ODFJELL TERMINALS
SOUTH AMERICA

Sustainability Report 2022

ODFJELL
TERMINALS

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1.
Introduction

General manager statement on our sustainable development strategy

For more than 2 years, starting in early 2020, most companies' businesses and the lives of all of us were affected by the Covid-19 pandemic. Eventually, in 2022, despite negative geopolitical events such as the war between Russia and Ukraine, the world began to return to normal, with high impact in most markets and a significant improvement of our own activities.

During 2022, we continued focusing on the 7 SDGs (Sustainable Development Goals) that were selected the previous year, and through which we consider that we can make our greatest contribution to our Company, Society, and the Environment.

Considering that the Global Reporting Initiative (GRI) provides a global common language and one of the most comprehensive standards for Sustainability reporting, we chose to adopt its methodology to leverage our ESG program, and to be able to benchmark against the industry.

We are firmly committed to minimizing the negative impact of our activities on the Environment related to Greenhouse Gas (GHG) emissions, and working with our service providers in order to reduce their emissions as well.

In 2022, we managed to carry out the first GHG inventory in our 7 terminals in Brazil, following the International GHG Protocol. Based on that, we developed a plan to reduce our emissions and obtain Carbon neutrality through the capture and compensation of GHG emissions. We are proud to report that our terminal at the Port of Santos is the first carbon-free terminal in our company. This initiative continued at our terminal in Rio Grande and will be replicated to the rest of our terminals.

In Argentina, Brazil, Chile, and Peru, our terminals implemented closed-circuit systems to clean storage tanks, pipes, pumps, and accessories. These initiatives resulted in a 56% reduction in water consumption per ton of product handled in 2022 compared to 2020. We continue exploring other alternatives to reduce water consumption.

While we continue to deliver world-class services, we are committed to reducing our environmental footprint.

We carried out several initiatives related to work climate, fostering diversity, equal opportunities, and inclusion, and promoting employee health and welfare, all in line with our Code of Conduct and the globally recognized principles of Corporate Responsibility.

I am grateful to all OTSA colleagues for their hard work and commitment to help us improve our performance towards a sustainable future, proving our value to our stakeholders, and becoming a better Company.

Ary Serpa Jr.
General Manager
Odfjell Terminals South America

OTSA 2022 highlights

4
Countries

13
Terminals

534,487 m³
Storage Capacity

758
Employees

85% Men   **15%** Women

+6.4 mill tons
liquid moved

+ 1,4 mill tons
solid in Ladario

+39 k rail wagons
loaded/unloaded

+650 ships
loaded/unloaded

+ 122 k road trucks
loaded/unloaded

Peru

Brazil

Chile

Argentina
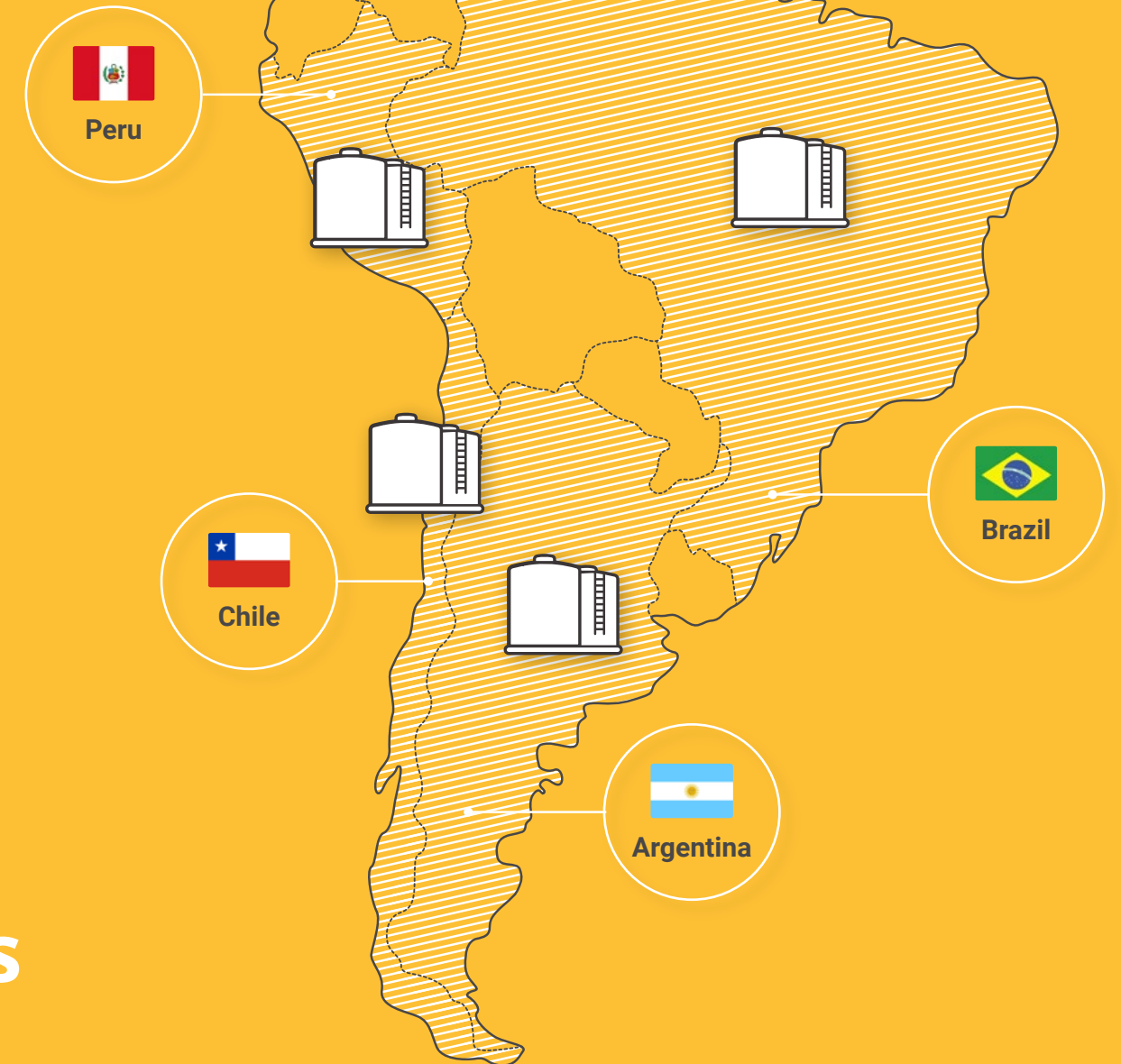
Safety

Personal Accidents

0.85 TIR
Total injury rate

0.39 LTIR
Lost time injury rate

200,000 hours
worked by own personnel and contractors

0 Process Incidents
2nd consecutive year

Training

42,839 Total
Training Hours

57 Hours per year
per employee

Greenhouse Gases Inventory #1

Based on the GHG Protocol, ISO 14064 and Brazilian GHG Protocol guidelines

CO_2

Total consumption
(per ton handled)

Water 8.8 lts.

Electricity 1.03 kWh
68% from renewable sources
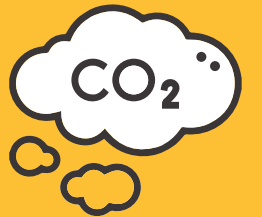
Total generation
(per ton handled)

Waste 0.56 kg

About this report

The 2022 Sustainability Report records the company performance from an Environmental, Social and Governance (ESG) perspective, from 1st January to 31st December 2022. This annual Report has been prepared with reference to the Global Reporting Initiative (GRI) standards and was endorsed for publication by the company's General Manager and its Executive Board.

