



2023 Annual Report

**BW LNG | Fundamental Human Rights
and Decent Working Conditions**





2023 ANNUAL REPORT REGARDING BW LNG'S WORK TO PROMOTE FUNDAMENTAL HUMAN RIGHTS AND DECENT WORKING CONDITIONS

1. BACKGROUND AND INTRODUCTION

BW LNG AS (“**BWL**”) and BW Fleet Management AS (“**BWFM**”) are both members of the BW LNG group of companies (the “**BW LNG Group**”). The parent company of the BW LNG Group is BW LNG Limited. The BW LNG Group generates floating solutions for LNG to support progress towards a lower carbon society. Our shipping unit brings LNG to where it is needed and our Gas Solutions unit develops, owns and operates floating gas infrastructure. The BW LNG Group has a fleet of 34 LNG Carriers and FSRU's, which includes four newbuildings.

The BW LNG Group has around 1,600 employees located in seven offices across the globe.

The BW LNG Group's work to promote fundamental human rights and decent working conditions forms part of its Risk Assessment Process.

The Risk Assessment Process is carried out by the BW LNG Limited's management in respect of BWL and BWFM's business partners, including suppliers, agents or other third parties, (collectively, “**Business Partners**”) and personnel. Accordingly, whilst this Annual Report covers policies, codes of conduct and certain procedures applicable to all companies within the BW LNG Group, the risk assessment, risk management, due diligence, goals and commitments are targeted to ensure BWL and BWFM's compliance with the Norwegian Transparency Act (the “**Transparency Act**”).

In 2022 to 2023, a project was carried out to further strengthen BW LNG Group's work to promote fundamental human rights and decent work conditions in alignment with the introduction of the Transparency Act, which entered into force on 1 July 2022.

2. REGULATIONS THAT FRAME OUR POLICY ON HUMAN RIGHTS AND DECENT WORKING CONDITIONS

The BW LNG Group supports internationally recognised human rights, including:

- the OECD Guidelines for Multinational Enterprises;



- the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights);
- the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work;
- the International Labour Organisation's Maritime Labour Convention 2006; and
- the Transparency Act.

The BW LNG Group recognises and promotes the positive contribution companies can make to economic, environmental and social development and accepts that business can have a negative impact on human rights and working conditions.

3. EMBEDMENT OF RESPONSIBLE BUSINESS CONDUCT

3.1 Shareholders, the Board of Directors and Executive Management

The Board of Directors and management of BW LNG Limited are actively involved in the process of promoting fundamental human rights and decent working conditions. The project and processes to implement the Transparency Act's obligations and expectations have been considered and discussed by the management team of BW LNG Limited.

3.2 Policy and Procedures

The BW LNG Group has adopted a Human Rights and Decent Working Conditions Policy, which sets out the Group's principles and standards for respecting fundamental human rights and decent working conditions; and

The BW LNG Group has also revised its Business Partner Code of Ethics and Business Conduct, reinforcing its strong commitment to upholding fundamental human rights and decent working conditions and expectations that its Business Partners adhere to comparable standards.

These procedures are hereinafter collectively referred to as the "**BW LNG Human Rights Procedures**".



The BW LNG Group's Human Rights Procedures set out the Group's commitment to respecting internationally recognised standards for fundamental human rights and decent working conditions and complying with applicable laws and regulations in countries where the Group operates.

3.3 Internal Accountability and Operationalisation

While the Board of Directors of BW LNG Limited has oversight of the Company's response to human rights due diligence assessments, operational responsibility rests with the Company's management.

BW LNG Limited has a well-established Risk Management Process, which has been updated to include an assessment of the risks of actual and potential impacts on fundamental human rights and decent working conditions that BWL and BWFM may have either caused or contributed toward, or that are directly linked with the operations, products or services in the supply chain or Business Partners serving those two entities.

Information about BW LNG Group's work to ensure compliance with fundamental human rights and decent working conditions, as well as the Transparency Act (where applicable), is available to all employees on BW LNG Group's intranet.

