



REPORT



**ENVIRONMENTAL
SOCIAL
GOVERNANCE**



2020

THIS REPORT HAS BEEN PREPARED
BASED ON THE REQUIREMENTS OF
THE SUSTAINABILITY ACCOUNTING
STANDARDS BOARD



9 252 871
DEADWEIGHT
TONNAGE

1 428
NUMBER OF SHIPBOARD
EMPLOYEES

24 641
OPERATING
DAYS

68
NUMBER OF VESSELS IN TOTAL
SHIPPING FLEET

4 038 058
TOTAL DISTANCE TRAVELLED
BY VESSELS

1 434
NUMBER OF VESSEL
PORT CALLS

GOLDEN OCEAN GROUP LIMITED ("Golden Ocean") is a leading international shipping company owning and operating primarily Capesize and Panamax dry bulk carriers. Golden Ocean is listed on NASDAQ (GOGL) with a secondary listing on the Oslo Stock Exchange (GOGL) and is one of the largest US listed dry bulk companies in terms of both market capitalization and deadweight tonnage (dwt).

1. INTRODUCTION

During 2020, the Covid-19 pandemic disrupted the global economy and trade. The first half of 2020 was marked by a significant drop in production and consumption, however, the market quickly rebounded in the second half of the year. In our sector, we apply an agile mindset and we are accustomed to operating in volatile markets and to tackle occasional shocks. However, the pandemic has underlined the importance of understanding and managing non-financial risks. Effective management of ESG (Environmental, Social and Governance) matters is of key strategic importance to Golden Ocean. To us, ESG factors represent opportunities, not threats.

Our vessels carry iron ore, coal, grain and other commodities. This helps meet the world's needs for energy and food, as well as providing input needed for construction and infrastructure development. It is important to highlight that shipping remains the most efficient mode of transporting large volumes of goods. Golden Ocean will continue to work diligently to align with the IMO 2030 strategy¹, aiming to lower CO₂ emissions per transport work by at least 40 percent by 2030, compared to 2008 levels. In this context, I would like to underline that on average, Golden Ocean's vessels are six years old – representing one of the most energy efficient fleets with the lowest emission levels in the dry bulk segment.

Still, we expect that carbon intensity targets and regulations will change our industry as we know it and in 2020, we took important steps to prepare for this transition. The digitalization of ESG data and the governance of ESG will be a key to achieve success as a shipping company in the 21st century. Most other industries are already digitally transformed, and it is now time for us and our peers to follow suit.

In 2020, we altered our company strategy, pivoting towards a more balanced chartering strategy where we take an active risk management approach, which ties up cohesively with how we see ESG moving forward. The strategy has three pillars:

1. SIMPLIFICATION | Increased focus on our core business and our capabilities as shipowners – ensuring our fleet is positioned to continue to be attractive and preferred in the marketplace.

2. RISK MANAGEMENT | Enhanced transparency and accountability through defined risk parameters, e.g. including energy efficiency and environmental performance indicators.

3. DECARBONIZATION AND DIGITALIZATION | Position the company for a low-carbon future by further developing our optimization tools and exploring new technologies.

These three pillars allow us to better enhance the emphasis on what has traditionally been called non-financial issues within our organization.

We aim to effectively execute on our short and long-term targets as well as enhance our communication to the financial market, our investors and all relevant stakeholders. This is our third ESG report. It is an important tool in our endeavour to be a transparent and accountable business partner. It has been prepared in accordance with the Marine Transportation framework established by the Sustainability Accounting Standards Board (SASB), representing material ESG parameters with industry specific performance metrics. This year, we have added a number of metrics that we deem useful, e.g. emission intensity metrics. Furthermore, we have incorporated the principles of the UN Global Compact in our company and reporting approach. This report and data cover the period 1 January to 31 December 2020.





Ulrik Uhrenfeldt Andersen
CEO, Golden Ocean

¹ <http://www.imo.org/en/MediaCentre/PressBriefings/Pages/06GHGinitialstrategy.aspx>