The information contained in this report is presented by Odfjell Terminals South America (OTSA), comprised by DQM (Peru), Granel (Brazil), Tagsa (Argentina) and Terquim (Chile), hereinafter jointly referred to as OTSA.

This is OTSA second Sustainability Report, and describes our contribution to the United Nations Sustainable Development Goals (SDGs).

The intensive work of three multidisciplinary teams and our Sustainability team, which concluded with a workshop held in Buenos Aires, during August 2022, allowed us to assess the impact of all those topics that have or may have significant impact on corporate-decision-making, and how they contribute to the 7 SDGs selected by OTSA (refer to Our Sustainability Approach for further details) , as well as the main indicators to reflect the result of our actions.

OTSA is working firmly to minimize the negative effects of its activities on people and Environment. Within the framework of the 7 selected SDGs, we are focused on setting long-term targets for 2030 and 2050, developing individual plans to reach these targets and implementing new performance indicators to measure the progress. This will allow us to operate more efficiently, monitor our activities closely, and report our environmental, social and governance performance in a thorough, transparent, and comprehensive manner.

This report in English is also available in Spanish and Portuguese. For further information about the company, visit the corporate website: www.odfjellterminalssouthamerica.com

For any questions regarding the report, please write to: sustainability@odfjellterminalssouthamerica.com

ESG reporting and transparency

In our business conduct, transparency and accountability continue to be primary drivers to our improvement and are expected to remain critical in our journey towards Sustainability.

In this Sustainability Report, we decided to move beyond simply mapping our activities and programs, take our Sustainability reporting to the next level by integrating the SDGs into existing corporate responsibility and Sustainability reporting programs, and prepare it GRI referenced. Reporting principles are fundamental to achieve high-quality Sustainability reporting. In this report, OTSA has applied: accuracy, clarity, comparability, completeness, Sustainability context, timelines, verifiability and relevance.

In addition to the publication of this Sustainability Report, we are developing a communication plan to foster sustainable conversations, maintain stimuli over time and amplify signals towards our entire value chain.

We are committed to be recognized by our stakeholders as a sustainable company, and to communicate and report our KPIs, actions and goals.

MATERIALITY MATRIX #11 - **GRI** 3-3

Material Topics and dialogue with stakeholders

Stakeholders

To obtain valuable insights into our business, we consulted our stakeholders. When mapping them, 8 groups with total 66 individuals were identified according to the representativeness of our business, and we ensured an equitable distribution throughout the 4 countries in which we have operations. The identified groups were invited to participate in an online materiality survey which received a high response (85%).

External stakeholders

Authorities (government, Port Authorities, customs, others), customers, suppliers, and strategic partners.

Internal stakeholders

Employees, General Management, Sustainability team members, special teams*, Executive Board members and Shareholders.
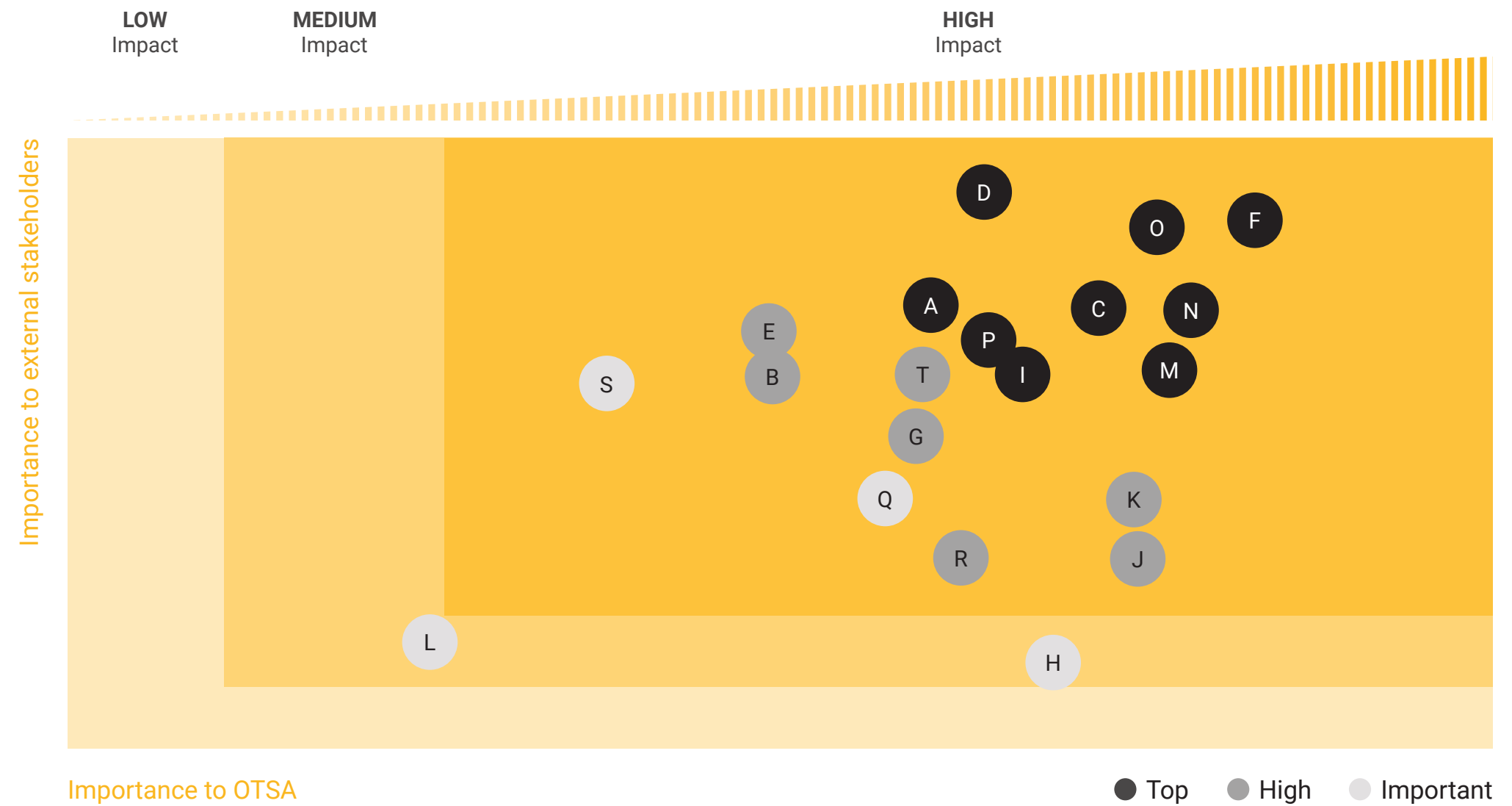
* Three multidisciplinary teams were created in 2022 to thoroughly research the SDGs specific goals and OTSA's possible contribution, also to propose actions, KPIs and targets, and to identify the importance and the impact of each Material Topic.

Impact and Material Topics identification

A total of 20 Material Topics were identified and categorized according to the Environmental, Social and Governance dimensions (ESG).

