



# Nordisk Skibsrederforening

(NORDISK DEFENCE CLUB)

**Transparency Act**  
**Due Diligence Report**  
**on**  
**Fundamental Human Rights and Decent Working Conditions**  
**2023 – 2024**

**June 2024**

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## **1. Introduction**

Nordisk Skibsrederforening (Nordisk Defence Club) (hereinafter referred to as "Nordisk") is dedicated to fulfilling the objectives of the Transparency Act, which aims to promote respect for human rights and ensure decent working conditions.

This report details the due diligence processes conducted by Nordisk in line with the OECD Guidelines for Multinational Enterprises and Sections 4 and 5 of the Norwegian Transparency Act. There have been no significant changes to Nordisk's business operations, service offerings, or supplier relationships; therefore, this report largely draws upon findings from the previous year.

The report covers evaluations conducted at our offices in Norway and Singapore, outlining Nordisk's approach in several key areas:

- Organisational structure;
- Implementation of human rights due diligence;
- Integration of responsible business practices within the organisation; and
- Identification and mitigation of potential adverse impacts as stipulated by the Transparency Act.

## **2. Overall Description of Nordisk**

### **2.1. Legal Structure and Ownership**

Nordisk is a non-profit organisation (Nw. "*forening*") registered under the laws of Norway, owned by our members. Nordisk has also set up an office in Singapore, Nordisk Legal Services Pte Ltd., to service its member 24/7. Nordisk Legal Services Pte. Ltd. is registered as a professional service provider under the laws of Singapore.

Nordisk is the brand under which we provide professional legal services to our members and clients in the shipping and offshore sector. Nordisk operates through its offices in Norway and Singapore.

### **2.2. Services Provided by Nordisk**

Nordisk is a legal services provider assisting with legal advice to its member within the Freight, Demurrage & Defence cover offered to its members, *i.e.*, assistance with legal dispute resolution worldwide.

In addition, Nordisk provides contract law advice and assistance with transactions as well as advice on competition law and other compliance support to its members and clients. The services provided include assistance in negotiating charter parties, shipbuilding contracts, ship sale and purchase contracts, sale/leaseback transactions and more.

Our services are offered from our offices in Singapore and Norway, and through our network of correspondent lawyers around the world. Our members and consultancy clients are primarily based in Northern Europe, the Benelux countries, Germany, China and Singapore but to some extent also other countries. There are no material changes to the services provided by Nordisk from last year.

### **2.3. Governance Structure**

The responsibility for governance under our governance framework for Nordisk is with our Board of Directors together with the CEO and Compliance Officer.

The Management Group of Nordisk together with the CEO and Compliance Officer are responsible for the implementation of the governance framework at Nordisk.

### **2.4. Guidelines and Procedures**

Nordisk has adopted a Transparency Policy & Procedure for the implementation of the Transparency Act. Nordisk's Transparency Act Policy and Procedure provides the framework that deals with actual and potential adverse impacts on fundamental human rights and decent working conditions with regards to our suppliers and service providers. In addition, the Employee Handbook provides the internal framework that deals with actual and potential adverse impacts on fundamental human rights and decent working conditions at the workplace.

Our Code of Conduct has embedded the principles of responsible business conduct, which together with our Transparency Act Policy and Procedure confirm our commitment to respect human rights and labour rights in our operations.

Furthermore, we have worked on implementing our Supplier Code of Conduct with relevant suppliers to ensure that our suppliers are aware of and uphold our expectations, including on human rights and labour rights.

Our internal policies also provide an important framework for our human rights efforts, including our policy on diversity and inclusion, and our policy on anti-discrimination, anti-bullying, and anti-harassment.

We have also sought to improve our a 'speak-up' culture with our whistleblower reporting mechanism, which provides a reporting mechanism with regards to misconduct, breaches, or potential violations of our Code of Conduct. All our stakeholders can use the reporting channel to raise concerns, including with regards to human rights and decent working conditions.

## **3. Reporting Period**

Nordisk has compiled the Transparency Act Report for the period 1 July 2023 to 30 June 2024.

## **4. Publication of Report**

This report will be published on Nordisk's web page.

## **5. Impact Assessment**

### **5.1. Due Diligence at Nordisk**

Nordisk has conducted a comprehensive review of its suppliers that provide services to our offices in Norway and Singapore using the same risk-based approach as last year. This review is based on the OECD due diligence guidelines for Multinational Enterprises, ensuring a robust framework for our evaluation.