2. SUSTAINABILITY ACCOUNTING STANDARD DISCLOSURES

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2019	DATA 2020	CODE
 GREENHOUSE GAS EMISSIONS	CO₂ EMISSIONS				
	Gross global Scope 1 emissions: Financial control	Metric tons (t) CO ₂ -e	1 728 831	1 596 329^a	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See page 8			TR-MT-110a.2
	Scope 2: Purchased electricity	Metric tons (t) CO ₂ -e	Not reported	40.76^b	Additional
	ENERGY CONSUMED				
	(1) Total energy consumed	Gigajoules (GJ), Percentage (%)	27 589 398, 100%	21 159 615 100%	TR-MT-110a.3
	(2) Percentage heavy fuel oil	Gigajoules (GJ), Percentage (%)	25 044 031, 94%	6 559 481^a 24%	
	EEDI/INTENSITY				
	Average Energy Efficiency Design Index (EEDI) for new ships	Grammes of CO ₂ per ton-nautical mile	Not applicable	Not applicable^c	TR-MT-110a.4
	Average Efficiency Ratio (AER) per vessel sized	Grammes of CO ₂ per ton-nautical mile	Not reported	Newcastlemax: 2.24 Capesize: 2.36 Kamsarmax: 4.32 Panamax: 4.84 Ultramax: 4.28	Additional
AIR QUALITY	OTHER EMISSIONS TO AIR				
	(1) NO _x (excluding N ₂ O)	Metric tons (t)	52 535	39 025^e	TR-MT-160a.1
	(2) SO _x	Metric tons (t)	32 515	4 683^e	
	(3) Particulate matter	Metric tons (t)	4 260	2 595^e	
ECOLOGICAL IMPACTS	MARINE PROTECTED AREAS				
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	2 163	323^f	TR-MT-160a.1
	IMPLEMENTED BALLAST WATER				
	(1) Exchange	Percentage (%)	86%	32%^g	TR-MT-160a.2
	(2) Treatment	Percentage (%)	61%	68%^g	
	SPILLS AND RELEASES TO THE ENVIRONMENT				
	(1) Number	Number	0	1^h	TR-MT-160a.3
(2) Aggregate volume	Cubic meters (m ³)	0	0.015^h		

TOPIC	ACCOUNTING METRIC	DATA 2019	DATA 2020	CODE
 BUSINESS ETHICS	CORRUPTION INDEX			
	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	105	111ⁱ	TR-MT-510a.1
	CORRUPTION			
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	0	0	TR-MT-510a.2
	FACILITATION PAYMENTS			
	Number of incidents where bribes have been requested	Not reported	33	Additional
	FINES AND SANCTIONS			
	Number of fines	Not reported	0	Additional
	Total monetary value (in reporting currency)	Not reported	0	Additional
	Non-monetary sanctions for non-compliance with laws and/or regulations	Not reported	0	Additional
EMPLOYEE HEALTH & SAFETY	LOST TIME INCIDENT RATE			
	Lost time incident rate (LTIR)	0.74	1.30^j	TR-MT-320a.1
 ACCIDENT & SAFETY MANAGEMENT	MARINE CASUALTIES			
	Incidents	0	1^k	TR-MT-540a.1
	Very serious marine casualties	0	0^l	
	CONDITIONS OF CLAS			
	Number of Conditions of Class or Recommendations	-	0^m	TR-MT-540a.2
DIVERSITY	PORT STATE CONTROL			
	(1) Deficiencies	1.61	1.16ⁿ	TR-MT-540a.3
	(2) Detentions	5	4ⁿ	
	DIVERSITY – GENDER AND AGE			
Shipboard employees by gender	Not reported	Female: 0.6% Male: 99.4%	Additional	
Number of employees by gender [not shipboard personnel]	Not reported	Female: 12 Male: 25 Total: 37	Additional	
Number of employees by age group [not shipboard personnel]	Not reported	Under 30 years old: 3 30-50 years old: 26 Over 50 years old: 8	Additional	

ACTIVITY METRIC	UNIT OF MEASURE	DATA 2019	DATA 2020	CODE
Number of shipboard employees	Number	1 549	1 428^o	TR-MT-000.A
Total distance travelled by vessels	Nautical miles (nm)	4 770 433	4 038 058^p	TR-MT-000.B
Operating days	Days	26 878	24 641^q	TR-MT-000.C
Deadweight tonnage	Thousand deadweight tons	10 927.028	9 252.871^r	TR-MT-000.D
Number of vessels in total shipping fleet	Number	79	68^s	TR-MT-000.E
Number of vessel port calls	Number	1 583	1 434^t	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	TEU	Not applicable	Not applicable	TR-MT-000.G

3. ESG MANAGEMENT AT GOLDEN OCEAN

GOVERNANCE AND COMPLIANCE

Our governance procedures and related control mechanisms are essential to minimize emissions, avoid spills, safeguard health & safety and implement anti-corruption measures. All our employees have access to and are trained in relevant policies reflecting sustainability factors that can guide them in their daily operations. Technical supervision of all owned vessels is outsourced to a subsidiary of Frontline Ltd., Frontline Technical, which in turn outsources crewing and ship management to several leading third-party ship management companies. All our third-party ship managers are ISO 9001 certified.

The Board of Directors (BoD) oversees Golden Ocean's ESG strategy and the Board has considered what constitutes material ESG matters to the company. The BoD annually reviews our ESG report and is responsible for ensuring that appropriate and effective ESG related risk management and internal control systems are in place. Our Code of Conduct and corporate governance framework are also reviewed annually. Although all ESG related incidents are reported to the Board on an annual basis, our Code of Conduct dictates that any significant incidents are to be reported directly to the Board. The Board has established an Audit Committee which processes complaints received by the company relating to internal controls and compliance.

In August 2020, Golden Ocean onboarded a dedicated Compliance Officer, responsible for implementing and maintaining the company's Compliance Programmes. This includes implementing policies and procedures mitigating the risks of our industry and operations, annual risk assessments, training of employees and management, third party audits, internal systems and controls, remediation and investigations. Golden Ocean updated all policies and procedures in 2020, some of which were minor adjustments in existing policies and some new policies were implemented such as the Sanctions Policy and the Know Your Business Partner Policy.