The following matrix shows the expectations and interests of our stakeholders and the topics that we consider fundamental for OTSA's ESG management:

LOW Impact | **MEDIUM** Impact | **HIGH** Impact

Importance to external stakeholders

Importance to OTSA

● Top ● High ● Important

Environmental Dimension

A. Energy saving and transition towards renewable energies
B. Management of CO_2 and other emissions
C. Management of water and effluents
D. Non-renewable materials responsible consumption
E. Responsible waste management

Social Dimension

F. Process incident prevention
N. Human Rights
M. Occupational Health and Safety
I. Diversity, inclusion, and equal opportunities
G. Air quality and environmental pollution in neighboring communities
J. Work Climate
K. Talent Management
H. Training
L. Bonding with neighboring communities and impacting their development

Governance Dimension

O. Ethics, integrity, anti-corruption and anti-money laundering
P. Innovation and infrastructure
R. Cybersecurity and data protection
T. ESG reporting and transparency
Q. Climate Change resilient business model
S. Supplier Chain Sustainability

List of Material Topics

The result of this exercise was evaluated by the Sustainability team, which chose 16 Material Topics as key to our ESG management. Along with the structure of this Sustainability Report, it was also validated by OTSA' Executive Board, General Manager and Group Management.

We prioritized our most significant Sustainability topics establishing key performance indicators and targets for continuous improvement and using them as guiding principles to shape the content of our comprehensive Sustainability Report. By aligning our material topics with our Sustainability Development Goals, we ensure that our business practices not only enhance our operational efficiency, but also strengthen our reputation as a socially and environmentally responsible and forward-thinking organization.

OTSA's Material Topics (ranked by stakeholders) are listed below:

1. Process incident prevention
2. Ethics, integrity, anti-corruption and anti-money laundering
3. Management of water and effluents
4. Occupational Health and Safety
5. Human Rights
6. Diversity, inclusion, and equal opportunities
7. Management of CO_2 and other emissions
8. Energy saving and transition towards renewable energies
9. Innovation and infrastructure
10. Talent Management
11. ESG reporting and transparency
12. Air quality and environmental pollution in neighboring communities
13. Work Climate
14. Responsible waste management
15. Non-renewable materials responsible consumption
16. Cybersecurity and data protection

Our Sustainability Approach

Our Sustainability Approach embraces an ESG perspective, keeping Safety as the core of our DNA and efficiency as key to our way of operating.

We work responsibly, honoring the commitments made to our stakeholders and aspire to contribute to the Sustainable Development Goals relevant to our operations. We strive to manage our business sustainably, reduce our environmental impact, strengthen our worthy track record, while taking care of our collaborators and customers, and generating value for the communities where we operate.

We are currently working on defining our priority targets as part of our Sustainability Plan. During the first stage, 2023-2026, we will work actively deploying targets and developing actions to improve our impact related to SDGs 3, 8, 13 and 16. Whereas in the second stage, 2027-2030, we will add efforts to targets and initiatives related to SDGs 7, 9 and 12.

Priority Targets (2023-2026)

Development of long-term Targets, external communication/publicity and key performance indicator deployment.

Internal actions and communications

Targets (2027-2030)

Development of long-term Targets, external communication/publicity and key performance indicator deployment.

Constant monitoring of Priority Targets

Organization details, activities, value chain, and other business

Who we are

Odfjell Terminals South America (OTSA) is one of the largest networks of bulk liquids marine and inland storage terminals in South America. We also handle grains and ores in one of our terminals. We connect trade by sea and land at strategic locations throughout Argentina, Brazil, Chile, and Peru.

OTSA first terminal became operational in Buenos Aires in 1969. Today, the South American terminal network consists of 13 terminals.

We offer a well-diversified portfolio of terminals, facilitating safe and efficient product handling and connecting supply and demand markets. Our terminal facilities include storage tanks and pipelines, truck and rail loading/unloading stations. The terminals provide access to shipping via own piers and public or private berths, road, rail, and pipeline networks.

OTSA handles almost any type of liquid products in a safe and efficient way. In this highly competitive global economy, we offer our customers safe, reliable and responsible storage and handling services.

Our roots

OTSA (ultimately) is owned by parties that also are major shareholders in Odfjell SE, a leading global chemical tanker and tank terminal operator.

Our business, activities & value chain

Our core business is storing and handling in a network of terminals bulk liquid products such as chemicals, hydrocarbons, vegetable oils, and corrosives that are also raw materials used by a variety of industries throughout South America.
We handle more than 100 different liquid products.

Our markets & customers

The main end markets we serve are agriculture & food, energy, mining, and manufacturing. Our principal customers are manufacturers, retailers, traders, fuel producers and distributors, and mining companies. Many of them are national, regional, or international key players. The services we offer are often an integrated and vital part of our customers' value chains.

Many companies depend on the products we handle to manufacture goods that we all use every day for cooking, clothing, a variety of equipment, transportation, health care, and much more.

With a strong market position, OTSA employs +700 people.

Suppliers

Quality construction materials, equipment, and IT automation suppliers are essential for OTSA to ensure world-class facilities and services. We strive to procure materials and equipment from local suppliers that comply with all the laws of the country and that meet our internal requirements whenever it is possible. We hire local service providers and contractors for our facilities' preventive maintenance and construction projects. We prefer long-term partnerships to guarantee continuous improvement in efficiency and Safety.

2.
Environmental
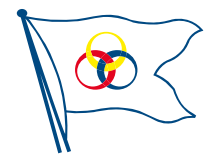
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In our history, we have strived to operate according to the highest standards, the best industry practices, and in compliance with all applicable legislation. Now, our commitment to drive a Sustainability agenda compels us to set even more stringent goals and ambitious long-term targets to further reduce the Carbon footprint of our operations and help to deal with the challenges of global climate change.

For the second year, Ecovadis™, a leading company provider of business Sustainability ratings, assessed the Environmental performance of our terminals in Brazil, and our rating rose from Bronze to Silver category, which means that Granel is among the top 25% of their top-rated companies.

GHG Emissions management

OTSA is working to reduce GHG emissions and promote Sustainability in all its business activities. Our strategy is to continue transforming and growing our portfolio of terminals aiming at Carbon neutrality to contribute to a low-carbon economy.

OTSA conducted a first GHG inventory in Brazil, based on the GHG Protocol, ISO 14064 and the Brazilian GHG Protocol guidelines.

In 2022, OTSA entrusted the SGS certification company with an independent verification of our greenhouse gas inventory in Granel terminals (for the year 2021).

Granel is actively investing in technologies and innovations to reduce CO_2 emissions and offset other emissions that are not possible to neutralize in order to reduce any negative impact of our activities on the environment.

Granel GHG emissions	2022
Total GHG emissions (tCO_2e) all Granel terminals	3,020
Total product moved (in + out *) at Granel (tons)	7,552,758 **
GHG intensity (tCO_2e/tons)	0.00039

* In + Out is used only for emissions calculations purposes.
** Including movements of Iron Ore and Manganese.

We planted +1400 native reforestation seedlings to offset emissions from our terminals of Santos and Rio Grande.

In partnership with the NGO Projeto Plantar (Brazil), we offset all emissions from our terminals of Santos (168.22 tCO$_2$e) and Rio Grande (107.95 tCO$_2$e). We planted 1,425 native reforestation seedlings in the Serra da Canastra circuit in Minas Gerais, responsible for removing approximately 312.11 tCO$_2$e of Carbon from the atmosphere in less than 20 years.

Alemoa, in Santos Port, is the first OTSA terminal that has achieved Carbon neutrality. This is an unprecedented initiative in Latin America's largest port.

For the second year, **CDP (Carbon Disclosure Project)**, a non-profit charity organization that runs the global disclosure system (scoring companies from A to D) for companies to manage their environmental impacts, assessed the performance of our terminals in Brazil which has risen to "C" from "not rated" classification in 2021, in the Climate Change and Water Security categories. This means that Granel is among 63% of companies that reached a level of awareness within our industry for category "Water Security" and among 32% of companies that have reached Awareness level for category "Climate Change".

