

HUMAN RIGHTS DUE DILIGENCE

1. INTRODUCTION

This account for human rights due diligence is provided by Golden Ocean Management AS (the "Company"). The account is provided pursuant to the requirements of the Norwegian Transparency Act (Nw: "Åpenhetsloven") section 5.

2. STRUCTURE

2.1 Overview and operations

The Company is a subsidiary of Golden Ocean Group Limited ("Golden Ocean"), one of the world's largest actors in the shipping industry, and primarily operates within seaborne transportation of dry bulk cargo. Golden Ocean owns and operates one of the world's largest dry bulk fleets and among most modern fleets in the industry. It is based on Bermuda, with subsidiaries and offices across the globe, and with business operations worldwide. Golden Ocean has business partners, customers and suppliers across the world. Golden Ocean shares management services with certain other stock listed companies through Front Ocean Management AS.

2.2 Compliance structure

The Board of Directors has the overall responsibility for compliance matters and risk management, including human rights risks, 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 relating to internal controls and compliance.

The compliance function of the Company 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. The Audit Committee and management report on compliance to the companies' Board of Directors.

3. INTERNAL HUMAN RIGHTS MEASURES

3.1 Human rights and ESG commitment

ESG is a core aspect of how the Company and the Group operate, and is fully integrated into our business models. Our compliance and ESG framework reflects the incorporation of UN Global Compact Principles in our operations. Please refer to our annual ESG report online for further information on our ESG control mechanisms, focus areas, key targets, measures, etc.

We are fully committed to respecting fundamental human rights and decent working conditions in our business operations and our supply and value chain. This includes the rights set out in the UN International Bill of Human Rights 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 Norwegian Transparency Act.

In general, the shipping industry faces a relatively high human rights risk, and we have business operations, business partners and suppliers across the globe, including in high risk jurisdictions. As a consequence, the Company has taken several steps in this regard, including conducting human rights due diligence in order to identify, prevent and mitigate any negative human rights impacts throughout our supply and value chain. The due diligence follows the steps set out in the UNGP, OECD Guideline and the Transparency Act.

We both expect and strive to ensure that our business partners and suppliers share our human rights commitment, and through our policies, risk assessments, training, contractual requirements, etc. we have made these clear to them. Sharing our values and best practices in relation to business ethics, compliance and ESG matters, with business partners and other key players in the industry, we regard as part of our responsibility as one of the largest actors in the industry.

3.2 Code of Conduct

Our number one priority is the health, safety and wellbeing of our people, both at sea and onshore, and we have implemented various measures in this regard. We highly recognise the value of our staff. As an international company we value diversity and cultural differences, and we aim to have an inclusive workplace that provide equal opportunities for all employees regardless of sex, national origin, religion, skin colour, sexual preference, disability, etc.

The Corporate Code of Business Ethics and Conduct ("Code of Conduct") is our main compliance policy. The Code of Conduct applies to all employees, directors, officers, agents and representatives of the Company and Golden Ocean and its subsidiaries, and to our third parties, such as charterers, suppliers and ship managers. Every time third parties are engaged to perform services on our behalf, they are requested to comply with the Code of Conduct.

The Code of Conduct inter alia includes provisions on protection of human rights and prohibition against modern slavery, prohibition on all forms of discrimination and harassment, and provision on protection of health and safety of employees and others.

3.3 Ship Recycling Policy

We have implemented a *Ship Recycling Policy* to ensure compliance with the Hong Kong Convention and other relevant regulation, in order to prevent and mitigate risks relating to ship recycling in particular.

3.4 Whistle blowing

We highlight the importance of openness in the organisation, and we urge employees and third parties to speak out about concerns or report suspected misconduct or violations of our Code of Conduct. We have an external whistleblowing channel. Retaliation is strictly forbidden. We are a member of The Maritime Anti-Corruption Network, and report facilitation payment demands on a quarterly basis in cooperation with all ship managers. Combating and preventing corruption are important to us for several reasons, including since the presence of corruption undermines the rule of law and thus weakens the protection of human rights.