At the core of our governance structure is our Corporate Code of Business Ethics and Conduct ("the Code"), which outlines our commitment to conduct business with integrity. It applies to all entities controlled by us and all our employees, directors, officers and agents. The Code is established to prevent wrongdoings and to promote honest and ethical conduct, also in cases where conflict of interest may arise. The Code of Conduct specifies how a violation of any of those standards is

to be managed. Employees who observe or become aware of a situation they believe to be in violation of the Code of Conduct are obliged to promptly notify their manager. Our Company's "Whistle Blowing" program allows employees to anonymously submit concerns without fear of retaliation via a web-based compliance facility provided by a third-party service provider – reports go directly to members of the Audit Committee.

Our Financial Crime Policy further expands on our expectations of our employees and business partners to comply with applicable anti-bribery, corruption, sanctions and money laundering laws. Our environmental policy and Ship Recycling policy were reviewed by the BoD and implemented in the organization in 2020.

Last year, Golden Ocean completed a Cyber Security Risk Assessment that identified threats and vulnerabilities to systems, applications, data and connectivity. Upon completion, we created a Cyber Risk Management Plan to address and mitigate risks. The approach is based on the NIST Cyber Security Framework Implementation Tier definitions of Identify, Protect, Detect, Respond, and Recover.

In March 2021, the Securities and Exchange Commission (SEC) announced the creation of a Climate and ESG task force, signaling its intention to increase its focus on ESG matters. The initial focus of the task force includes potential material gaps or misstatements in issuers' disclosure of climate risks under existing rules. Golden Ocean is actively monitoring these developments, and we are reporting on our material ESG topics, highlighting climate-related risks. We will continue to monitor the work of the SEC's task force.

HANDS-ON ESG

Golden Ocean believes that streamlining and digitalizing our operations is key in managing risk, ensuring transparency and enhancing the efficiency of our fleet. Throughout 2020, our main priority has been to systemize how our ESG data is collected and analysed from start to end product, with particular focus on carbon intensity

With the aim of having more ownership over the carbon intensity data flow, in 2020 Golden Ocean requested that all third party technical managers make the Vessel Performance System (VESPER) the official monitoring tool for each vessel's Ship Efficiency Energy Management Plan (SEEMP). This effectively

simplifies benchmarking across third party technical managers whilst ensuring the IMO receives the same data featured in our performance monitoring tool and ESG report.

This streamlined data is now fully incorporated into our ESG Management System. In 2020, through Frontline Technical, Golden Ocean contracted DNV/Veracity to co-develop an ESG module which will enable more efficient monitoring, managing and reporting of ESG issues. We import all fleet data into the Veracity ESG model where it is visualized and further contextualized into ESG relevant analytics. We aim to provide all relevant stakeholders with accurate and relevant data at any time, and to further enhance informed decision making and reporting.

COOPERATION INITIATIVES

Golden Ocean believes that complex sustainability challenges require joint action from several stakeholders - including

industry and regulatory authorities. To this end, we are long standing members of the Maritime Anti-Corruption Network (MACN), Clean Shipping Alliance and Rightship.

Covid-19 has impacted the daily lives and wellbeing of seafarers in unprecedented ways, causing a humanitarian crisis at sea. Recognizing our responsibility to ensure the health and well-being of sea crew, Golden Ocean signed the Neptune Declaration on Seafarer Wellbeing and Crew Change.

In 2020 we further expanded our initiatives and joined The Getting to Zero Coalition and The Global Maritime Forum. Additionally, we are a proud participant of the newly established internal Seatankers Group ESG Forum.

We believe participating in these initiatives will keep us ahead of the curve in identifying material risks and opportunities, thereby positively contributing to our ESG risk management processes.

MATERIAL ISSUE	INTERNAL GOVERNANCE DOCUMENTS	INTERNATIONAL STANDARDS AND REFERENCES
Climate change	Environmental Policy	The Paris Agreement The Intergovernmental Panel on Climate Change (IPCC) Initial IMO Strategy on Reduction of GHG Emissions from Ships
Air emissions	Environmental Policy	IMO MARPOL Convention Annex VI EU Sulphur Directive 2016/802 UNCLOS
Ecological impact	Environmental Policy Ship Recycling Policy	UN Global Compact IMO MARPOL Convention Annex VI IMO Ballast Water Management Convention Hong Kong Convention
Anti-Corruption	Corporate Code of Business Ethics and Conduct Financial Crime Policy Know Your Business Partner Policy	UN Global Compact The US Foreign Corrupt Practices Act and the UK Bribery Act
Employee Health & Safety	Corporate Code of Business Ethics and Conduct Ship Recycling Policy Know Your Business Partner Policy	UN Global Compact ILO Conventions Maritime Labour Convention, 2006 (MLC, 2006) International Management Code for the Safe Operation of Ships and for Pollution Prevention (The ISM Code) Hong Kong Convention Marine Crew Resource Management Neptune Declaration on Seafarer Wellbeing and Crew Change
Accident & Safety Management	Corporate Code of Business Ethics and Conduct	International Management Code for the Safe Operation of Ships and for Pollution Prevention (The ISM Code) Marine Crew Resource Management





4. ENVIRONMENT

As a ship owner and operator, Golden Ocean recognises its responsibility to manage and limit our environmental impact. Some of the most critical environmental and ecological risks posed by the shipping industry are related to emissions, discharges and spills. These factors have significant implications for air and water quality, and marine biodiversity if precautionary actions are not taken. We work diligently to manage and monitor such risks to protect the environment and the societies in which we operate. This is also contributing to the protection of the long-term value of our company.

