



TRANSPARENCY ACT REPORT 2023

1. INTRODUCTION

This report on human rights due diligence has been prepared by Frontline Management AS (the "Company") pursuant to the requirements of Section 5 of the Norwegian Transparency Act (Nw: "Åpenhetsloven"). The report pertains to the financial year of 2023.

2. STRUCTURE

2.1 Overview and operations

The Company is a subsidiary of Frontline plc ("Frontline"), a leading actor in the global shipping industry, with a primary focus on seaborne transportation of crude oil and refined products. Frontline boasts one of the industry's largest and most modern fleet. Headquartered in Cyprus, Frontline operates globally, with subsidiaries and offices – as well as business partners, customers and suppliers – spread across the world. Frontline shares management services with certain other publicly listed companies through Front Ocean Management AS.

2.2 Compliance structure

The Board of Directors holds the overall responsibility for compliance matters and risk management, including those related to human rights, and approves company policies. The management carries the responsibility for the implementation of compliance routines in daily operations. The Audit Committee monitors and reports any complaints received concerning internal controls and compliance.

The Company's compliance function is maintained by Front Ocean Management AS. The compliance department reports directly to management and the Audit Committee on a quarterly basis and is responsible for preparing an annual compliance report, which is discussed by the Board of Directors. Both the Audit Committee and management report on compliance to the Company's Board of Directors.

3. POLICIES, PROCEDURES AND GENERAL MEASURES

3.1 Overview

ESG is a core aspect of how the Company operates and is fully integrated into our business models. Our compliance and ESG framework reflect the incorporation of UN Global Compact Principles into our operations. For further details on our ESG control mechanisms, focus areas, key targets, measures, etc., please refer to our annual ESG report available online.

As part of our ESG framework and commitment, we are fully dedicated to respecting and promoting fundamental human rights and decent working conditions in our business operations and throughout our supply chain. This commitment encompasses the rights set out in the UN International Bill of Human Rights, the ILO's Maritime Labour Convention, and ILO's core conventions on fundamental principles and rights at work, as elaborated on in the UN Guiding Principles for Business and Human Rights ("UNGP"), the OECD Guidelines for Multinational Enterprises, and national laws such as the Transparency Act.

Given the relatively high human rights risk associated with the shipping industry, and considering our global business operations, partners, and suppliers, including those in high-risk jurisdictions, the Company has taken several proactive steps. These include conducting human rights due diligence to identify, prevent, and mitigate any negative human rights impacts in our supply chain. Our due diligence process follows the steps outlined in the UNGP and the OECD Guidelines.



We both expect and strive to ensure that our business partners and suppliers share our human rights commitment. Our policies, risk assessments, training, and contractual requirements are key elements in ensuring this commitment is upheld in practice, as further elaborated on below.

3.2 Code of Conduct

Our primary compliance policy is the *Corporate Code of Business Ethics and Conduct*. This Code of Conduct applies to all employees, directors, officers, agents and representatives of the Company and Frontline and its subsidiaries. It also extends to our third parties, such as charterers, suppliers and ship managers, who are also expected to comply with its standards. The Code of Conduct includes, among other things, provisions on protection of human rights and prohibition against modern slavery, prohibition on all forms of discrimination and harassment, and provisions for the protection of health and safety of employees and others. Additionally, we have several other relevant procedures and policies, such as manuals that outline expectations and provide guidance on health and safety matters.

3.3 Health, safety, and wellbeing

Our top priority is the health, safety, and wellbeing of the people involved in our operations, both at sea and onshore. We have implemented various measures to ensure this, as elaborated on below under the section on crew.

As an international company, we embrace diversity and cultural differences, and we aim to have an inclusive workplace that provide equal opportunities for all employees regardless of gender, national origin, religion, skin colour, sexual orientation, disability, etc.

3.4 Whistleblowing

We place great emphasis on fostering an open culture within our organisation, encouraging employees and third parties to voice their concerns or report suspected misconduct or violations of our Code of Conduct. The work on promoting awareness on whistleblowing and openness is an ongoing effort, and it is an area which we have particularly focused on lately.

We have an external whistleblowing channel, and strictly prohibit any form of retaliation against those who report concerns. As a member of The Maritime Anti-Corruption Network, we report facilitation payment demands on a quarterly basis, in collaboration with ship managers. Combating and preventing corruption is of paramount importance for several reasons, one of which is that corruption undermines the rule of law and consequently weakens the protection of human rights.

