

# Norwegian Transparency Act - Spar Shipping AS

## Organization and background

The ship owning office was established in 1994 and it is a privately owned company operating in the supra / ultramax segment. Head office is in Bergen, Norway.

We are a long-term tonnage provider, servicing the worldwide dry bulk trade on a 24/7 basis all year around. Focus being on commitment to the industry and long-term partners within shipping. The primary business is to “time charter” out crewed vessels to established operators within our niche. We can occasionally also do single voyages for own account though that is not our primary focus. The entire fleet is registered in the NIS Registry, Norway. We avail foreign crew and they are covered by collective bargaining agreements which then become the minimum standard throughout. Otherwise, we endeavor to adhere to OECD Guidelines, ILO recommendations.

We have outsourced technical management as well as crewing to Fleet Management Limited. Crew is predominantly sourced from the Indian sub-continent. The structure has been in place for more than a quarter of a century with minimal changes. When we embarked with the technical manager, it was a small entity with no more than 10 vessels in management. Today, it is among the world leaders with more than 600 vessels under its management and tens of thousands of seafarers employed.

As such, labor relations, are all regulated and entrenched in the business model, although at third party length. Influence is mostly indirect through contractual chain. Business is enacted at contractual level based on templates which consider jurisdiction of contractual law, Flag state, as well as other relevant bodies such as UN, US, EU, others as may be applicable.

Systematic tracking of Port state control statistics has proved to be a reliable supplement when benchmarking labor conditions and safety aspects onboard vessels. Port State Control is a third party with no other vested interest than safety of crew and vessel, and our results are further explained in this report.

The following roles and responsibilities are assigned within Spar Shipping AS

The Board of Directors have established general guidelines and the CEO is set to oversee and follow up work conditions as well as human rights within the organization. Spar Shipping AS has a dedicated Compliance Officer who handles daily operational responsibilities related to human rights. At Spar Shipping, we place emphasis on fostering organizational involvement by engaging in regular dialogue with our employees through meetings. Our objective is to actively listen to the voices of our employees and utilize their experiences and insights to promote sustainable and fulfilling working conditions. We strive to establish and maintain a trusting dialogue that serves as the foundation for employee involvement. This dialogue plays a vital role in driving continued improvement and advancement in relation to sustainable business practices.

To strengthen and further develop our work within decent working conditions and human rights the following procedures are implemented in our organization:

- Code of Business Ethics and Conduct
- Complaints Procedure
- Environmental Policy
- Financial Crime Policy
- Ship Recycling Policy
- Social Responsibility

## **Negative consequences for Human & Labor Rights**

As a shipping enterprise, operating worldwide and throughout the year and through the seasons, we recognize our business entails risks concerning safety, the environment, and human rights. Consequently, being pro-active and prioritizing safety is of the foremost concern. We do acknowledge it is a prerequisite for a quality operation. We firmly acknowledge our responsibility to uphold high safety standards, protect the oceans, and collaborate harmoniously with the communities in which we operate.

Spar Shipping has identified the following key areas of inherent risks where our operations can potentially impact human rights and labor rights.

### **Healthy and safe work environment**

The operation of Spar Shipping vessels, at sea, in port, around the clock and throughout the seasons, poses risks to the well-being of our personnel on board the ships. Additionally, the terminals vessels are visiting, store sometimes complex cargoes in proximity to inhabited areas. Sometimes also exposed to the elements. Safety takes therefore precedence as our top priority both at sea and ashore.

We acknowledge responsibility and endeavor to take necessary measures to ensure the health and safety of crew as well as those within the broader value chain, including shipyards. We are committed to upholding stringent safety protocols and practices throughout our operations to safeguard the wellbeing of all individuals involved.

Focus on Port State Control is a key parameter to ensure and track safe and healthy work environment.

### **Forced labor**

We are aware of the historical challenges within the shipping industry regarding forced labor and contracts that do not align with human rights standards. In our commitment to responsible business practices, we adhere to all relevant regulations, including MLC compliance, ILO standards, STCW requirements, and more.

We require that our charterers, manning agencies for seafarers, and other subcontractors also comply with the same human rights standards. To ensure this, we work to incorporate these expectations as elements in our contracts and agreements with these parties. This underscores our commitment to promoting fair and ethical practices throughout our operations and value chain.

### **Non-harassing work environment**

Spar Shipping has a total of eight employees working in the office ashore in Norway, and through third party Fleet Management limited, we indirectly employ more than 500 seafarers. Recognizing that friction and disputes can arise between individuals, we are unwavering in our stance against any form of harassment within the work environment.

We have established a comprehensive Code of Conduct that outlines our expectations for all employees. We prioritize maintaining a non-harassing climate and encourage individuals to report any incidents promptly, as outlined in our policies. By upholding these standards, we strive to create a safe and respectful working environment for everyone associated with the company.

### **Assessments and evaluations**

We also assess the locations where we conduct our operations, which may include countries where we make port calls or engage in vessel construction and maintenance. We evaluate how our activities may impact human rights in these regions.

One significant area of concern relates to shipyards situated in regions that score low on various Human Rights indices. This encompasses shipbuilding, maintenance, dry-docking as well as ship recycling activities, which also involve work performed by sub-suppliers to the yards.

To mitigate the risks associated with potential negative impacts in these areas, we have a due diligence process in close collaboration with technical manager when selecting and engaging shipyards. We have clear criteria and a process for evaluating the yards we choose to work with. Additionally, we prioritize the presence of our supervisors from Fleet Management during maintenance activities at the yards.

We are actively working to enhance the human rights elements of our due diligence processes, continuously evaluating how we can improve our practices in this area. Our commitment to human rights is a priority throughout.

Suppliers and partners are initially assessed in Metizoft's analysis tool based on the country in which they operate and evaluated based on their classification from the ITUC Global Workers' Rights Index, Freedom House's Political Rights and Civil Liberties, UNICEF's Child Labor Assessment and Transparency International's Corruption Perception Index. The supply chain is further assessed based on turnover, location, and probability and severity.

All suppliers have been screened and assessed based on the industry- and country-risk.

No actual negative impacts have been identified in the assessment.

### **Reporting of incidents and measures**

Spar Shipping has a dedicated Compliance Officer to assist employees as well as external stakeholders to have a dialogue regarding anything perceived inappropriate or having scope for improvement. We also encourage employees to report any concerns through their manager.

Spar Shipping AS