Environmental risk management is an integrated part of our daily operations and management processes, and we have comprehensive monitoring and management tools in place to ensure compliance with international and local regulations. Golden Ocean reviews all identified risks to the environment, allowing us to establish appropriate safeguards. Our Management System is ISO-compliant and in accordance with The International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code). Our SEEMPs allow for a granular risk assessment for each individual vessel's performance as well as providing a thorough system for reporting.

Environmental risk reviews is part of our decision-making processes. On a regular basis, we value each of our assets individually, and every acquisition and divestment is considered with a broad range of risks in mind. Golden Ocean evaluates future regulations, risks and opportunities due to e.g. climate change – including rough weather and severe ice conditions, trading patterns, and legal requirements that can affect operations. Our aim is to have a modern and fuel-efficient fleet with a low carbon footprint.

GREENHOUSE GAS EMISSIONS AND AIR QUALITY

Growing concerns about climate change and air quality, combined with increased levels of international trade, have led the industry to take actions through more stringent regulations and standards for emissions.

Bulkers reportedly produced an estimated 160 million tonnes of CO₂ last year, accounting for 20 percent of the shipping industry's CO₂ emissions, or around 0.5 percent of total global emissions. However, the bulker fleet moved around 50 percent of global seaborne trade in tonne-miles last year,

and emitted less CO₂ than the containership fleet – some 166 million tonnes – while moving over three times as much cargo in tonnes.²

The IMO has launched a strategy towards 2030 in line with the Paris Agreement to combat climate change. Compared to 2008 levels, the strategy aims to reduce CO₂ emissions per transport work by at least 40 per cent by 2030. Golden Ocean aims to work in compliance with this strategy and has over the course of 2020 implemented several operational measures to minimise vessels' fuel consumption and increase efficiency. This includes tracking and management of vessel fuel efficiency, and voyage efficiency and optimization.

In January 2020, the IMO 2020 came into effect placing a 0.5% global cap on sulphur dioxide (SOx) content in shipping fuels. Golden Ocean has since 2018 been a member of the Clean Shipping Alliance 2020 (CSA). The CSA 2020 is composed of first movers in the industry committed to complying with the IMO 2020 fuel requirements. In 2020, Golden Ocean installed scrubbers on 17 of its vessels.

ENERGY EFFICIENCY

In March 2021, Golden Ocean signed final documentation for the acquisition of 15 vessels and three newbuildings. Upon delivery of vessels Golden Ocean will have one of the youngest and most modern dry bulk fleets in the industry - our vessels are on average six years old. Technological advancements play a key role when it comes to energy efficiency and emission control, both in terms of engine technology and data handling. Golden Ocean's Chartering, Operations and Bunkering departments cooperate closely to optimise vessel routing and speed in order to increase voyage efficiency and reduce fuel consumption. These departments also interact closely with Frontline Technical, which actively tests state of the art ship energy management technologies with the purpose of implementing technologies that will further improve energy efficiency.

Golden Ocean has an internal operational Performance Manager who is responsible for overlooking existing and initiating new projects related to fuel efficiency. The Performance Manager is, alongside with Frontline Technical, directly involved in the review and monitoring of our progress in this area.



