



# 2023 Transparency Act Report

## BW LNG | Human Rights Due Diligence





## **2023 BW LNG TRANSPARENCY ACT REPORT ON HUMAN RIGHTS DUE DILIGENCE**

### **1. INTRODUCTION**

This report has been prepared in accordance with the requirements of Section 5 of the Norwegian Transparency Act. The report outlines the due diligence process of BW LNG Group and its efforts to identify, prevent, and mitigate any adverse impacts on fundamental human rights and decent working conditions.

The reporting period is 1 January to 31 December 2023, and the report covers the following entities: BW LNG AS (“BW LNG”), BW Fleet Management AS (“FM”), BW Gas Foreign Manning AS, BW Gas NIS Manning AS, and BW Fleet Management AS (Pakistan branch). These entities are part of the BW LNG group of companies (“BW LNG Group”). BW LNG Limited serves as the parent company of the BW LNG Group. Further details about the BW LNG Group can be found [here](#).

The BW LNG Group specializes in floating LNG solutions supporting the progress towards a lower carbon society. The shipping unit delivers LNG globally through its fleet of LNG vessels, while our gas solutions unit develops, owns, and operates floating gas infrastructure. The BW LNG Group operates a fleet of 30 LNG vessels and FSRUs, including four newbuilds (the “Fleet”).

BW LNG primarily functions as a management office, overseeing various business activities within the BW LNG Group. FM provides the technical and crewing services for the Fleet, while the remaining companies serve as providers of crew services to FM.

In 2023, the BW LNG Group had about 1,600 employees, with about 1,500 of them being seafarers.

### **2. BW LNG’s APPROACH TO HUMAN RIGHTS AND DECENT WORKING CONDITIONS**

#### **2.1. Compliance Structure**

The Board of Directors and the management of BW LNG Limited are committed to promoting fundamental human rights and decent working conditions. The Board of Directors oversees the BW LNG Group’s due diligence assessment, while the management team manages operational responsibilities.

The BW LNG Group has enhanced its well-established risk management process to assess risks related to potential and actual impacts on human rights and decent working conditions within BW LNG and FM. This includes evaluating adverse impact that may arise from the companies’ operations, products, or services, or those linked to its supply chain and business partners.

#### **2.2. Framework for our policies on Human Rights and Decent Working conditions**

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

- The International Bill of Human Rights
- The ILO's core conventions on fundamental principles and rights at work



- The International Labour Organisation's Maritime Labour Convention 2006
- The Transparency Act
- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights

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.

The BW group is also a member of Maritime Anti-Corruption Network. Combating and preventing corruption remains key, as the presence of corruption undermines the rule of law and thus weakens the protection of human rights.

### **2.3. Internal and External Policies**

As a consequence of the BW LNG Group's commitment to promoting human rights and decent working conditions, the BW LNG Group adopted a [Human Rights and Decent Working Conditions Policy](#) in 2023 setting out the Group's principles and standards for respecting fundamental human rights and decent working conditions.

The BW LNG Group also adopted a 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.

In addition to this, FM also have a considerable number of policies which specifically address the working conditions on our vessels.

### **2.4. Grievance Mechanisms**

BW LNG Group has a whistle-blowing channel managed by an external party. This is a safe and confidential avenue for employees, stakeholders, and other external parties to report misconduct. The hotline is available for the employees on the 24/7 intranet and reports can be made in multiple languages. For stakeholders and other external parties, the whistle-blowing channel and a contact form can be found [here](#).

In addition, BW LNG Group has established an On-Board Complaint Procedure (OBCP) that can be used by seafarers to lodge a complaint relating to their work contracts and on-board conditions that constitute a breach of the requirements of the MLC.

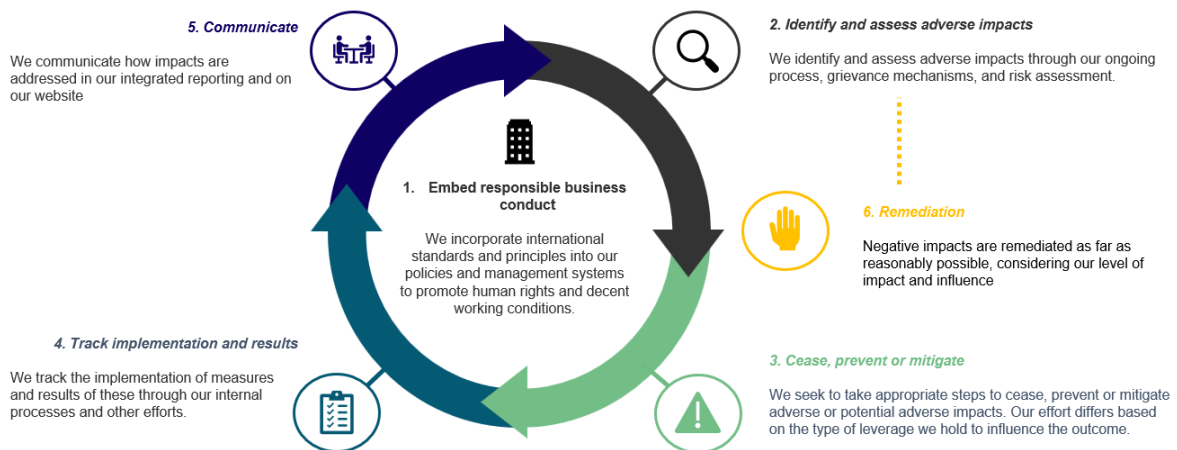
## **3. BW LNG'S DUE DILIGENCE PROCESS**

In general, the shipping industry faces an inherent risk of adverse impacts on fundamental human rights and decent working conditions. Consequently, the BW LNG Group has taken several steps to mitigate these risks.