3.5 Training

We provide training to all employees and management, and offer training to the Board of Directors, to build competence and knowledge amongst our employees. The training covers a wide range of compliance matters, including human and labour rights. The training is conducted as both e-learning and face-to-face training several time per year, and is included as part of our onboarding training.

3.6 Annual risk assessment and due diligence

We conduct an annual risk assessment of Golden Ocean and its subsidiaries' business operations and our supply and value chain. This includes an assessment of adverse impact risks on human rights and decent working conditions. Our latest annual risk assessment was carried out with the assistance of external expertise. Our assessments include dialogue with our key stakeholders such as employees, banks, investors, suppliers and local authorities or communities where relevant.

Our internal policies and procedures address identified risks, and we have implemented internal systems and controls in order to investigate, detect, prevent, manage and remediate any potential compliance issues, including human and labour rights issues, both internally and externally.

4. EXTERNAL HUMAN RIGHTS MEASURES

4.1 Expectations

We both expect and strive to ensure that our business partners and suppliers share our human rights commitment and standards. We select our business partners carefully. Crewing and ship management are outsourced to leading third-party ship management companies, who are supervised, closely monitored, and assessed.

4.2 Screening and day-to-day due diligence

We conduct screening and monitoring of our business partners, and we monitor our fleet, pursuant to inter alia our *Know Your Business Partner Policy*, in order to ensure compliance with our ethical standards in all business relations, including on human and labour rights.

This due diligence process is risk based and includes screening of business partners in *Dow Jones RiskCenter*, including on human rights risks, and monitoring of our fleet on an ongoing basis through

Maritime Intelligence Risk Suite. Business partners include suppliers, banks, charterers, agents, brokers, ship management, consultants, joint ventures and other intermediaries.

This regular ongoing due diligence process is additional to the annual risk assessment of our business operations and supply and value chain as described above, and both form key parts of our human rights due diligence.

4.3 Regulations, training and testing

As part of the supervision and assessment of business partners, we train our key business partners, such as ship managers in our Code of Conduct, which they are also required to follow. Training is conducted as e-learning and/or face-to-face training. Further, we have additional contractual requirements toward our business partners aiming to ensure that human rights are not violated, and we have audit rights and termination clauses included in contracts as required.

We conduct compliance testing of our business partners, with the purpose of identifying and mitigating compliance risks, including human rights risks. Every year we conduct a compliance testing of all ship managers and biannually of DA-desk, which is responsible for all port agents. We regularly have a dialogue with, visit and audit other business partners, such as shipyards and ship managers, and we strive to share both our values and best practice.

Failure to comply with our standards, are followed up and will have consequences. We have both not entered into and terminated contracts with business partners based on our screenings, testing and risk assessments.

5. RECENT OBSERVATIONS/FINDINGS

5.1 GAP-analysis of our human rights work and routines

We have assessed and tested our compliance with the human rights requirements pursuant to the UNGP and the Transparency Act, with the assistance of external legal expertise. Our overall conclusion is that we are well placed in regards to the requirements, and that we still should strive to continuously and systematically strengthen our work in the area.

5.2 Human rights risk mapping and analysis

In the extension of the abovementioned GAP-analysis, we have also conducted an overall human risk analysis of our business operations and supply and value chain in accordance with the steps of the UNGP and the Transparency Act.

The purpose of the analysis has inter alia been to map and better understand the human rights risks we are facing, inter alia in order to assess and determine the need for further follow-up measures in addition to general measures already implemented, such as revising our Code of Conduct and further strengthening our focus on human rights in our risk assessments and business partners screenings.

In general, the industry and jurisdictions in which we operate, entail an inherent risk for adverse impact on human rights and decent working conditions, especially in our supply and value chain. Based on the analysis, we have identified three main risk areas that we particularly will prioritize going forward.

The prioritization is done mainly based on the probability and severity of the human rights risks related to these areas, as well other factors such as our repair ability and leverage/control.