We are committed to offset all the emissions of our primary activities (handling of bulk liquid and dry products).

Energy efficiency and transition

Not only does achieving energy transition require rationality and energy efficiency, but also ESG long-term and ambitious targets, infrastructure investments, and consumption behavior changes.

OTSA is committed to reducing the negative impact of its activities on the environment in line with SDG targets 7.2 and 7.3* and working to reduce the reliance on fossil fuels by analyzing proven alternatives like photovoltaic, wind, or other low-carbon sources of energy.

Out of 13 terminals, 7 already consume 100 % clean electrical energy (energy obtained from renewable sources).

In recent years, we have progressively signed agreements for the provision of renewable energy with different power generation companies and in 2022 we acquired I-RECs** for the first time to certify that the consumption of the Rio Grande terminal comes from renewable sources.

Rio Grande Terminal acquired 734 I-REC Certificates (eq. 734 MWh).
The I-REC Certificate provides security and traceability, guaranteeing that the energy that the terminal consumed in 2021 came from renewable sources.

During 2022, we continued replacing fluorescent lamps with LEDs, we bought new air conditioning equipment that use ecological refrigerant gas and ensured the efficiency of existing equipment through preventive maintenance plans. We also conducted intensified awareness training on climate change and implemented daily Safety Dialogues related to energy consumption.

Each metric ton of product we handled required 1,03 kWh.

This reporting year is the baseline for the metrics, since we are defining new indicators for further accuracy on energy saving and reporting.

OTSA Electricity consumption	2022
Total consumption (kWh)	8,020,797
Total product moved (tons) ***	7,782,257
Total consumption/product moved (kWh/tons)	1.03
Total clean electricity consumption	68%

* Targets 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix; 7.3: By 2030, double the global rate of improvement in energy efficiency.

** A renewable energy certificate, or IREC, is a market-based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation.

*** Including movements of Iron Ore and Manganese and transfers to customers.

In terms of fossil fuel, we measured the consumption of all Brazil terminals. The 2021 data was used to calculate the GHG inventory we verified in 2023 and gave a result of 2 MJ per metric ton of product moved.

Brazil terminals fossil fuel consumption	2022	2021
Diesel (GJ)	5,961	5,129
Gasoline (GJ)	883	870
LPG (GJ)	3,420	3,304
Acetylene (GJ)	1.31	1.31
Total consumption (GJ)*	10,266	9,306
Product moved at Granel (tons) **	4,967,113	3,776,379
Consumption intensity (GJ/tons)	0.0020	0.0024

* Calculation considers Diesel (10,100 kcal/kg), Gasoline (10,400 kcal/kg), LPG (11,100 kcal/kg), Ethanol (6,750.49kcal/kg) and Acetylene (48,700 kJ/kg) as per information provided by National Agency of Petroleum, Natural Gas and Biofuels (Brazil).

** Including movements of Iron Ore and Manganese and transfers to customers.

We are committed to improving the Energy Matrix in our terminals by reducing the amount of energy consumed per ton of product handled and replacing the use of non-renewable energy.

Management of water and effluents

OTSA prioritizes water efficiency and minimizes the negative impact on water quality. OTSA strives to protect natural water resources, especially in areas experiencing high water stress due to climate change. OTSA complies with local legislation regarding water capture and treats all generated effluents.

OTSA is implementing more accurate measuring tools and metrics, raising awareness across the organization, and setting more stringent goals. Some of our terminal daily processes require freshwater, so any shortage could negatively impact operations, and affect supply chains.

Country initiatives

At certain terminals in **Argentina**, **Brazil and Chile**, freshwater used for industrial activities is recycled through a closed-circuit system and reused for cleaning storage tanks, pipelines, pumps, and accessories. At terminals such as Alemoa, Palmas, Rio Grande, Teresina, and São Luis in **Brazil**, rainwater is collected and used to clean pipelines, in general housekeeping, and for green areas irrigation, waterless urinals reduce sanitary effluents, and ecological drains allow the collection of water from air conditioners. In **Brazil and Peru**, water treatment plants at some terminals transform non-hazardous waste into reusable water for tank washing and green areas irrigation.

While we seek to standardize initiatives in the different terminals, we continue looking for opportunities to reduce freshwater consumption in each of our processes and focus on monitoring the effectiveness of our actions.

In 2022, our total water consumption amounted to 8.8 liters per ton of product handled, 56% less compared to 2020:

Water consumption	2022
Total consumption (m^3)	68,871
Total product moved (tons)	7,782,257*
Total consumption/Product handled (m^3/ton)	0.0088

* Including movements of Iron Ore and Manganese and transfers to customers.

We are committed to promote water saving and decrease effluents generation per ton of product handled.

Responsible waste management

OTSA strives to efficiently manage waste and wastewater, reduce hazardous waste generation, and raise awareness across our value chain. All terminals have internal waste management procedures as various types of waste are generated during operations. Our SHEQ standards along with ISO 14001 guidelines, and responsible consumption awareness reinforce our commitment to environmental protection and supplement local regulations.

In 2022, OTSA's annual consolidated data on recyclable and non-recyclable waste totalized 4,385,706 kg. We used internal sources to measure the data and, when considering we stored and handled 7,782,257 tons of different products, our efficiency indicator was 0.56 kg of waste for each ton of product handled.

In 2022 we recycled 433,774 kg of waste, corresponding to 10% of the total waste generated at OTSA terminals.

Reporting year 2022, will be the baseline for the metrics since we have defined new indicators for further accuracy in waste management.

Waste generation	2022
Total generation (kg)	4,385,706
Total product moved (tons)	7,782,257*
Total generation/Product moved (kg/ton)	0.56
Waste recycled (kg)	433,774

* Including movements of Iron Ore and Manganese and transfers to customers.

We strive to minimize our environmental footprint, use resources efficiently and further optimize our waste and wastewater management

Country initiatives

In **Brazil**, different initiatives related to the concept of circular economy are being analyzed according to the characteristics and location of each terminal. At some terminals, employees organize campaigns to raise awareness on correct waste disposal in the local communities, carry out beach cleaning and help clean the areas adjoining the terminals. New ecological waste dumps made of recycled materials were installed at some terminals.

Innovation and infrastructure

OTSA is committed to achieving socially inclusive and environmentally sustainable economic development in line with SDG 9, which focuses on infrastructure, industry, and innovation.

OTSA aims to adopt and invest in environmentally sound technologies and processes to create long-term value and stay relevant, focusing on ensuring robust infrastructures, adopting new technologies, and safeguarding its operations with clean industrial and environmental processes to contribute to mitigating climate-related physical risks. We are also developing a structured Innovation program that prioritizes employee Safety and aims to reduce GHG emissions.

Country initiatives - Brazil

- In 2021, in terminals like Rio Grande, we implemented QR codes for identifying each piece of equipment of the terminal, and obtaining accurate information related to the maintenance of our equipment quickly and efficiently. We plan to replicate this initiative in all our terminals.
- In 2021, along with digitalization, the progressive use of tablets and mobiles increased our information control, quality and optimized our routine processes, while fueling responsible paper consumption and decreasing waste generation. We seek to rethink our consumption according to SDG 12 (Responsible Consumption and Production).
- Since launched in 2016, the "Ideal Ideas" program encourages the participation of our employees in innovation projects and helps us spark new ideas and accelerate their development and deployment. Most of the proposed solutions are tested and implemented in our operations. Participants receive recognition and rewards.

