free from discrimination,
- reasonable working time limitations,
- the right to rest and leisure,
- regular holidays,
- proper health, environment, and safety,
- freedom of association.

The Group shall respect established human rights and aims to;

- **avoid causing or contributing** to negative impacts on human rights,
- **prevent or mitigate** negative impacts on human rights in our operations and through our suppliers or business partners,
- **positively contribute** to improving human rights for all.

COMPLIANCE

All employees and managers in the Group are responsible for following the guidelines and procedures described.

The Group expects employees, suppliers, and business partners to report any concerns related to human rights and decent working conditions, including violations of our guidelines. Such concerns should be raised with superiors or through available whistleblowing channels.

The Group has zero tolerance for retaliation against anyone who speaks openly about behavior they believe to be unethical, illegal, or inconsistent with the Group's guidelines. This applies regardless of whether the concerns are substantiated or not—provided that the report was not intentionally false.

IMPLEMENTATION

These guidelines are adopted by the Board of Directors in Navigation, which delegates the primary responsibility for compliance with the Group CEO. Management positions in the Group also have a particular responsibility to ensure that the guidelines are followed in daily operations.

³ Transparency Act § 3, first paragraph, letter c.

⁴ From a Norwegian perspective, the Working Environment Act (LOV-2005-06-17-62), the Ship Labour Act (LOV-2013-06-21-102), the MLC (Maritime Labour Convention 2006), and the Working Environment Regulations are particularly relevant, in addition to collective agreements, the General Application Act (LOV-1993-06-04-58), and generally applicable collective agreements.

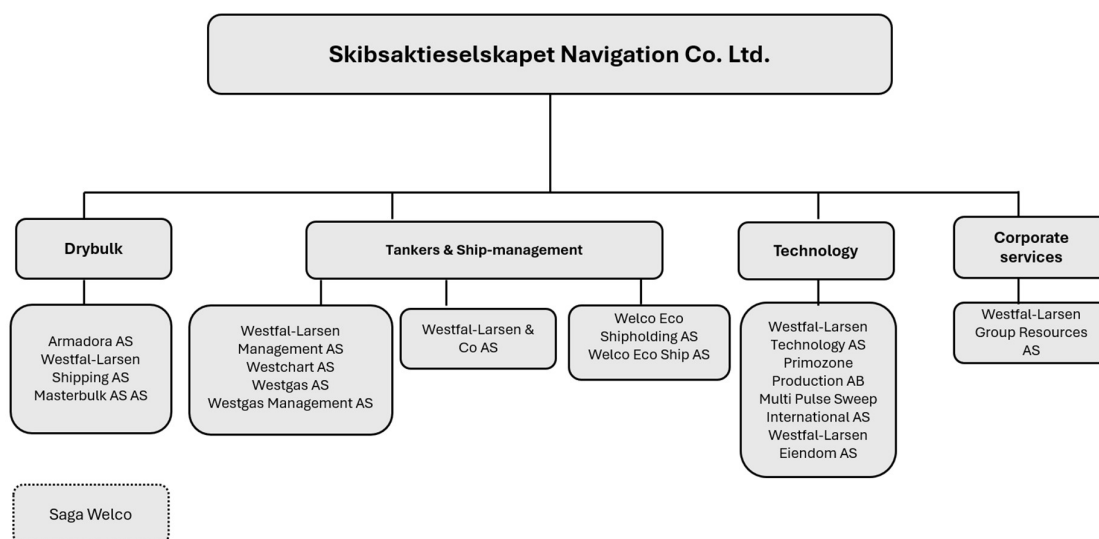
The guidelines are evaluated annually and updated as needed.

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1. ABOUT THE GROUP, ACTIVITIES, AND ORGANIZATION

Navigation is a holding company that, through its subsidiaries, conducts various activities. The Group's core businesses are shipping with dry cargo and chemical tankers. The other activities are technology development and support/administrative services, as illustrated below.



The Group is a highly specialized fully integrated shipping company, which over generations has gained extensive experience in the shipping industry and has established a strong position in the global market. The Group's goal is that the ships are maintained and operated to a high standard and comply with all rules and regulations in the jurisdictions we operate in.