Photo: Mr. Hark Nijjar

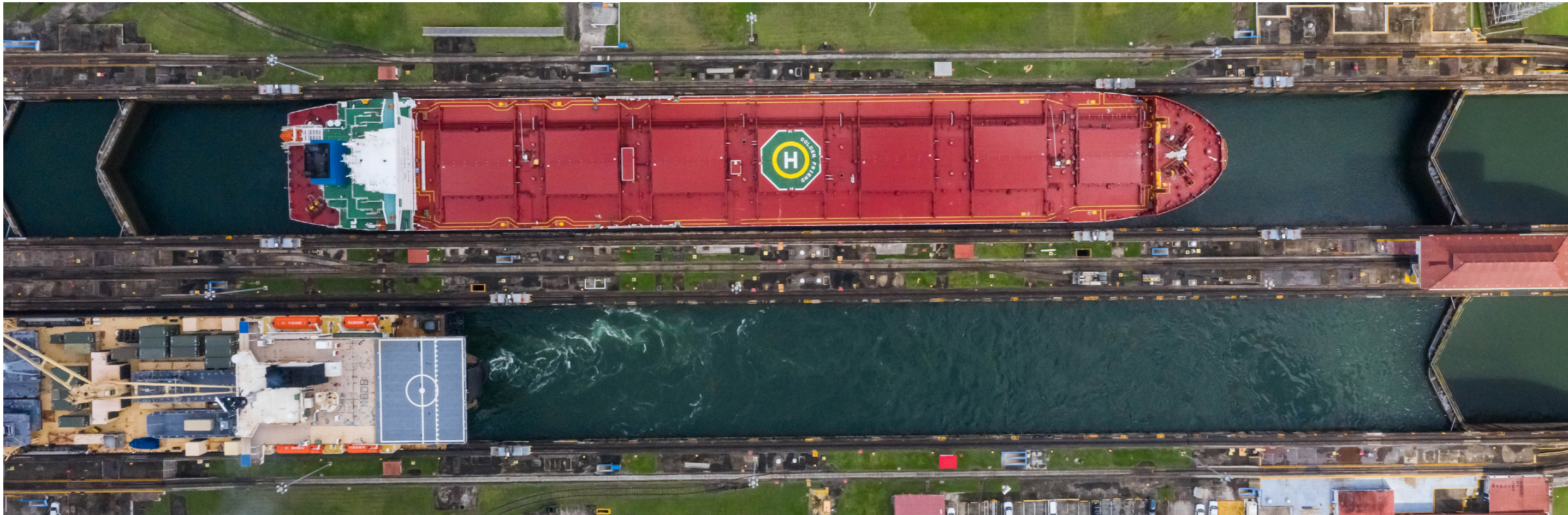
In 2020, Golden Ocean and its sister companies under the Seatankers Group, embarked on an Energy Efficiency Project supported by DNV GL. The purpose of the project is to provide its participants with options as to how now and in the near future, optimize their fleet towards more sustainable operations.

The Vessel Performance System (VESPER) allows Golden Ocean to track and monitor fuel efficiency, and produce accurate and reliable emission data in line with IMO MARPOL Convention Annex VI guidelines for ship-specific SEEMPs. Last year, Golden Ocean reviewed the entire fleet's fuel efficiency and we obtained a baseline. Following the implementation of the VESPER, a set of Key Performance Indicators for fuel efficiency were identified. These KPIs should help improve our monitoring processes and our efforts to follow up on each individual vessel's SEEMP.

These are the identified areas of potential energy and emission reductions:

ACTION	PRELIMINARY TARGET (FUEL SAVINGS)
Weather routing	1-2 percent
Propeller polish and hull cleaning	1-2 percent
Main Engine/Auxiliary Engine optimization	2-3 percent
Careful selection of anti-fouling systems	10-15 percent
Speed optimisation by careful voyage planning and execution	TBA

² Fuelling Transition: Bulkcarrier Technology Uptake, Clarksons Research: 24 February 2021



Through our efforts to lower our fleet's CO2 emissions by increasing efficiency, Golden Ocean supports UN SDG 13, targeting climate change. This is in line with the IMO 2030 strategy.



We also see our efforts as contributing to SDG 9, targeted towards building resilient infrastructure, sustainable industrialization and foster innovation. Our contribution is linked to target 9.4: promoting the upgrade of infrastructure and the retro-fitting of industries to make them sustainable, i.e. through increased resource use efficiency, by 2030. Our efforts to increase the energy efficiency of our operations contributes directly to the broader agenda of the shipping industry to lower CO2 emissions. At the same time, we are able to offer our customers energy efficient transportation services, contributing to emission reductions in several different supply chains, ultimately affecting CO2 emission per unit of value added.

SPILLS, DISCHARGES AND ECOLOGICAL IMPACTS

Marine transportation is associated with risks to the environment through discharges and potential spills. Our ability to manage these risks is critical to our surroundings, including the sector, our customers as well as our own business.

Golden Ocean has implemented processes for conducting environmental assessments of how spills and emissions of sulphur oxides, nitrogen oxides, waste and other discharges are to be managed. Our technical managers formally supervise our third-party ship managers through quarterly performance review meetings to ensure compliance, and any corrective measures that are imposed on them are followed up. All our third-party ship managers are ISO 9001 and ISO 14001 certified.

We are highly aware that potential oil spills have long-lasting negative impacts on ecosystems, and incidents may cause grave injuries and fatalities. On 16th September 2020, our vessel Golden Strength experienced one spill incident, ten nautical miles off the coast of the Tsushima Island (Japan): the volume amounted to a maximum of 15 litres. The incident was reported and followed-up according to our procedures.

Ballast water is essential for safe and efficient shipping operations, however, loading and unloading untreated ballast water poses serious ecological, economic and health risks as ships

become a vector for the transfer of organisms between ecosystems. Golden Ocean has invested in Ballast Water Treatment Systems (BWTS) on all new ships delivered from 2014 onwards, accounting for more than 50 percent of the Golden Ocean fleet. Furthermore, Golden Ocean has an ongoing fleet-retrofit project, aiming to install BWTS systems on ships built before 2014 during the vessels' ordinary dry-docking. Ballast water treatment systems are currently installed on 68 percent of our total fleet. Compared to last year, our fleets BWTS coverage rate increased by 11 percent.

