

Norwegian Transparency Act Statement 2023

Crude Tankers III AS

Date: 12. June 2023

1. About our business

Crude Tankers III AS («the Company») owns the Panamax / LR1 tanker Chemtrans Cancale («the Vessel»). The vessel is employed in the Penfield Panamax Tanker Pool (US), and is under technical management by Chemikalien Seetransport GmbH in Hamburg, Germany. The Company has no employees. Pareto Business Management AS («PBM») is the Company's business manager.

The Company is subject to the Norwegian Transparency Act («the Transparency Act»). The Transparency Act imposes among other things a duty to carry out due diligence of human rights and decent working conditions in line with the OECD Guidelines. The due diligence assessments shall be performed regularly, and be in relation to the size of the business, the nature of the business, the context within which the business takes place, and the severity of and the likelihood of negative impact on fundamental human rights and decent working conditions.

The board of directors has the overall responsibility for ensuring that the Company meets the requirements under the Transparency Act. The Company has addressed its obligations under the Transparency Act in a separate instruction adopted by the board of directors.

The daily follow-up of the Company's obligations under the Transparency Act is carried out by PBM, including due diligence assessments of the Company's business partners and suppliers. PBM is subject to the Transparency Act, and has established guidelines and management mechanisms to safeguard fundamental human rights and decent working conditions. PBM carries out risk and due diligence assessments and publishes an annual Transparency Act statement available on PBM's website.

PBM is part of the Pareto Securities Group and covered by the Pareto Securities Group's sustainability framework, which includes a Human rights Policy, Ethical Principles, Anti-corruption Policy, Diversity and Equality Policy og Sustainability Policy. The sustainability policies are available at www.paretosec.com. The Pareto Securities Group have corresponding expectations for ethical business operations for its business partners and suppliers and has implemented this in its management documents aimed at business partners and suppliers.

2. Due diligence findings

An important element of the due diligence assessments is to map and assess actual and potential negative impacts/damage on fundamental human rights and decent working conditions to which the Company has either contributed or which is directly linked to the Company's business operations, products or services through supply chains or business partners. The Company shall also implement suitable measures to deal with actual or potential negative impacts and monitor the implementation and results of such handling.

The due diligence of business partners and suppliers is based on the OECD Guidelines for due diligence assessments. This implies, among other things, that the Company shall have a risk-based approach to assess compliance with fundamental human rights and decent working conditions at the Company's business partners and suppliers.

As a participant in the shipping industry, we have identified that the Company has an inherent industry risk related to safeguarding employee rights at service providers. Despite the fact that this is not an identified negative consequence, we have chosen to approach the risk assessments with the principle of a risk-based approach, and therefore focused particularly on this side of the business and supply chain. In the shipping industry, the following general risk factors related to the business are considered to be:

- Shipbuilding, repair and recycling: risk of indecent working conditions, working hours and wages, lack or absence of HSE regulations, risky work and toxic waste that can harm workers and lead to pollution in local areas. Risk associated with the extensive use of temporary employees and migrant workers who are particularly exposed to abuse as a result of high recruitment fees to staffing agencies, which further increases the risk of debt consolidation and forced labour.
- Organisation and service related loading: risk associated with the contents of the cargo (dangerous cargo that must be handled safely) and/or that the owners of the cargo are responsible for human rights violations
- Input factors and workers in the supply chain: the supply chains associated with shipping can consist of unclear organisational structures which entail the risk of dealing with actors who do not respect human rights. Shipping operations in general consist of a number of different workers such as crew on the vessel, maintenance workers, labour needed to build and recover vessel and security personnel to protect assets and employees in conflict-affected areas, as well as input factors that are part of the vessel
- Port terminals and gates: Absence of or lack of HSE requirements, use of temporary workers, indecent working conditions in terms of working hours and pay, etc.
- Search and rescue: health and safety risks for both the migrants and the workers linked to search and rescue operations

As vessels operate on a global basis, shipowning companies will be more exposed to certain jurisdictions with a higher risk of threatening fundamental human rights and decent working conditions for the staff working at the vessel in question. However, the shipping sector has an extensive international legal framework (including IMO, port state of control, flag state of control, insurance framework) in which fundamental human rights are included. With regards to scrapping of vessel, the contractual framework follows international conventions, i.e. the Hong Kong convention 2009 and the EU regulation on ship recycling (EU Reg 1257/2013).

A technical inspection of the Vessels has been performed by a third party inspection company, which includes review of the vessels' Class certification including the MLC (Maritime Labor Convention) and the ISM (International Safety Management Code) certificates. The Vessels' accommodation part and living standards for the crew were also inspected.

The Company's main business partners and suppliers are: Penfield Panamax Tanker Pool, Chemikalien Seetransport GmbH, Pareto Maritime Services, Lawfirm Thommessen, Berge & Lundal Revisjonsselskap, PWC Cyprus branch. The Company has approximately 6 business partners and suppliers, of which half is Norwegian companies also subject to the Transparency Act.

For due diligence assessments of the Company's business partners and suppliers, we have mapped risks linked to country, industry, number of employees and business risk. The mapping has been based on publicly available information as well as information obtained directly from the business partners and suppliers where this has been found necessary.

Based on the mapping of risk and an assessment of the Company's suppliers, the suppliers are systemised into low, medium and high risk. The criteria for this classification include, among other things, country and industry risk, as well as the Company's ability to positively influence the supplier.

Though our due diligence assessments, as of June 2023, we have not uncovered a high probability of potential adverse impacts related to safeguarding fundamental human rights and decent working conditions at our most important suppliers and business partners..

3. Measures and results

The Company implements measures based on a risk-based approach and based on the principle of proportionality. The Company aims to use its influence to ensure respect for fundamental human rights and decent working conditions.

Based on the completed mapping and risk assessment, the Company has implemented certain measures towards business partners and suppliers where the Company estimates that it may have a positive impact. Such measures include dialogue with business partners and suppliers and obtaining information from stakeholders.

4. Contact information

Any inquiries relating to the Company's compliance with the Transparency Act can be directed to the Company's business manager:

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