OTSA is sharing knowledge on new technologies that have permitted to save resources in the different terminals while seeking to standardize innovation initiatives. OTSA is evaluating several projects and looking into transformational solutions that will provide lower GHG emissions and also defining new indicators related to finance and GHG emissions saving.

OTSA is committed to improving our performance by incorporating more technology and digitization into our processes.

3.
Social

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TERMINALS

Social

In a world of continuous and vertiginous transformation, the success of companies does not exclusively depend on their size, their financial and technical resources, or the reduction of their costs. In OTSA, our people are a key asset of our organization. We strive to work diligently to provide talent development, training, and positive work environments.

Making Safety a core and non-negotiable value within our corporate culture and defining a roadmap to continuously improve our efficiency performance also allows us to minimize the potential negative impact of our business activities on people and the environment.

Our commitment to Sustainability will undoubtedly contribute to the optimization of our resources, encourage innovation, and ensure our company's competitiveness in the new global, competitive, and diverse markets.

OTSA policy framework that formalizes our commitment with our people:

- Performance Assessment Policy
- Contracting Policy for Outsourced services
- Employee Intake Policy
- Vacation Policy
- Employee Loans Policy
- Veteran Recognition Policy
- Raise and Promotion Policy
- Employment Contract Termination Policy

Care for Safety

Process incident prevention

OTSA's core business is storing and handling bulk liquid products, safely and efficiently. Our responsibility is to handle them correctly, preventing any kind of accident during operations, and protecting the Health and Safety of our employees, contractors working on our sites, and everyone within the communities surrounding our facilities.

Incidents may expose our company to potential liabilities, affect our licenses to operate and have an adverse effect on our company's reputation. We have spent the past 10 years focusing on process Safety and operational risk management. Our operations at the terminals are driven by risk evaluation and mitigation.

In 2022, with the implementation of a detailed maintenance audit program, we managed to significantly reduce the backlog of critical assets maintenance and improve proactive reporting.

We recorded zero incidents for the 2nd consecutive year.

Until end DEC 22, we collected and reported 3 types of process incidents (spills higher than 200 lt., fires, and product contamination). However, these indicators cannot be compared with those being used in our industry. As from 1 January 2023, we will adopt the API 754 model guidelines for process events reporting and process Safety evaluation* which will, in time, make our Safety performance more readily available to benchmark with the best in our industry. This systemic and coordinated company-wide approach will allow us to continue improving performance and closing the gap with our Safety ambitions.

We are committed to achieve zero product contamination and handling losses. Our care for Safety is a core and non-negotiable value for OTSA.

* Process incident rate according to API 754 is measured now as Process Safety Events (PSE) and rated as Process Safety Event Rate (PSER) where: PSER= Sum PSE x 200,000/Total Worked Hours.

Occupational Health and Safety

OTSA has a comprehensive Occupational Health and Safety Management System in place that covers various aspects such as personnel protection, technical specifications, and Safety requirements. Our system includes detailed standards that are periodically updated and revised. The company has a SHEQ policy and Code of Conduct that emphasize our commitment to employee Safety.

Employees handling and investigating incidents are trained and certified in Sologic – root cause methodology. Every three years, cross-audits are performed internally to ensure the effectiveness of the OTSA standards. External audits, such as CDI-T and ISO, ensure compliance with local and international standards. Crisis management and communications training, including crisis simulation, also ensure our preparedness for any emergencies.

We operate according to the highest standards and the best practices in the industry, and in compliance with all applicable legislation, in all locations.

We use ISO 45001 (Occupational Health and Safety Management Systems) standards as a reference and our own internal standards which make up our Occupational Health and Safety Management System.

Each year, in accordance with the International Labor Organization (ILO), we celebrate the Odfjell Safety Day in all our terminals in South America.

We expect all employees and contractors working at our terminals to care for Safety, health, and the environment. Our next steps include the development and implementation of a Sustainability awareness program, including a celebration of the Odfjell Sustainability Day.

In 2022, we recorded 5 Lost Time Injury (LTI) incidents resulting in a Lost Time Injury Ratio (LTIR)* of 0.39 personnel incidents per 200,000 hours worked, above our target which is 0.3.

Work injuries

Lost Time Injury (LTI) incidents

	2022	2021	2020	2019
LTI incidents	5	3	4	7
Total worked hours	**2,511,400**	2,711,427	2,778,870	2,949,474
Lost Time Injury Ratio (LTIR)*	**0.39**	0.22	0.29	0.50
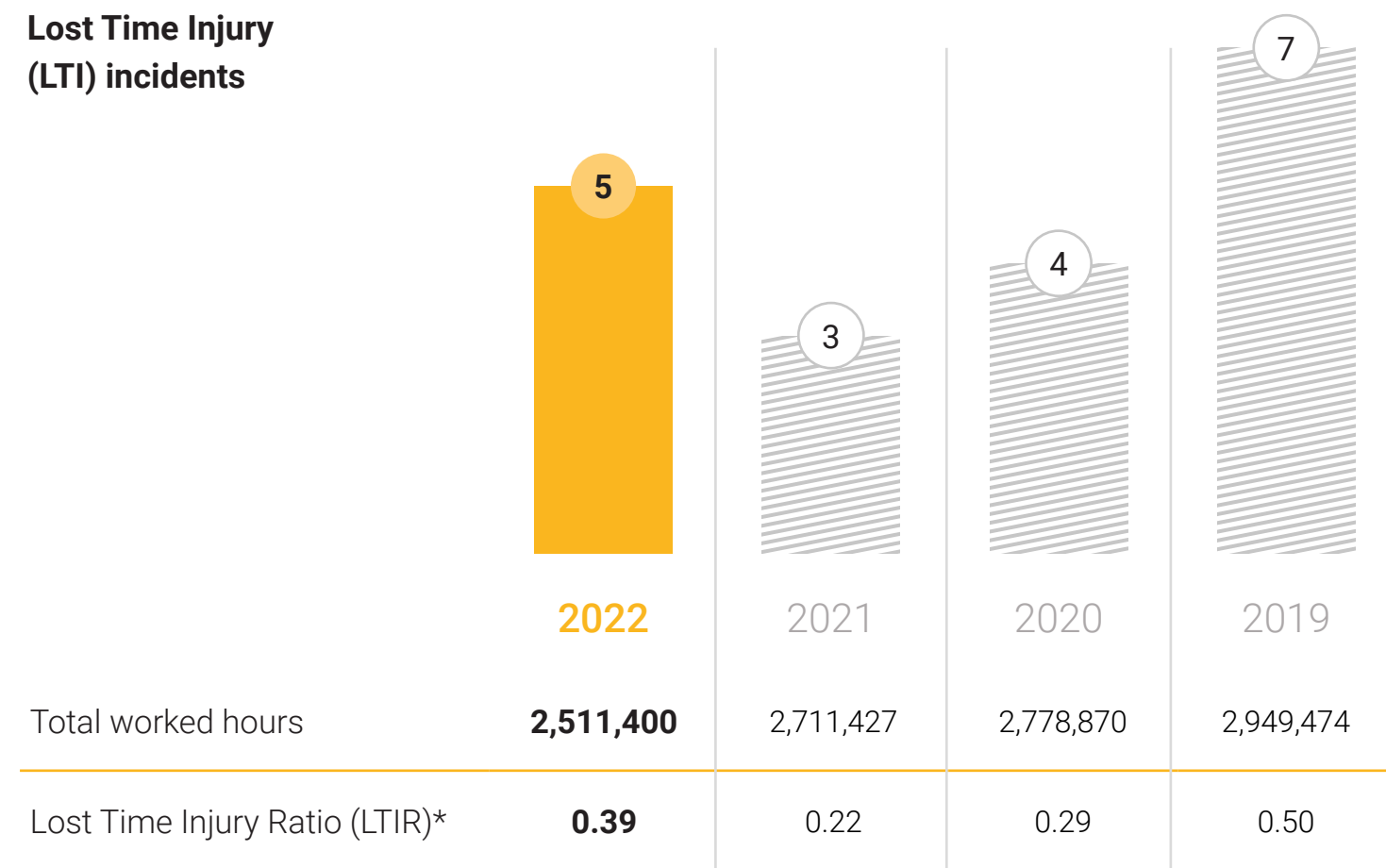
* LTIR = Sum LTI*200, 000/total worked hours.