Ships are high-tech constructions that may contain hazardous materials that must be handled accordingly when dismantling them. Ship recycling should always be performed according to strict standards for protecting human health, safety and the environment. Our oldest vessel was built in 2007, and recycling is currently not considered. However, in the event that Golden Ocean should recycle vessels in the future, this will be done in accordance with the Hong Kong Convention and in alignment with the 10 UN Global Compact principles. We have developed a Ship Recycling Policy to make sure that any future recycling of Golden Ocean's vessels will only take place at approved yards.

SDG 14 – Life below water – is relevant to our operations. SDG target 14.C is aimed at enhancing the conservation and

sustainable use of oceans and their resources. We track our fleet on a continuous basis, and we monitor sailing time in protected areas. Independently of where Golden Ocean operates, our crew members follow stringent rules for avoiding spills and any incident is to be diligently reported.



ACCOUNTING METRIC	UNIT OF MEASURE	DATA
MARINE PROTECTED AREAS		
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	323 ^f
IMPLEMENTED BALLAST WATER		
(1) Exchange	Percentage (%)	32% ^g
(2) Treatment	Percentage (%)	68% ^g
SPILLS AND RELEASES TO THE ENVIRONMENT		
(1) Number	Number	1 ^h
(2) Aggregate volume	Cubic meters (m ³)	0.015 ^h



5. SAFETY, LABOUR CONDITIONS AND HUMAN RIGHTS

The safety of our employees always comes first. Safe working conditions are critical to our daily operations as well as to the long-term success of our company. We are committed to complying with all safety regulations to the best of our abilities. Our Corporate Code of Business Ethics and Conduct extends to our onshore and offshore employees.

We have implemented risk assessment systems to review all identified risks to our ships and personnel, establishing appropriate safeguards and practices, in compliance with the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code). Golden Ocean contracts various services from subsidiaries of Frontline Ltd. This includes technical supervision and administrative services. Frontline Technical managers are regularly supervised and formally audited annually in order to assure compliance. In turn, Frontline Technical outsources the crewing and technical operation to third party leading ship management companies. All our third-party ship managers are ISO 9001 and OHSAS 18001 certified to ensure safety standards across all vessels.

Frontline Technical retains oversight to safeguard that third-party service providers comply with all applicable rules and regulations. They formally supervise all third-party ship managers through quarterly performance review meetings where all performance criteria, including safety matters, are discussed. Frontline Technical meets with all third-party ship managers on a monthly basis, reviewing incidents related to safety. Frontline Technical follow up on the implementation of any corrective measures.

When the Covid-19 pandemic broke out, Golden Ocean in collaboration with Frontline Technical, quickly established a robust standard operating procedure for safe crew transfers which has resulted in a low rate of infected individuals amongst our sea crews. Measures were taken to protect seafarers welfare through close dialogue between Head of HSEQ and the fleet managers. However, strict governmental regulations to limit the spread of the virus limited the access to medical assistance onboard ships, and this has resulted in an increased LTIR from 2019. The LTIR increase seen in 2020 is closely related to the Covid-19 pandemic. Vessels have been instructed by managers to exert extreme caution and isolate any crew member displaying any symptoms related



to the official list of Covid-19 symptoms. Naturally these instances have been registered as LTIs.

It is well known that the closed borders from March to mid-June 2020 meant that crew overstayed their contractual time onboard. The extended time onboard caused high levels of fatigue, a known risk factor for safety, that may explain the trend we observed in 2020. The Covid-19 pandemic gravely affected the repatriation of seafarers as it narrowed down the possibilities of crew changes worldwide. Golden Ocean actively deviated numerous vessels off-course to repatriate its crew members and perform crew changes. This negatively contributed to our fuel efficiency and increased our CO₂ emissions by approximately 4 000 tonnes.

Recognizing our responsibility to resolve the current crisis sea crews are now in, Golden Ocean signed the Neptune Declaration of Seafarer Wellbeing and Crew Change.

It is the utmost importance to Golden Ocean that all our employees receive fair and equal treatment irrespective of race, gender, colour, religion, age, sexual orientation, marital status, national origin, disability, ancestry, political opinion or any other personal bias. Golden Ocean strictly prohibits discrimination or harassment in any form or fashion. We monitor the gender balance in our company, and in 2020, our onshore employees consisted of 12 (32 percent) females and 25 (68 percent) men. Our board of directors was all (100 percent) men.

Golden Ocean's employment policy follows and enforces the principles outlined in the UN Guiding Principles on Business and Human Rights. Respect for human rights is rooted in our values and key to our license to operate from employees, customers, investors, communities, governments and other stakeholders. Golden Ocean cooperates with suppliers all over the world, and in 2020, we rolled out a Know Your Business Partner Policy.

ACCOUNTING METRIC	UNIT OF MEASURE	DATA
LOST TIME INCIDENT RATE		
Lost time incident rate (LTIR)	Rate	1.30 ^j
MARINE CASUALTIES		
Incidents	Number	1 ^k
Very serious marine casualties	Percentage (%)	0 ^l
PORT STATE CONTROL		
(1) Deficiencies	Rate	1.16 ⁿ
(2) Detentions	Number	4 ⁿ



6. ANTI-CORRUPTION AND BUSINESS ETHICS

For the shipping industry, corruption is threatening the safety of the crew, it is associated with increased costs, uncertainty, and poses legal and reputational risks.