3.5 Staff training

We provide training to all employees and management, and offer training to the Board of Directors, with the aim of building competence and knowledge among our staff. The training covers a wide range of compliance matters, including human and labour rights. The training is conducted both as e-learning and face-to-face sessions, held several times per year, and is included as part of our onboarding process. Recently, we have placed a particular emphasis on anti-corruption and human rights training for site managers.

3.6 Third party screening and day-to-day diligence

As a step towards ensuring that our business partners share our human rights commitment and uphold our standards, we select our business partners carefully. We conduct screening and monitoring of our business operations and business partners, and we keep a close watch on our fleet, in line with our *Know Your Business Partner Policy*, among others, with the aim to ensure compliance with our ethical standards, including those related to human and labour rights. This due diligence process is risk-based and includes screening of business partners using the *Dow Jones RiskCenter*, including on human rights risks, and monitoring our fleet on an ongoing basis through *Maritime Intelligence Risk Suite*. The due diligence includes key sub-suppliers.

Furthermore, we conduct compliance testing of our business partners, with the purpose of identifying and mitigating compliance risks, including those related to human rights. We carry out a compliance testing of all ship managers annually and of the DA-desk, which is responsible for all port agents, biannually. We maintain regular dialogue with, and conduct visits and audits of, shipyards. We have in place framework



agreements and generally maintain a longstanding and strong relationship with the shipyards we use, providing us with a comprehensive overview of their operations.

We actively address identified risks and have implemented internal procedures aimed at investigating, detecting, preventing, managing and remediating any potential compliance issues. This includes issues related to human and labour rights, both within our organization and externally.

This regular day-to-day due diligence process complements the annual risk assessment of our business operations and supply chain, as described below. Both these processes form integral parts of our commitment to maintaining high standards of compliance.

3.7 Third party regulations and training

As part of the supervision and assessment of business partners, we provide training to our key business partners, such as ship managers, on our Code of Conduct, which they are also required to follow. The training is conducted through e-learning and/or face-to-face sessions. Further, we have contractual requirements toward business partners aiming to ensure that human rights are not violated, as well as audit rights and termination clauses included in contracts. Moving forward, we are focusing on revising contractual obligations towards relevant business partners to further strengthen our commitment to human rights.

Failure to comply with our standards is taken seriously, followed up and will have consequences. Based on our screenings, testing, and risk assessments, we have refrained from entering into contracts with business partners who did not meet our standards, and we take necessary steps to address any issues with existing partners.

4. RISK ASSESSMENTS, PRIORITIZED AREAS AND RECENT OBSERVATIONS/MEASURES

4.1 Annual risk assessment

In addition to our ongoing due diligence process described above, we conduct a broader risk assessment of our business operations and our supply chain annually. This includes an assessment of potential adverse impacts on human rights and decent working conditions.

This annual review enables us to consistently monitor and adjust our practices to mitigate potential risks. With the introduction of the Transparency Act in 2022, we carried out a more systematic assessment on human rights risks, with the help of external expertise, to better understand the human rights risks we face, assess the need for further follow-up measures, and identify and prioritize certain risk areas for the future. The assessment indicated that we are well-positioned in this work and resulted in the following prioritized risk areas: 1) shipbuilding and dry-docking, 2) sale of ships and ship recycling, and 3) crew. Our most recent annual assessment, conducted in the spring of 2024, confirmed that this prioritization remains valid.

The prioritization is primarily based on the probability and severity of the human rights risks associated with these areas, as well other factors such as our repair ability and our level of leverage/control. The prioritization does not mean that we will not continuously assess and manage other risk areas, such as procurement, but these are the three areas that still will receive extra focus in our human rights work moving forward. We will provide further details on these areas below.

4.2 Prioritized risk areas

1) *Shipbuilding and dry docking*

Shipbuilding and dry dockings are labour-intensive activities that span significant periods of time and may involve a range of human and labour rights issues. These can range from risks of accidents and injuries to potential worker exploitation. Moreover, the complexity of the production line associated with building new ships makes it challenging to gain a comprehensive understanding of the supply chain. The risks concern aspects such as acceptable health and safety levels, working hours, wage levels, standard employment terms, the right to collective bargaining, freedom from discrimination, harassment and retaliation for voicing



legitimate complaints. They also encompass all forms of debt bondage, forced labour or modern slavery (including in relation to migrant workers), and child labour.