OTSA's ambitions

While our long-term ambitions are being defined, to achieve them, and to continue enhancing our Occupational Health and Safety Management System, we already decided on some actions for 2023: increasing and improving the methodology of our cross-audits, improving our CDI-T ratings, intensifying technical and operational training through gamification, helping those terminals not certified yet to obtain ISO 9001, 14001 and 45001 certifications, defining our process Safety pillars, enhancing our Safety Culture through assessment and metrics, deploying norm API 754 (Process Safety Performance Indicators for Refining & Petrochemical Industries), and participating closer in the design and construction projects of new terminals and expansions.

Hazard identification, risk assessment, and incident investigation

OTSA prioritizes Safety through prevention efforts and risk analysis to mitigate risks. All accidents and incidents are investigated to find the root cause and propose new barriers for future prevention. We use the HAZOP methodology to identify and mitigate major risks, while KPIs for personal incidents are monitored and reported monthly. We have established accident and incident reporting procedures and written controlled procedures for core operations and life-critical activities. Emergency response plans are regularly updated and tested through drills and exercises, including coordination with national coast guards, local fire brigades, and neighboring companies.

Worker training on Occupational Health and Safety

To maintain the awareness and commitment of all our employees related to Occupational Health and Safety, annual mandatory training programs are defined and performed according to the activity performed by each one of them, addressing the handling of hazardous products, firefighting, lock-out-tag-out and tryout, working at height and confined spaces or tasks associated with electrical hazards and steam-boilers, among others. We use a permit-to-work system and Management of Change procedures to safely control operational activities.

Workers covered by an occupational Health and Safety Management System

Our Occupational Health and Safety Management system covers permanent and part-time personnel, trainees and contractors working on our sites, and drivers participating in loading or unloading operations at the terminal. Incidents affecting visitors or drivers not involved or related to terminal operations are recorded and investigated internally, but not reported nor included in the Safety KPIs.

Country initiatives

We introduced gamification (game playing) in **Brazil** terminals to make training more attractive and we plan to make it extensive to the other countries where we are present. In **Chile**, we are implementing a Safety Culture Development program including diagnosis and action plans.

Occupational Health services

OTSA complies with labor rights and obligations for all personnel, own and outsourced. Annual Health checks are mandatory for employees potentially exposed to hazardous products and additional private health plans are provided to all employees to complement their medical care. All countries have written Drug and Alcohol policies, and all employees sign them when they join the company.
We organize annual vaccination campaigns according to the particularities of each country and raise awareness related to Covid-19 vaccination.

For 2023, we will include "defensive driving" in our training programs.

We are committed to achieving zero catastrophic or very serious personal accidents or process incidents, including fatality or illness.

Country initiatives

In **Brazil**, our Health and well-being program offers a balanced diet and nutritional monitoring, while promoting a healthy lifestyle. In the terminals that have a canteen, we follow strict food quality and process controls and offer healthy options. We organize annual blood donation campaigns and support international campaigns such as Yellow September (Mental Health), Pink October (Breast Cancer) and Blue November (Prostate Cancer). Awareness-raising activities are part of the annual calendar. In **Chile**, we signed agreements with gyms to encourage employees to practice physical activities and in **Peru**, our healthy living program includes nutritional monitoring and psychological counseling.

While we continue with different life-quality initiatives, we are developing a regional voluntary Health program.

Worker participation, consultation, and communication on Occupational Health and Safety

OTSA tracks its Occupational Health and Safety performance through leading and lagging indicators, and constantly strives for improvement. We encourage employees to identify and report positive actions as well as unsafe behaviors or conditions through our "See and Act" program and implement Safety Observation Rounds to maintain awareness and commitment to Safety among all employees.

Human rights, diversity, inclusion and equal opportunities

OTSA recognizes the importance of diversity and inclusion in promoting innovation, creativity, and competitiveness. We aim to provide equal opportunities for all employees and remove barriers that could affect it.

We are developing a process for assessing capabilities and performance, with annual goal setting and feedback, to identify and develop each employee's potential.

We aim to promote gender diversity and increase diversity awareness, train on unconscious bias behavior, and foster an inclusive environment. OTSA believes that diversity is not just about gender, age, or nationality, but about all people, regardless of their experience, educational background, ethnicity, culture, religion, sexual orientation, disability, and different points of view.

In 2022, 15% of OTSA's workforce were women and we started working to improve this indicator. We are establishing strategic objectives, action plans, indicators, and goals with periodic monitoring, ensuring the integration and evolution of diversity and inclusion management in the organization.

We are committed to being a company that offers equal opportunities at all levels by promoting gender diversity.

Workforce by gender

	Men	Women		Men	Women
	646	112		611	86
Total	758		Total	697	
	85%	15%		88%	12%
	2022			2021	
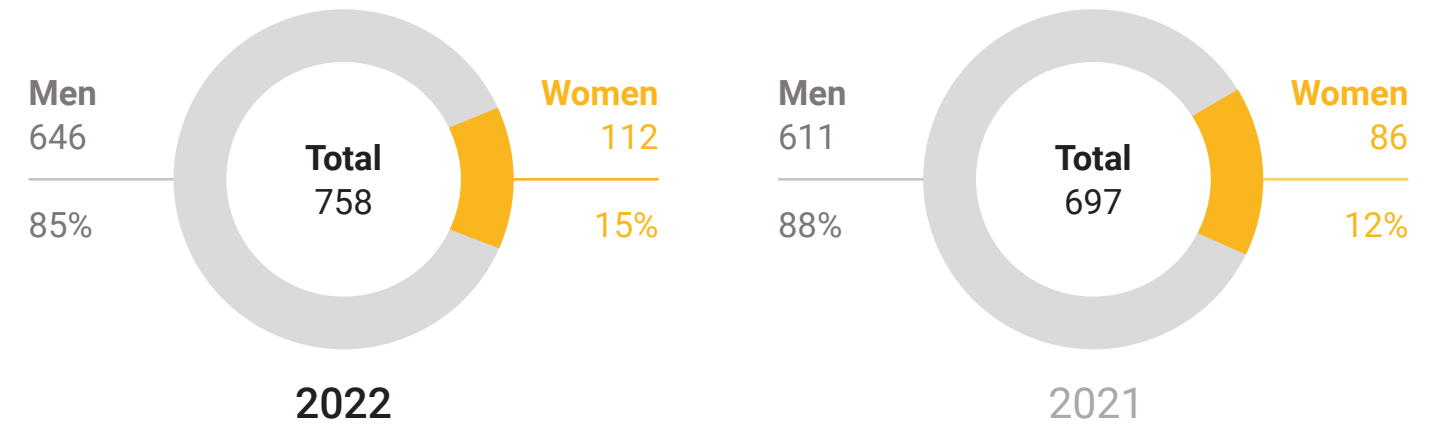
We are committed to guaranteeing that the rights of employees and stakeholders are preserved through transparent and preventative actions.