BW LNG Group performs a due diligence process following the steps set out in the UN Guiding Principles for Business and Human Rights (“UNGP”), the OECD Guidelines for Multinational Enterprises, and the Norwegian Transparency Act.

The due diligence process is an ongoing process of identifying, preventing, mitigating, accounting for, and addressing actual and potential adverse impacts that our activities may have.



The due diligence process is risk-based, considering the severity and probability of adverse impacts on fundamental human rights and decent working conditions.

BW LNG Group has performed a risk mapping exercise in relation to fundamental human rights and decent working conditions across BW LNG and FM, as well as the companies’ suppliers and business partners. The risk mapping exercise was performed by a working group, including management team members and persons from the following departments: manning, procurement, operations, newbuild, legal and compliance.

The purpose of the risk mapping exercise is to enable us to conduct an initial prioritization of BW LNG’s and FM’s risks and identify the most significant risks based on the industry, geography, services, and businesses, as well as known risks.

Based on this, we also identified areas:

- Where the risk of any adverse impact on fundamental human rights and decent working conditions is most likely and most significant; and
- Where the strength of the BW LNG Group’s relationship with suppliers and business partners presents the greatest chance of ceasing, preventing, or mitigating any identified adverse impacts.



## 4. RISK ASSESSMENT AND MITIGATING ACTIONS

This section of the report provides the most significant risks identified as part of our 2023 risk assessment process, as well as a description of our approach to manage these risks. No adverse impact was observed as part of our Risk Assessment Process in 2023.

### 4.1 Own operations

Overall, our risk assessment has shown that there is a low likelihood for adverse impact on human rights and decent working conditions in our own operations.

#### ***BW LNG***

As a management office, BW LNG conducts business activities that are known to have limited risk for adverse impacts on human rights and decent working conditions. Management and office services is by nature considered low-risk, especially as the company is operated out of Norway, which is a low-risk country relating to human rights and labour rights.

For further details, see the report on Diversity and Inclusion (Aktivitets- and Redegjørelsesplikten) for 2023 [here](#).

#### ***FM***

FM, as the technical and crewing manager of the Fleet, employs about 1,500 seafarers. The health, safety, and welfare of the seafarers remains a top priority for FM, and the company prioritize the well-being and professional development of the employees, encouraging a culture of respect and equal opportunity, and ensuring adherence to labor laws. The LNG vessels hold MLC Certificates and have Blue Certificates, confirming that it is covered by an ITF agreement acceptable to the International Transport Workers' Federation. The seafarers are also subject to our various policies that are put in place to protect and aid the working environment onboard the vessels.

In addition to the policies, an On-Board Complaint Procedure is established for the seafarers to lodge a complaint relating to their work contracts and on-board conditions that constitute a breach of the requirements of the MLC. Any complaint is treated as strictly private & confidential. In all cases, seafarers also have a right to file their complaints directly with the master, the ship owner and to any appropriate competent external authority, where necessary.

### 4.2 Assessment of our Suppliers and Business Partners

The most significant risk identified in the risk assessment process conducted in 2023, was shipyards and in particular repair yards.

It is standard practice in FM, that the company conducts and audit of all new shipyards. For shipyards where there is an existing relationship, an audit will be conducted at regular intervals. Because of the risk assessment performed in 2023, the scope of the shipyard audits was reviewed, and the scope was updated to cover human rights and decent working conditions that are particularly exposed at the shipyards. Since the scope of the audits were updated, several audits have taken place using the updated scope.

The aim of these audits is to encourage the shipyards to meet the standards that align with the BW LNG Group's commitment to health, safety, and workers' rights. As part of our due diligence in 2024, we will verify whether or audits of the yards are sufficient or whether additional mitigating actions will be necessary.



FM will also have local site teams accompanying the vessels during dry docking, repairs, and newbuilding projects. The site teams will overlook the construction and/or repair to ensure the quality of the work conducted, but they will also function as neutral observers of the operations carried out at the yard. As part of our due diligence in 2024, we will also consider whether our site teams should receive further training to raise awareness on how to be aware of potential adverse impact which they may observe while on site.

In 2023, FM also worked on implementing contractual obligations with the yards used to embed our expectations in respect of human rights and employment practices.


**5. THE WAY FORWARD**

To further strengthen our efforts to promote companies respect for fundamental human rights and decent working conditions, we plan for the following activities in 2024:


- Update Code of Conduct
- Perform an assessment of whether the adjustments to the audit of yards are sufficient
- Implement a training plan for key personnel within the organisation, to raise awareness concerning fundamental human rights and decent working conditions

**Signed on 21 June 2024**


**BW LNG AS**

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Chairman of the Board

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Board Member


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CEO. Board Member


**BW Fleet Management AS**

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Chairman of the Board

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Board Member

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Managing Director. Board Member