A multi-disciplinary project group has worked on the implementation of the Transparency Act and provided input to the due diligence assessment.

3.4 Suppliers and Business Partners

The BW LNG Group expects its Business Partners to apply equivalent high standards of ethics and business conduct when conducting business for or with the Group. Our Business Partners are vetted through the Risk Assessment Process.

The due diligence conducted on our Business Partners, including suppliers, is risk-based and may include questionnaires, site visits and audits.

The BW LNG Group will not engage with a Business Partner if the compliance risk is deemed too high and cannot be sufficiently prevented or mitigated.



4. HUMAN RIGHTS DUE DILIGENCE PROCESS IN BW LNG GROUP

4.1 The Human Rights Due Diligence Process

As part of BW LNG Group's updated Risk Management Process, the following overall goals have been set in alignment with the Transparency Act:

- to ensure that the business or operation does not have actual and potential adverse impacts on fundamental human rights or decent working conditions, including in connection with BWL and BWFM's business and operation;
- to account to the public on the due diligence exercise undertaken in respect of BWL and BWFM through an annual report; and
- where appropriate, to provide information upon request.

The main principles behind the due diligence assessments are:

- risk-based;
- preventive;
- dynamic processes and continuous improvement;
- involvement of stakeholders; and
- communication and dialogue.

4.2 Information Regarding Actual Adverse Impacts and Significant Risks of Adverse Impacts

BW LNG Group has performed a risk mapping exercise in relation to fundamental human rights and decent working conditions across BWL and BWFM's Business Partners. The identification and assessment of actual and potential adverse impacts was undertaken using a proportionately broad risk mapping exercise.

The purpose of the risk mapping exercise was to enable BW LNG Group to carry out an initial prioritisation of BWL and BWFM's Business Partners and identify those which present the most significant risks based on industry, geography and the type of services being provided and then to identify areas:

- (a) where the risk of any adverse impact on fundamental human rights and decent working conditions is most likely and most significant; and



- (b) where the strength of the BW LNG Group's relationship with any such Business Partner presents the greatest chance of ceasing, preventing or mitigating any identified adverse impacts.

In addition to BW LNG Limited's management, members from the following departments within BW LNG Limited and its related companies were involved in the risk mapping process:

- Manning;
- Procurement;
- Operations;
- Legal;
- Compliance; and
- Human Resources.

Based on the risk mapping exercise, Business Partners were rated on a scale of risk as low, medium or high.

Following further risk assessment, BWL and BWFM prioritised the due diligence assessment of ship repair yards and suppliers operating in countries identified as high risk according to recognised sources such as Human Rights Watch and Amnesty International.

In carrying out this due diligence assessment, BW LNG Group has updated and implemented its due diligence and audit processes, checklists and questionnaires (collectively, "**DD Documents**") to help identify any actual and potential adverse impacts.

As at the date of this report, no actual adverse impacts have been identified by BWL or BWFM through the BW LNG Group's Risk Assessment Process. Notwithstanding this, the BW LNG Group continues to monitor its relationships with and engage in discussions with its Business Partners in relation to protecting fundamental human rights and decent working conditions.

5. SUMMARY AND THE WAY FORWARD

Continuous improvement is a fundamental principle for BW LNG Group and this also applies to fundamental human rights and decent working conditions.



The focus for the coming year will be to continue the risk mapping exercise, track the implementation of the updated BW LNG Human Rights Procedures and assess the effectiveness of the updated DD Documents.

This annual report is made pursuant to the Norwegian Transparency Act section 5. The report covers the period 1 July 2022 to 30 June 2023. The report was approved by the Board of Directors of each of BW LNG AS and BW Fleet Management AS on 30th June 2023.

A handwritten signature in blue ink, appearing to be 'B.L.' with a small dot at the end of the second letter.

On behalf of

BW LNG AS

and

BW FLEET MANAGEMENT AS

Billy Chiu