Work climate

We encourage a participatory management style, based on respect, transparency and the integration of employees, their interests, and expectations in our corporate decision-making processes. We aim to foster a positive work climate, support and reward employees' initiatives contributing to our Company vision and engage in an open honest dialogue with them.

We aim to have a more diverse talent pool and an open culture where everyone feels safe and welcome.

The new reality since Covid-19 brought about some positive aspects as avoiding commuting time, lowering travel costs, or reduced need for office space. Every country implemented the flexibility for office-based employees to work from their homes.

We intend to continue working on actions to make OTSA an increasingly great place to work.

We hired an independent consultant to conduct a Work Climate Survey, common to all the countries in which we operate. Once we have the results, we will set new targets to monitor and improve employee satisfaction with our company.

Code of Conduct

Our **Code of Conduct**, in force since 2015 (updated in 2020), promotes a safe, non-discriminating and inclusive work environment, as well as respect for the diverse cultures within the company. Employees and other stakeholders can simply, safely, and anonymously report behaviors contrary to this commitment through a form always available on our webpage. Our goal is to maintain zero valid cases on claims related to discrimination or any kind of harassment reports through our channel and we will continue to develop and implement clear policies to prevent and help to detect any kind of harassment (refer to the **Ethics, integrity, anti-corruption, and money-laundering section** for further details).

Our Code of Conduct scope:

- Conflict of interest
- Bribery and laundering
- Entertainment and gifts
- Accounting
- Political activities and donations
- Confidential information
- Contracting of third parties
- Compliance and internal controls
- Anti-money laundering rules
- Anti-monopoly rules
- Human rights and labor practices
- Health and Safety
- Environment
- IT matters

Find our Code of Conduct in Argentina, Brazil, Chile and Peru.

In 2022, OTSA had no claims related to discrimination.

Talent management

Attracting, retaining, and developing a diverse group of talented individuals is crucial to the ongoing success and relevance of our company. To achieve this, OTSA offers appealing job opportunities and a safe, non-discriminating, and inclusive work environment. We also conduct performance assessments to identify potential talent within our teams and prepare them for future challenges.

Our Performance Assessment is a relevant tool that seeks to know and measure the individual performance of employees (establishing a comparison between the performance expected by the company and the one presented by employees), as well as their capacity for evolution and development over time. The performance evaluation consists of two parts: Skills assessment (twelve per position) and Target achievements.

Competencies are the standards of knowledge and behavior ideals that differentiate individual performances and are aligned with OTSA´s culture (Mission and Vision):

Knowledge	Values
Skills	People management
Attitudes	
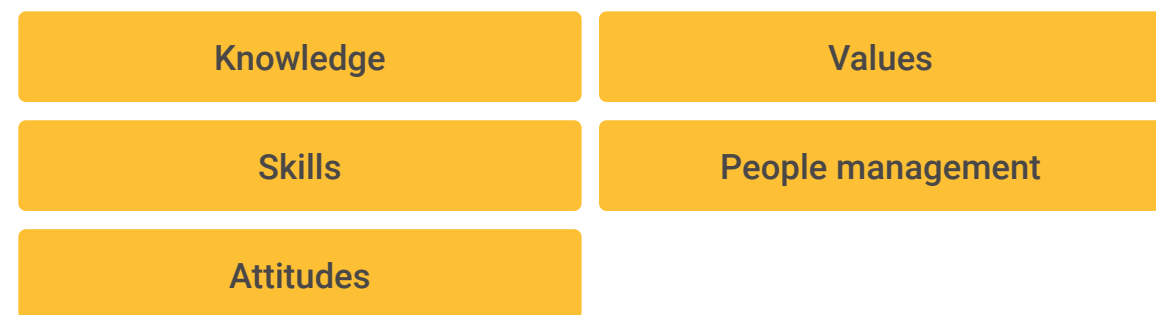
Training environment

OTSA has training and development plans for its employees, including leaders, in all the countries where it operates. New operational hires receive intensive training to understand the company's operational challenges and risks and gain tools for effective problem-solving and decision-making.

OTSA is developing a project to add competitive game-based elements to training programs to create a fun and engaging training environment while increasing learning engagement. Employee training is part of the company Sustainability program, and HR is developing a leadership training program with a traceable indicator set for 2023.

Country initiatives

In **Brazil**, the Quality School training provided our leadership with wide-ranging insights into our business challenges and nurtured them with relevant skill sets. We plan to implement it in the rest of the countries.

Training hours	2022	2021	2020
Total employee trained	**42,839**	35,547	30,220
Average training hours /employee	**57**	46	39

Responsibility with our neighboring communities

We are a responsible member of the communities in which we operate, minimize the negative impact of our business activities on the environment and fully safeguard our operations. We also build sustainable relationships with our neighbors, addressing their concerns and cooperating with local schools, fire stations and NGOs.

DQM in Peru is the only case in which our terminals in the port of Callao are near a populated community. For this reason, we have strengthened relations with local communities, positively impacting more than 450 families from the Barrio Fiscal N° 1, Barrio Frigorifico and the surrounding areas, with initiatives that address different lines of action.

Through different initiatives in health, sanitation, and education, DQM interacts with communities and contributes to local development. We also have an alliance with the Municipality of Callao on issues related to waste segregation and use of recyclable materials.

- DQM delivered 3,957 kg of recyclable materials to the Municipality, contributing to the generation of income, allowing recyclers to meet basic needs, and encouraging their formalization.

- We raised awareness among 45 local households and trained approximately 250 students on recycling and management of electric and electronic waste.

- Back to school: we delivered 105 health kits and nutritious cookies to the local children.

- 80 Covid-19 tests were carried out and contributed to the vaccination of 30 people against Influenza.

All our terminals have Environmental Monitoring and Control Plans defined by air, water, and soil quality standards. This includes measurements on different parameters such as SO_2 (Sulfur Dioxide), environmental noise and PM10 (Particulate Matter). As DQM is located next to a residential area, periodic monitoring and strict control of these parameters is really significant. In 2022, we fully complied with the environmental requirements of the competent authority.

Additionally, our tanks are designed to avoid emissions, minimize product loss, and maintain product integrity. We have gas scrubbers, gas recovery tanks and closed circuits for wagon reception to avoid generating emissions into the atmosphere. We have alert protocols and formal procedures in case of accidents, and we carry out drills with the participation of the local community.

Dialogue mechanism

Continuous communication is maintained through digital and telephone channels, available 24 hours a day. The local community can send suggestions, queries or claims and we make sure they are properly managed.

4.
Governance
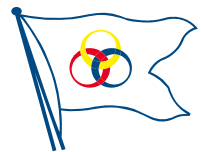
ODFJELL
TERMINALS

Governance

Our reputation is an invaluable asset, and we strive to protect it in everything we do with responsible behavior, ethical decision-making and full compliance with laws and regulations. We continue to be a trusted and respected service supplier to our customers, also in benefit of our Shareholders, employees, and society in general.

Governance structure and composition

Executive Board

Laurence Odfjell
Chairman

| **Carl Odfjell** Deputy Chairman | **Arild Toft** Director | **Bruce Clark** Director | **Espen Ommedal** Director |

Corporate

Ary Serpa
General Manager South America

| **Rodrigo Leite** CFO | **Esteban Kepcija** CMOTS |

Local Executive Board

| **Local Board** TAGSA | **Local Administration** GRANEL | **Local Board** TERQUIM | **Local Board** DQM |

Country Managers

| **Gabriel von Stremayr** General Manager TAGSA | **Edson Souki** General Manager GRANEL | **Diego Rodríguez Christensen** General Manager TERQUIM | **Carlos José Inurritegui** General Manager DQM |

Role of the highest governance body in Sustainable Reporting

In consultation and collaboration with the Executive Board, local Boards and Country Managers, our General Manager for South America is ultimately accountable for OTSA Sustainability strategy, material topics, and the final approval of the reported information.

