



Due Diligence Assessment

Our Supply Chain

Since the company was founded in 1984 North Sea Shipping has been committed to ensure fair and safe working conditions for our employees and to provide our customers with high quality services. We respect and value human rights and consider it vital to our business.

We can control what we do internally, the biggest challenges when it comes to protecting human rights and decent working conditions is controlling our supply chain.

As for any business our operation also affects people in our supply chain. Therefore, we have implemented contract performance clauses for safeguarding basic human rights in the supply chain as recommended by “The Norwegian Agency for Public and Financial Management (DFØ)”. These are based on the United Nations Guiding Principles on Business and Human Rights (UNGP) and the “OECD Due Diligence Guidance for Responsible Business Conduct.”

From our suppliers we require that the goods and services that are supplied to North Sea Shipping are made in accordance with current laws and regulations and in keep with our ethical guidelines. Our suppliers are expected to operate with guidelines that fulfils internationally recognized conventions and the relevant legislation of the countries they operate in. They must follow basic environmental standards and respect basic human rights and the right to decent working conditions. All suppliers are obligated to accept North Sea Shipping’s “Supplier’s Code of Conduct”.

Reporting under the Transparency Act

Account of due diligence pursuant to Section 4 of the Transparency Act

The reporting includes a general description of:

- North Sea Shipping’s organization and area of operation
- guidelines and routines for handling actual and potentially negative consequences for fundamental human rights and decent working conditions and
- how the work with due diligence is organized.

And specific information on:

- Actual negative consequences and substantial risk for negative consequences which we have identified through our due diligence assessments and measures we have taken or plan to take to stop actual negative consequences or to limit substantial risk.



Organization and area of operation

North Sea Shipping is an integrated management company providing advanced Vessels and management services to the Oil, Gas and Energy industry.

North Sea Shipping Holding AS is the parent company of North Sea Shipping AS (Management), and North Sea Offshore AS (Crewing services), North Sea Commander Shipping AS, North Sea Giant AS, North Sea Giant II AS, North Sea Atlantic AS and North Atlantic AS.

The Main Office is in Bakkasund, Norway. Our vessels operate worldwide, calling on ports on all continents.

The crew on our vessels are multinational and our business partners are multinational companies.

The Board of Directors are responsible for oversight and ensuring human rights in North Sea Shipping. The General Manager has the lead operational responsibility for human rights due diligence, training, and plans.

We are committed to:

- Operating our Vessels in a Safe and Reliable matter to satisfy our customers' demands.
- Be a frontrunner in Vessel Innovation and Technology.
- Be a leader in QHSE, and work continuously against zero personnel Injuries.

North Sea Shipping is committed to consultation and participation of workers. We encourage employee involvement through working environment committees and work councils. We welcome organisation in acknowledged labour unions. Dialogue with employees and their elected representatives are an important part of maintaining and developing a sustainable business.

Our company is certified according to the ISM Code, Maritime Labour Convention, ISPS (Security), ISO 9001 (Quality), ISO 14001 (Environment) and ISO 45001 (Occupational Health and Safety).

Human Rights Due Diligence, guidelines and routines

North Sea Shipping AS have a Company Social Responsibility Policy that is the framework for how we conduct our business. We follow the OECD Guidelines for multinational companies as required by §4 of the Transparency act.

The key Bills and Declarations that govern our approach to Human rights and decent work conditions are as follows:

- The International Bill of Human Rights, consisting of the Universal Declaration of Human Rights (adopted in 1948), the International Covenant on Civil and Political



Rights (ICCPR, 1966) with its two Optional Protocols, and the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966).

- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work,
- and the International Maritime Organization's Maritime Labor Convention.
- The UN Global Compact's ten principles

North Sea Shipping conducts an annual due diligence of our operation and supply chain. The purpose is to identify potential and inherent negative impact on human rights and decent working conditions. The human rights assessment is done by means of a HIRA matrix where we assess severity and likelihood and this is used to make an action plan describing mitigating actions, HRDD-Action plan (Human Rights Due Diligence).

We use indexes and references from multiple sources to assess the following:

- Our exposure to countries where human rights are compromised.
- Political rights
- Civil liberties
- Working rights
- Child labour
- Modern slavery

Identified inherent risk areas with potential impact on human rights and labour rights.

As a shipping company with world-wide operation there are inherent risks related to safety, the environment, and human rights. Safety will always be our foremost concern and is at the core of our business.

North Sea Shipping have identified the following human rights as inherent risk areas where our operations can have a negative impact:

- Right to a healthy and safe work environment and living environment.
- Right of freedom from forced labour and human trafficking.
- Right to access to a clean, healthy, and sustainable environment.
- Right to non-discrimination in hiring, employment, and pay.
- Right to a non-harassing work environment.



Human Right	How our operations may impact
<ul style="list-style-type: none"> • Right to a healthy and safe work environment and living environment. 	<p>In our line of business there is always an inherent risk to the seafarers, the shore side personnel in ports and the environment. Due to this safety is always our first priority. We are committed to ensuring health and safety, also in our value chain, ports, shipyards, clients, and suppliers. Relevant standards that NSS is certified under are:</p> <ul style="list-style-type: none"> • ISO 45001 • ISO 14001 • ISM Code • MLC Code • ISPS

Human Right	How our operations may impact
<ul style="list-style-type: none"> • Right of freedom from forced labour and human trafficking. 	<p>Historically the shipping industry has been exposed to forced labour and employment contracts that are not legal. North Sea Shipping does not tolerate this in any form. We also require the same from our suppliers. We are following and being externally audited for compliance with several regulations and codes governing these aspects, such as:</p> <ul style="list-style-type: none"> • MLC • ILO • STCW • ISO 45001