Responsibility for overseeing Nordisk's due diligence processes is collaboratively held by our internal compliance team and administration. We have tailored our internal processes to effectively identify and address risk areas pertinent to Nordisk's activities, adjusting them in proportion to our size and the specific nature of our operations.

Between April and June, we carried out a high-level risk assessment focusing on the following key risk factors at our suppliers:

- Sector
- Geographic location
- Product type
- Enterprise size

Our due diligence efforts are instrumental in identifying and prioritising areas where the risk of human rights violations is most significant within Nordisk's operations and value chain. We have categorised risk areas based on the severity and likelihood of potential adverse impacts, leading to focused attention on:

- Working hours, wages, and benefits
- Discrimination and harassment
- Health and safety in the workplace
- Supply chain integrity

The primary aim of the assessment was to pinpoint risks associated with human rights and decent working conditions across our business operations, including interactions with business partners and within our supply chains. The identified risk areas form the foundation of our strategy for prioritising future assessments and implementing measures to uphold human rights and ensure decent working conditions within Nordisk. Our operational staff, who possess deep insights into our operations and supply chains due to their roles and responsibilities, were actively involved in conducting this assessment.

We update this risk assessment annually, or as necessary, to remain responsive to evolving circumstances and emerging risks that could impact Nordisk. However, Nordisk has a rather settled base of suppliers and the updated list of suppliers for this reporting period have only a few changes from the previous list.

## **5.2. Impact Assessment Findings from the Due Diligence Process**

### **5.2.1. Geographic and Enterprise Risk**

A high-level risk assessment of Nordisk's vendors was conducted to understand our risk exposure in our supply chain. The assessment indicates that Nordisk generally operates in a low-risk environment with regards to adverse impact on human rights and decent working conditions.

Nordisk is based in and operates from two locations, Norway, and Singapore. Norway is considered highly regulated with regards to workers' rights, health, and safety and with a low risk of significant violations. The risk in Singapore is slightly higher, even though it is also a highly regulated society. Foreign workers in Singapore are protected by the Employment of Foreign Workers Act which sets out the responsibilities of employers and provides protections for foreign workers. However, it is important to acknowledge that there remains a slightly higher risk that their rights may be less protected compared to citizens. With that said, Nordisk Singapore does not engage with vendors who only use foreign workers, and thus the risk should be considered low overall.

The services Nordisk receive from our supply chain are established and operate in Norway and Singapore and provide one-off transactions or administrative services.

Among the service providers assessed in Norway and Singapore, one service provider was identified as operating in geographic locations outside Singapore. The service provider in question is a professional services firm offering IT services, with employees in a number of different countries – mainly in Asia. The risk for Nordisk in this respect is mainly the lack of insight into the business of this specific supplier. Therefore, the risk related to this supplier was classified as low-medium risk.

Overall, there were no significant human rights risks or actual adverse impacts identified in the high-level risk assessment.

### **5.2.2. Product and Sector Risk**

Our product and sector risks are assessed as low in our annual high-level risk assessment. As a provider of legal services, Nordisk also engages a vast variety of foreign lawyers on a case-by-case basis. The engagement with these providers, save from certain UK based law firms, are normally ad hoc. Lawyers normally operate under a separate regime when it comes to working hours, considering the independence of the legal profession as well as the nature of the services provided. As such, Nordisk has no real concerns with regards to the ad hoc legal service providers engaged. When choosing to engage other law firms in jurisdictions across the globe, we select firms that are reputable and with professional ethical responsibilities to their law societies, and who promote gender equality.

## **5.3. Measures Implemented and Areas Identified for Improvement**

Our objective is to both establish and enhance our due diligence processes, aiming for tangible improvements in the operations of Nordisk and our suppliers. We are committed to further implementing our risk-based approach to achieve this goal and will continue our work to implement our Supplier's Code of Conduct.

We place a high priority on human rights and decent working conditions in our engagements with suppliers. To this end, we have developed a Supplier Code of Conduct that is integrated into our contractual agreements where applicable. Additionally, our Employee Handbook outlines the principles for maintaining a safe and healthy work environment and supports our commitment to diversity and inclusiveness.

For a more detailed discussion of these measures and identified areas for improvement, please refer to page 7 of our Annual Financial and Responsible Business Report 2023.

[This report has been signed by all board members and the CEO of Nordisk.]