The commitments to Sustainable Development we undertook as from last year led OTSA to create the role of Corporate Sustainability Manager, reporting to OTSA's Corporate Safety and Operations Manager (CMOTS). This whole area is responsible for defining our Sustainability strategy, assessing, and monitoring ESG risks, reviewing and approving the reported information, and strengthening the integrity and credibility of our organization's Sustainability reporting. The Sustainability team provides support to this area by collecting data and helping to foster our Sustainability culture across the organization.

Ethics, integrity, anticorruption, and anti-money laundering

OTSA values its reputation and protects it through responsible behavior, ethical decision-making, and full compliance with laws and regulations. Our company upholds recognized standards and principles on Human Rights, Labor, the Environment, and anti-corruption to make an essential contribution to the SDGs.

OTSA has a zero-tolerance policy on corruption, including bribery and anti-money laundering, and has various guidelines and procedures in place to ensure proper and lawful conduct. The Code of Conduct is our main framework for corporate governance, focusing on quality, health, Safety, and the environment, as well as promoting a safe, non-discriminating, and inclusive work environment.

Find our Code of Conduct in Argentina, Brazil, Chile and Peru.

Customers

OTSA complies with antitrust and competition laws in force in all its markets of operation. We are analyzing including relevant integrity clauses in all our contracts.

Third parties

OTSA seeks to have clear policies on how integrity shall guide the behavior of its business in every aspect, and to maintain business relationships with partners that share its values, comply with current anti-bribery, anti-corruption, and anti-money laundering laws, and uphold national and international Human Rights principles (refer to anti-corruption and anti money-laundering in our Code of Conduct).

We are revising our current procedures to thoroughly examine our supply chain to ensure that, throughout the entire process, everyone involved embraces such values, shares our legal commitments, and has environmental responsibility as a key aspect of their business approach.

Zero tolerance of corruption, fraud, conflict of interests or money laundering.

Responsible Tax Compliance

OTSA has undertaken to pay taxes and file the corresponding tax returns in compliance with current laws in each country of operations. This is accomplished by providing full and truthful information with a view to minimizing major fiscal risks and effectively defending the rights and interests of the Company.

Whistleblowing Channel

A reporting channel is available on our webpage, for employees or any other stakeholders to report any compliance-related matters simply and anonymously.

Risk management and internal control

OTSA has established an organizational structure supporting clear lines of communication and accountability. We focus on regular and relevant management reporting of both operational and financial matters to ensure adequate information for decision making and quick response to changing conditions.

The Executive Board receives monthly reports on the Company's financial performance and status reports on each country's management of key individual projects. In addition, it reviews annual budgeting and strategic planning processes. Financial forecasts are prepared every year and actual performance is compared to budget, latest forecast, and prior year. Significant variances are explained through normal monthly reporting channels. Our Enterprise Risk Management (ERM) exercise is prepared and updated twice a year aiming to identify and mitigate all possible risk scenarios.

Evaluation and approval procedures for major capital expenditure and significant treasury transactions are established.

Confirmed incidents of corruption and money laundering and actions taken

During 2022, no incidents of corruption or any kind of fraud have been detected within our terminal operations nor attributable to any of our business partners. There were neither cases filed against the company nor of breach or termination of contracts because of violations related to corruption nor of money laundering.

Cybersecurity and data protection

OTSA recognizes the importance of cybersecurity in protecting the organization from potential attacks and data breaches, which could lead to the loss of public trust and revenue. Our company has implemented a multifaceted approach to reduce the risk of exposure to cyber-attacks, including policies and manuals for users, regular training, and improving early warning capabilities and incident response.

Standardized corporate policies for best practices in cybersecurity have been introduced in all terminals, and a culture of internal cybersecurity is being developed. OTSA will monitor the implementation of their actions and record cyber-attacks pursuant to ISO/IEC 27001 guidelines. Improving cybersecurity is an ongoing process that requires understanding the organization's needs, processes, and risks.

In 2022, OTSA had no complaints concerning breaches of customer privacy and losses of customer data.

MATERIALITY MATRIX #16 - **SDG** 16 - **GRI** 3-3, 418-1

Membership associations

Industry associations play an important role in providing a valuable platform for engagement with governments, regulators, and communities on topics such as chemicals, energy, climate action, and trade. OTSA is an active member and has leadership positions in numerous national, regional, South American, and international associations:

Argentina

CICACZ (Zarate-Campana Environmental Protection Committee) www.cicacz.com.ar
Cámara de Puertos Privados Comerciales (Chamber of Private Commercial Ports)
www.camarapuertos.com.ar
Cámara Argentino-Noruega de Comercio (Argentinian-Norwegian Chamber of Commerce)
www.camaranoruega.com

Brazil

ABIQUIM (Brazilian Chemical Industry Association) www.abiquim.org.br
ABNT (Brazilian Association of Technical Standards) www.abnt.org.br
ABTL (Brazilian Association of Liquid Terminals) www.abtl.org.br
ABTP (Brazilian Association of Port Terminals) www.abtp.org.br
ADECON (Sustainable Development Agency)
ANP (National Petroleum Agency) www.gov.br/anp/pt-br
CAP (Port Authority of Santos, São Paulo) www.portodesantos.com.br

Chile

Asiquim (Chilean Industrial Chemical Union) www.asiquim.cl
Colsa (Association of Chemical Industries) www.colsa.cl
Corporación de Desarrollo Estratégico, San Antonio (Strategic Development Corp.) www.cdsa.cl

Peru

Lima's Chamber of Commerce Chemical Group www.camaralima.org.pe
Nordic Chamber of Commerce www.sp-cc.org

Units and acronyms

GJ: Gigajoule
K: Thousand
Kg: Kilogram
KWh: Kilowatt Hours
Lts: Liters
M³: Cubic Meter
Mill: Million
MWh: Megawatt Hours
Tons: Metric Tons

API: American Petroleum Institute
CO_2: Carbon Dioxide
CDP: Carbon Disclosure Project
CMOTS: Corporate Safety and Operations Manager
ERM: Enterprise Risk Management
ESG: Environmental, Social and Governance
GHG: Greenhouse gases
GRI: Global Reporting Initiative
HAZOP: Hazard and Operability Study
ILO: International Labor Organization
I-REC: International Renewable Energy Credit
LED: Light-emitting Diode
LPG: Liquefied Petroleum Gas
LTI: Lost Time Injury
LTIR: Lost Time Injury Ratio
NGO: Non-Governmental Organization
OTSA: Odfjell Terminals South America
PM10: Particulate Matter
PSE: Process Safety Events
PSER: Process Safety Event Rate
SDGs: Sustainability Development Goals
SHEQ: Safety, Health, Environment and Quality
SO_2: Sulfur Dioxide

Statement of use	OTSA has reported the information cited in this GRI content index for the period from 1st January to 31st December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

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	2-4	Restatements of information	No restatement
	2-5	External assurance	No external assurance
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1 - Process incident prevention

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2 - Ethics, integrity, and anti-corruption and money laundering

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3 - Management of water and effluents

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4 - Occupational Health and Safety

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GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	32
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15 - Non-renewable materials responsible consumption			
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