Human Right	How our operations may impact
<ul style="list-style-type: none"> • Right to access to a clean, healthy, and sustainable environment 	<p>The shipping industry is responsible for emissions of greenhouse gasses and particles that are contributing to climate change and pollution. We are committed to the IMO GHG Strategy, that aims for a 40% reduction in emissions by 2030. By 2050 we aim for climate neutral operations.</p>



Human Right	How our operations may impact
<ul style="list-style-type: none"> • Right to non-discrimination in hiring, employment, and pay 	<p>This is an inherent risk to all businesses. North Sea Shipping is an equal opportunity employer.</p> <p>NSS will not, as a principle, practice any discrimination among its employees or applicants based on sex, age, race, religion, political or trade union affiliations, nationality or disability</p>

Human Right	How our operations may impact
<ul style="list-style-type: none"> • Right to a non-harassing work environment. 	<p>We have a diverse and multinational workforce. Tension and disagreements can always arise between people. North Sea Shipping does not tolerate harassment in any form. All employees are expected to follow the North Sea Shipping Social and Ethics Statement. We also require this from our suppliers and partners.</p>

The impact areas are evaluated in a risk matrix. We assess severity and likelihood before evaluating connection, leverage, priority, and mitigation.

As mentioned earlier the biggest challenge with regards to controlling and reducing adverse impact on Human Rights and the right to decent working conditions is verification of our sub-contractors and suppliers. We buy goods and services produced and delivered worldwide. These are often not purchased directly from the maker but can be several steps removed from its origin. That makes the due diligence process of the conditions it was manufactured under very hard in many cases. We must focus on production areas and/or products that have a questionable track record with regards to the human rights we have identified.

We also consider our areas of operation, e.g., countries where we work including countries where we have port calls. The locations where we build, maintain, and repair our vessels (shipyards). In the future we may also have to evaluate recycling/scraping locations.



Human Rights Action Plan

Environmental (Right to access to a clean, healthy, and sustainable environment)

North Sea Shipping recognizes the negative impact our industry has on the environment due to emissions of greenhouse gasses and pollutants. We are committed to reducing our emissions by 40 % by 2030. We are well underway to achieving this goal and are ahead of schedule. Furthermore, we wish to be carbon neutral by 2050. This will require technology and solutions that are not currently available. North Sea Shipping has implemented new technology to reduce our carbon footprint, and we have an Environmental program “NSS BEST”, that aims to raise awareness and reduce emissions. We are always looking for new solutions reduce our emissions and have plans for further technological improvements of our vessels. Our performance in this area is part of our ESG-reporting and is published on a yearly basis.

Gender Equality and Diversity (Right to non-discrimination in hiring, employment, and pay)

Traditionally a male dominated industry, shipping has a long way to go before the female representation is equal to that of men. In the office we have reached our goal of 40% female managers, but NSS wishes to increase the number of women amongst our crew. We encourage women to apply for positions on our vessels and we apply affirmative action when recruiting crew and apprentices/cadets.

Diversity applies to more than gender. We aim to include all people. North Sea Shipping is an equal opportunity employer.

- NSS will not, as a principle, practice any discrimination among its employees or applicants based on sex, age, race, religion, political or trade union affiliations, nationality, or disability.

When a person is considered for a position selection shall only be based on competence, attitude, skills, and qualifications.

North Sea Shipping will continue to seek increased diversity when hiring personnel.

Our performance in this area is part of our ESG-reporting and is published on a yearly basis.

Human Rights in general and the right to decent working conditions

North Sea Shipping can and does control all aspects of our own operation. What is more difficult to control and verify is our supply-chain and our sub-contractors. Most North Sea Shipping’s suppliers and sub-contractors are based within the EEC, the UK and USA. These countries have a lower risk of Human rights abuse and a functioning legal system. However,



we must acknowledge that breach of Human rights and the right to decent working conditions can still happen, also here.

The biggest risk we have identified is the production and manufacturing of raw materials and components, (e.g., rare earth metals, ore, rubber, cotton). These are vital to production of a multitude of products that we use in our operation. Another high-risk area is textile production (e.g., personal protective clothing). It is intrinsically difficult to verify and control the conditions that these products are manufactured under.

The first step that we have taken is to make a “Supplier’s Code of Conduct” (SCC) that will be part of every purchase order North Sea Shipping issues. By accepting an order from North Sea Shipping the supplier commits to the SCC and NSS has the right to terminate the contract if the supplier is in breach of the SCC.

We will also use contract performance clauses for safeguarding basic human rights in the supply chain as recommended by “The Norwegian Agency for Public and Financial Management (DFØ)” when placing larger contracts.

For future Yard stays in yards that are new to us, we will perform due diligence as part of the yard selection process. We will use “Guidelines for Labour Rights Assessment at Shipyards” developed by Eksportfinans.



Bakkasund 16th June 2023

A handwritten signature in blue ink, appearing to read "Knut K Rabben", written over a horizontal line.

Knut K Rabben
General Manager

Signed on behalf of North Sea Shipping Holding AS and all its subsidiaries that are subject to the Norwegian Transparency Act.

Four handwritten signatures in blue ink, each written over a horizontal line. From left to right: Knut Klepsvik, Aksel Økland, Harald T. Klepsvik, and Hallvard B. Klepsvik.

Knut Klepsvik

Aksel Økland

Harald T. Klepsvik

Hallvard B. Klepsvik

Three handwritten signatures in blue ink, each written over a horizontal line. From left to right: Karsten Klepsvik, Lena Økland, and Janne Klepsvik.

Karsten Klepsvik

Lena Økland

Janne Klepsvik