The Group's company structure is divided into operational and commercial operation of the ships. Within operational management, the Group is divided into various departments such as; technical

management, procurement for ships, project/ship administration, finance, and personnel/crewing for ships. All other administration and support and corporate functions are provided by the administrative company within the Group. The part of the Group that involve technology development is based in and operated from Sweden.

The person responsible for Sustainability and Compliance in the Group has the primary responsibility for the administrative follow-up of the Transparency Act, together with a working group composed of key individuals from procurement, finance, and legal. The working group organizes the overall due diligence assessments.

2. WORK METHODOLOGY

2.1. INTERNAL TRAINING AND AWARENESS

The Group works systematically to integrate respect for human rights and decent working conditions into all processes, especially in procurement and supplier selection, contract follow-up, and recruitment. This also includes annual assessments of the need to adjust operations, work methods, and routines to align with our goals.

Training in our guidelines and procedures is tailored to the responsibilities of employees and managers and is provided regularly and as needed. Respect for human rights is included in our Code of Conduct, which all employees review periodically.

The Group's compliance system for human rights shall:

- document assessments, decisions, and handling of risks and breaches,
- ensure communication between top management and responsible departments, including any union representatives/safety delegates, to share and document information about breaches, risks, and measures,
- regularly brief on compliance with ethical business conduct/Transparency Act as an agenda item at Navigation's board meetings and in subsidiaries subject to the Transparency Act independently.

2.2. THE GROUP'S DUE DILIGENCE ASSESSMENTS

The Group's due diligence assessments are conducted following applicable rules and principles and follow a risk-based approach in line with the requirements of the Transparency Act and the OECD's guidelines for responsible business conduct.⁵ Prioritization of the risk of human rights violations is based on the severity, scale, and likelihood of potential negative impact or harm.

⁵ Due diligence assessments were introduced as a principle and method in the UN Guiding Principles on Business and Human Rights (UNGP), which were unanimously adopted by the UN in 2011.

OECD's due diligence model.



In the risk analysis, we use the OECD guidelines alongside other recognized sources to determine geographic, industry, and product risk. Other possible risks are identified through background checks as well as any industry collaboration and audits.

A. ANNUAL RISK ANALYSIS

The Group conducts an overall risk analysis of all suppliers at least once a year. The risk analysis is based on a review of all suppliers and business partners that have been engaged in the current calendar year. In this review, the supply chain of the Group companies covered by the law independently is assessed separately. Subsidiaries that are not subject to the law individually, but are included in the Group's consolidation, are categorized by industry/operational type and then assessed in groups to the extent they have similar suppliers/procurements of services and/or products.

In the risk analysis, suppliers/business partners are sorted and assessed by amount, from highest to lowest. Each supplier/business partner is then categorized according to the thresholds "low", "medium", and "high" based on;

- Geographic risk
- Industry risk
- Product risk
- Any other known risk

Each supplier/business partner receives an overall risk assessment based on the same threshold values. Where the industry and/or product risk is particularly high, low geographic risk alone will not reduce the total risk score of the supplier. Similarly, low industry and/or product risk in a region with particularly high geographic risk alone will not reduce the total risk score. All suppliers/business partners where the Group has traded for more than USD 10,000 will additionally be assessed separately and followed up.

B. REGULAR RISK ANALYSIS AND MONITORING

The Group identifies and monitors risk through internal and external controls, both in its operations, in the supply chain, and with our business partners. New procurements and supplier selection assess the supplier's compliance with decent working conditions and human rights.

Control of our suppliers and business partners may include;

- background checks/prequalification before entering into agreements,
- signing of the Supplier Code of Conduct,
- questionnaires about the supplier/business partner's handling of human rights, environment, and other business management topics,
- in-depth evaluation of documentation and subcontractors for high-risk relationships,
- dialogue.

Risk analysis and evaluation of internal conditions include:

- review/revision of the Group's TSMA-QMS,
- regular training and courses for sailing personnel,
- annual HSE review and risk analysis for land-based employees,
- evaluation of deviations and deviation management,
- compliance program with regular review of routines for responsible business conduct, procurement routines, risk analyses, training, etc.