Golden Ocean has a zero-tolerance policy towards bribery and corruption and our Code of Conduct illustrates the Company's requirements and expectations relating to: Compliance with Laws and Regulations, Honest and Fair Dealing, Conflict of Interest and Corporate Opportunity, Anticorruption, Confidentiality and Privacy, Proper use of Company assets, Anti-discrimination and Harassment and Integrity of corporate records. The Code of Conduct specifies how a violation of any of those standards is managed. The Code of Conduct obliges employees who observe or become aware of a situation they believe to be in violation of the Code of Conduct to promptly notify their manager.

The Company's Financial Crime Policy sets out our policies regarding anti-corruption, money-laundering and Sanctions and Export control. Our anti-corruption and money laundering policies are modelled on the UK Bribery Act and US Foreign Corrupt Practices Act (FCPA). As part of our Financial Crime Policy and associated compliance procedures, appropriate risk-based communication and training is provided to employees as part of their on-boarding and ongoing development. Suspected deviations from our policy are to be reported to the line manager or by making use of our Complaints Procedure. Golden Ocean was not involved in any legal proceedings associated with bribery, corruption or anti-competition in 2020.

Golden Ocean tracks the positions of all our ships, and we keep a record of ships having visited harbours of the countries rated with the highest corruption risks according to Transparency International. As ships enter a port, there will always be many interactions with authorities at various levels. During a port call, the captain manages several such interactions, i.e. immigration, customs, as well as safety and environmental inspections. Even though the industry is highly regulated, we still encounter situations where actors try to engage in illegal practices. Following our strict anti-bribery procedures, such interactions can cause delays or even wrongful deficiencies and detentions during inspections. As a Dry Bulk owner, our fleet operates globally and has numerous ports of call. This



leaves us relatively more exposed to such incidents than other shipping segments that have more stable trade routes with fewer ports of call and lower exposure to corruption. Regardless, Golden Ocean will unwaveringly stand by our zero-tolerance policy towards bribery and corruption in any form.

ADDRESSING ANTI-CORRUPTION

Tackling systemic integrity challenges requires collective action. Through the Marine Anti-Corruption Network (MACN), Golden Ocean has joined forces with other members of the shipping industry to share information and approaches, but also to engage with authorities and civil society. The core of the MACN collective approach is that successful, lasting changes in the operating environment will take effect only if they are enabled and supported by and beneficial to key stakeholders.

Through joint action, MACN members collaborate with local authorities to develop solutions that are beneficial to all parties and realistic to implement.

SDG target 16.5 aims at substantially reducing corruption and bribery in all their forms. As a member of MACN, and through our own diligent anti-corruption procedures, we support collective action to reduce corruption and bribery in all their forms.



Golden Ocean did not pay up on any of the 33 incidents where bribes were requested in 2020.

ACCOUNTING METRIC	UNIT OF MEASURE	DATA
CORRUPTION INDEX		
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	111 ¹
CORRUPTION		
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0
FACILITATION PAYMENTS		
Number of incidents where bribes have been requested	Number	33



GLOBAL MARITIME FORUM

The Global Maritime Forum is an international not-for-profit organization committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing.

The Getting to Zero Coalition aims to accelerate maritime shipping's decarbonization with the development and deployment of commercially viable deep sea zero emission vessels by 2030. Golden Ocean is one of more than 140 companies within the maritime, energy, infrastructure and finance sectors, supported by key governments and IGOs, which forms the coalition.

The Getting to Zero Coalition is a partnership between the Global Maritime Forum, the Friends of Ocean action, and the World Economic Forum. It builds on the Call to Action in Support of Decarbonization launched in October 2018 and signed by more than 70 leaders from across the maritime industry, financial institutions and other stakeholders, as well as on the Poseidon Principles – a global framework for climate-aligned ship financing – launched on 18 June 2019.

Read more about the Global Maritime Forum and the Getting to Zero Coalition [here](#).

7. DISCLAIMER AND ASSUMPTIONS FOR THE SASB REPORTING

The information provided is based on the best data available at the time of reporting. The ESG disclosures should be used to understand the overall risk management of sustainability related issues. In some areas data are based on estimates, please see comments below.

SCOPE FOR REPORTING PARAMETERS:

Number of vessels in total shipping fleet and relating DWT is based on all owned vessels

CO₂ emissions are based on Scope 1 (based on owned vessels only) and Scope 2 according to the GHG Protocol. The Financial Control approach defined by the standard has been applied.

All other parameters in the report covers all owned vessels as well as SFL vessels on leaseback agreements, as we consider this part of our core fleet.

^aScope 1 emissions: Based on IMO emission factors. Scope 1: Owned vessels, based on fuel consumption for the year. Note that the fraction of HFO has decreased substantially due to the use of VLSFO/ULSFO.

^bScope 2 emissions: Only included where there is a minimum consumption of 50,000 kwh per site per year. Emissions are calculated using emission factor from NVE "Electricity disclosure 2020".