We are acutely aware of these risks, which our general measures, as outlined above regarding third-party screening, day-to-day due diligence, regulations, and training, are implemented with the aim of addressing and mitigating. We carefully select our shipyards, primarily located in Asia but also other parts of the world such as Europe. These generally consist of well-established yards that are widely used within the industry. Through framework agreements and longstanding business relationships with most of the shipyards, we have gained a comprehensive understanding of their operations. Beyond our general screening and audit processes, we have our own personnel on the ground locally to monitor work. This on-site presence provides us with invaluable insights into aspects such as working conditions.

Our assessments and monitoring over the past year have not uncovered, nor have we encountered, any actual adverse impacts or significant risks of such impacts, apart from the occasional and inevitable accidents, which in our experience are addressed sufficiently and promptly. As we progress, we remain committed to continually enhancing our practices and measures. Firstly, we aim to further refine and strengthen our contractual requirements with shipyards. Secondly, we plan to conduct more comprehensive human rights training for our site managers, who serve as our primary on-the-ground observers. Thirdly, we intend to strengthen our due diligence processes with sub-suppliers, further aiming to ensure that our standards and expectations are met across all levels of the supply chain.

2) *Sale of ships and ship recycling*

The risks related with the sale and recycling of ships primarily pertain to the risk of the vessel being subjected to "beaching" and an unregulated shipbreaking process, involving human rights risks related to workers as well as local communities and the environment.

While the realization of such risk could have severe implications for human rights and working conditions, its likelihood is currently deemed low within the industry in general, and for the Company in particular. Our possession of one of the industry's most modern fleets minimizes both the risk and the likelihood of our ships entering any form of recycling in the foreseeable future.

Despite its low probability, the severity of this risk necessitates its prioritization. We have enacted several measures to avert and mitigate risks associated with the sale and recycling of ships, including the establishment of an own *Ship Recycling Policy*. This policy aims to ensure compliance with the Hong Kong Convention and other relevant regulations. We have stringent contractual clauses in place, including related to further trading, to prevent and mitigate the risks associated with the sale and recycling of ships.

3) *Crew*

There are numerous human and labour rights risks associated with seafarers and ship crew. The inherent dangers related to health and safety in seafaring are well-known. Furthermore, the unique working environment on a ship, with extended periods spent offshore, can lead to limited oversight and weak law enforcement, thereby increasing the risks of worker exploitation. This could manifest in various forms, including excessive working hours, wage issues (including recruitment fees and unpaid or forced wage repayments), and instances of modern slavery (including debt bondage). The isolated environment can also heighten the risks of harassment and discrimination and can negatively impact the mental wellbeing of the workers. The right to collective bargaining could also be under pressure in such conditions. Additionally, voyages through conflict zones or areas with a higher risk of piracy pose their own set of threats.

As emphasized earlier, the health, safety, and overall wellbeing of the crew are our top priorities. To safeguard these and to mitigate the risks associated with seafarers, we have put in place a series of measures. An important initial step involves the careful selection of ship management crew companies, which are leading companies within the industry with their own comprehensive policies and measures related to crew safety and human rights. These companies are subject to close monitoring and regular assessments throughout our business relationship. This is facilitated through various measures, including



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but not limited to, regular audits, on-site visits, and training, as well through contractual requirements and expectations on human rights and working conditions.

Our measures extend beyond the ship managers and encompass a range of other initiatives. These include ensuring high standards for the facilities on our vessels, from safety measures to high-speed internet and entertainment, as well as crew training and continuously stressing the importance of voicing concerns and whistleblowing. We have in 2023 introduced a new and improved system for supporting and monitoring mental health and fatigue, further enabling us to take proactive measures in that respect. Furthermore, our insurance arrangements allow us to monitor patterns related to sickness or injuries, which adds to the ability to implement preventative measures. Over the past year, we have also introduced additional measures and procedures to address risks related to conflict zones, such as avoiding the Red Sea.

Based on our observations and assessments for 2023, the crew onboard our ships continue to be well taken care of, and our expectations and requirements regarding human rights, working conditions and health and safety, are being met. This applies to both proactive measures and reactive measures in the event of onboard incidents. For example, in 2023, we observed very positive results in assessments of crew wellbeing and happiness. On the other hand, over the past year, we have encountered some minor deficiencies in our review of crew contracts, but these have been promptly addressed. As we move forward, we remain steadfast in our commitment to working tirelessly to ensure the wellbeing, safety, and rights of the crew onboard our ships.

Oslo, 30 June 2024



Lars H. Barstad
Chairman and CEO



Inger M. Klemp
Director