5.3 Prioritized risk areas going forward

Our three prioritized risk areas going forward are 1) shipbuilding and dry-docking, 2) sale of ships and ship recycling, and 3) crew.

This prioritization does not in any way entail that we will not continuously assess and manage other risk areas, such as inter alia procurement, but these are the three areas we will give an extra focus going forward in our human rights work. The prioritized areas could be supplemented and changed with time.

1) *Shipbuilding and dry-docking*

Shipbuilding and dry dockings are labour intensive activities over significant periods of time that may concern a series of human and labour rights issues, both when it comes to risks of accidents and injuries, and when it comes to risks of worker exploitation. Further, the complexity of the production line related to building of new ships, makes it challenging to obtain a comprehensive understanding of the value chain.

The risks relate to inter alia acceptable health and safety levels (incl. workplace accidents), working hours, wage levels, regular terms for employment, the right to collective bargaining, freedom of discrimination, harassment and reprimands for voicing legitimate complaints, as well as related to all forms of debt bondage, forced labour or modern slavery (incl. of migrant workers), or child labour.

Firstly, our general measures set out above are implemented with the view of addressing these risks. This includes our business partner screening, assessment and testing, contractual clauses and Code of Conduct requirements, training of third parties, etc. Secondly, we carefully select our shipyards and business partners. As one of the largest actors in the industry, we have considerable flexibility and leverage when it comes to both selecting business partners, where we pick from the leading actors in the area, and imposing contractual requirements, including audit rights, etc.

2) *Sale of ships and ship recycling*

The risks related to sale of ships and ship recycling mainly relate to the risk of the ship ending up in a process of "beaching" or an informal shipbreaking process, involving risks related to workers as well as local communities and the environment.

Although this is considered a quite severe risk for human rights and working conditions if it is to materialize, the risk is currently considered to be of low probability. The risk in itself is currently considered low for the industry in general, and especially low for the Company in particular. We have one of the most modern fleets in the industry which reduces the risk and the probability of any ships going into any form of recycling in near future.

The severity still makes it a prioritized risk, and we have implemented several measures to prevent and mitigate risks related to sale of ships and ship recycling, including the measures set out in our Ship Recycling Policy. We have strict contractual clauses in this regard, including clauses related to further trading, to prevent and mitigate a risk for a vessel ending up as beached or part of an informal shipbreaking process.

3) *Crew*

There are several human and labour rights risks related to seafarers and ship crew. There is an inherent danger related to health and safety in relation to seafaring. Further, the set working environment on a ship, with extended periods offshore, can create limited insight and weak law enforcement, which increase the risks of worker exploitation. This could be in the form of inter alia excessive working hours, wage levels (incl. recruitment fees and unpaid or forced repayment of wages), and forms of modern slavery (incl. debt bondage). It also can increase the risks of forms of harassment (incl. sexual harassment), bullying as well as affect the mental wellbeing of the workers. The right to collective bargaining is another right that could be under pressure.

In order to address such risks we firstly select our ship management crew companies only after a careful and thorough due diligence and assessment, as set out under the general measures above. This means that crewing and ship management are outsourced to leading third-party ship management companies, who are further supervised, closely monitored, and assessed throughout our business relationship.

We further encourage, expect and requires all ship managers to comply with the same standards of business ethics, human rights and labour standards as ourselves, through inter alia our Code of Conduct, as further described above. This includes at least meeting the standards set out in the Maritime Labour Convention and ILO's core conventions. We have contractual clauses aiming to ensure that human and labour rights are not violated, and we have audit rights and termination clauses included in contracts. We provide both e-learning and on-site training for ship managers and crew, and strive to share best practice.


Further, the health, safety and general welfare of the crew is a top priority, and we have implemented several measures in this regard, not only towards requirements to ship managers, but also when it comes to crew training and the facilities of vessels.

The measures for supervision include regular and randomized book audits (incl. assessment of wages and working hours), and on-site visits and inspections, as well as interviews with the crew. We have formalized annual meetings with all ship managers.

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