The Group is a member of Incentra SA, a marine procurement organization for shipowners, ship management, and rig companies. Incentra negotiates and manages framework agreements with suppliers for marine vessels, where many of our suppliers are part of the database. Incentra ensures the quality of our suppliers through:

- screening of all new suppliers, including handling risk of human rights violations,
- regular risk assessments and extraordinary checks/audits/risk assessments with individual suppliers to ensure they continue to meet given standard requirements. Controls are on-site if necessary.

3. THE GROUP'S SPECIFIC RISK AREAS

The primary elements of the Group's supply chain include the procurement of the following products and services:

- Mechanical and technical parts
- Technical and mechanical services for ships
- Bunkers (fuel)
- Ship/port agents
- Lubricants for ship machinery
- Shipyards/workshops
- Consumables for ships
- Banking and insurance services

A significant portion of the products purchased for ship operations are handled by agents, brokers, and ship suppliers in various parts of the world. This means that several different products are procured by the same ship supplier or agent, who deals with different subcontractors. Therefore, mapping the supply chain is also more complex in these procurements.

The Group's most prominent risks are identified based on an overall analysis covering the entire Group's operations. The Group has in this way become aware of where there is the greatest risk of negative impact or violations of human rights and decent working conditions. For purchases where this risk is assessed as high, the Group are particularly diligent and incorporate checklists or specific procedures.

Based on the analysis, experience, and industry knowledge, the products and geographical areas the Group operate within, the following risks are particularly prominent in the Group's operations:

- Risk of violations of human rights and decent working conditions for seafarers on board our ships, particularly HSE risks.
- Risk of human rights violations in the production of mechanical parts, consumables, including components and other goods purchased for ship operations.
- Risk of human rights violations in the production of food delivered to our ships, especially food products known to have an increased likelihood of human rights violations.
- Risk of human rights violations for shipyard workers.
- Risk of unknown human rights violations due to lack of oversight, traceability, and control over complex supply chains.

The Group's overall risk analysis shows that through our supply chain we have significant risks of negative consequences related to the procurement of products from factory production in China. The Group has assessed that this risk is generally high, based on a historically well-known risk of, among other things; forced labor, child labor, debt bondage, very low wages, high work pressure, lack of union opportunities, and general lack of HSE at Chinese factories. The Group has therefore assessed that trade conducted in China, or where Chinese factories provide significant inputs to the product we purchase through other geographical areas, is prioritized in our due diligence assessments.

Risk areas can shift due to changes in product purchases or suppliers.

4. ACTIONS AND CONSEQUENCES FOR GUIDELINE BREACHES

If the Group finds that it has caused or contributed to a negative impact on human rights or decent working conditions, either in its operations or through our suppliers or business partners, an evaluation of the cause and an assessment of necessary measures will be conducted. The Group will prioritize stopping, preventing, and mitigating any negative impacts. The severity of the breach will be relevant in assessing the appropriate action and prioritization. The appropriate measures will be assessed in each case.

Measures may include;

- engaging in dialogue with the other party, the supplier, the business partner, or the employee,
- requiring immediate or gradual rectification/correction,
- requesting information about measures the supplier/business partner will implement to rectify the breach,
- providing guidance and advice,
- renegotiating relevant contract clauses,
- claiming damages, or
- terminating the contractual relationship.

The Group will monitor the effect of the specific measure implemented and analyze and assess any new measures or adjustments.

The Board of Directors in the Group and the individual subsidiary that has duties under the Transparency Act shall be informed of all suspected breaches of human rights or decent working conditions.

4. COMMUNICATION, TRANSPARENCY AND REPORTING

- These guidelines will be available on Westfal-Larsen's website.
- Requests for access and any complaints are handled in a dedicated email inbox, which is initially distributed to the legal department and the working group for the Transparency Act, which is responsible for ensuring that the inquiries are answered in a timely manner and in accordance with the requirements of the Transparency Act.
- The Group shall publish a statement by June 30th each year in accordance with the provisions of the Transparency Act.

Signature page will follow