^cAverage Energy Efficiency Design Index (EEDI) for new ships: New ships are classified as ships with a keel-laying date after July 2013. No new ships entered the fleet in 2020, hence this parameter is currently reported as not applicable.

^dEnergy Efficiency Operational Indicator (EEOI): The company has chosen not to disclose EEOI as the methodology has not been standardized. We are awaiting further clarifications from i.e. IMO. The company is ready to publish additional intensity metrics as soon as standardized methodology has been established.

^eParticulate matter (PM), NOX, SOX emissions (Metric tonnes): Substantial decrease in Sox emissions since 2019 mainly due to compliance with the IMO 2020 regulation and may partly also be influenced by our updated reporting methodology. The updated methodology has been developed with support from DNV.

^fShipping duration in marine protected areas or areas of protected conservation status: A marine protected area as defined by the International Union for Conservation of Nature (IUCN). However, the reported number does not necessarily include all Marine protected areas internationally established and regulated in International the Marine Organization (IMO) Conventions and areas established nationally by member states. Shipping duration is the sum of the travel days (24-hour periods). The data on shipping duration in Marine Protected Areas is substantially lower compared to 2019 numbers due to a more accurate monitoring system being applied in 2020.

^gPercentage of fleet implementing ballast water exchange and treatment: Only ships performing ballast water exchange with an efficiency of at least 95 percent volumetric exchange of ballast water have been included. When it comes to treatment, approved systems must discharge (a) less than 10 viable organisms per cubic meter that are greater than or equal to 50 micrometres in minimum dimension and (b) less than 10 viable organisms per millilitre that are less than 50 micrometres in minimum dimension and greater than or equal to 10 micrometres in minimum dimension.

^hSpills and releases to the environment (Number, Cubic meters (m³)): The total number of oil spills to the environment (overboard), excluding contained spills. Data for this shall be based on oil spills reported to authorities and recorded in oil record book. In 2020, Golden Ocean experienced one incident where 15 litres of oil was accidentally discharged to the environment.

ⁱNumber of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI): In the event that two or more countries share the 20th lowest ranking, all have been included in the scope of disclosure. The list is based on the CPI for 2020.

^jLost time incident rate (LTIR): A lost time incident is an incident that results in absence from work beyond the date or shift when it occurred. Lost time incidents are Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases. The rate is based on: (lost time incidents) / (1,000,000 hours worked).

^kMarine Casualties: Regarding SASB TR-MT-540a.1, the reporting is in accordance with the standard, however injuries to personnel as described in section 1.1.1 is reported as part of Health & Safety statistics (LTIR). The threshold for reporting on material damages as outlined in 1.1.4 and 1.1.6 is defined as USD 1,000,000. Section 1.1.7 "Severe damage to the environment" is reported under 'Ecological Impacts' and/or "Very serious marine casualties". Incidents concerned with oil spills, re SASB 1.1.7 "Severe damage to the environment" is covered under "ecological impact". For an event to be reported as a marine casualty, one or several out of the below criteria must be true: (1) the loss of a person from a ship, (2) the loss, presumed loss, or abandonment of a ship, (3) the stranding or disabling of a ship that triggered a Lloyds Open Form Salvage or the involvement of a ship in a collision that would seriously endanger the safety of life or property, (4) material damage to marine infrastructure external to a ship, that could seriously endanger the safety of the ship, another ship or an individual.

^lVery Serious Marine Casualties: A marine casualty involving the total loss of the ship, a death, or severe damage to the environment that is not related to oil spill. Any deaths shall be reported. If the death is decisively concluded not to have anything to do with a marine (very serious) casualty such as latent and unknown illness shall be addressed separately for a case-by-case discussion. Severe damage to the environment that is not related to oil spill is covered by "Very serious marine casualties".

^mNumber of Conditions of Class or Recommendations: Those conditions/recommendations of class that has led to withdrawal of vessel certificates of otherwise has invalidates the ship's compliance are included in this figure.

ⁿPort State Control: Number of port state control (1) deficiencies and (2) detentions. Practices of port state controls reporting on deficiencies do not follow an entirely harmonized methodology making it less useful for reporting purposes without further explanations, hence we have chosen to report this number as a rate: number of deficiencies per Port State Control Inspection. Detentions are reported in number of actual cases. The figure represents number of detentions received from regional PSC organizations.

^oNumber of shipboard employees: Only the number of employees on board ships at any time are recorded. This does not reflect the aggregate number of shipboard employees during the year.

^pTotal distance travelled by vessels: The distance in nautical miles travelled by fleet in the reporting year.

^qOperating days: Total operating days, i.e., total number of vessel-days for active vessels during the reporting year. Active vessels are referring to vessel(s) which were in possession of the shipowner during the reporting year.

^rDeadweight tonnage: Reduction from last year only financially owned tonnage (-8 sale and leaseback SFL /Golden Hawk , Admiral Schmidt/Vitus bering).

^sNumber of vessels in total shipping fleet: Reported number of active vessels during the reporting year. Active vessels are referring to vessel(s) which were in possession of the shipowner during the reporting year.

^tNumber of vessels port calls: Total number of port calls for the entire fleet during the reporting period.



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