FRONTLINE

REPORT

ENVIRONMENTAL

SOCIAL

GOVERNANCE

2019

SASB
SUSTAINABILITY ACCOUNTING STANDARDS BOARD

FRONT PRINCE
MAJURO
IMO 9788899

9 954 085
DEADWEIGHT
TONNAGE

1 236
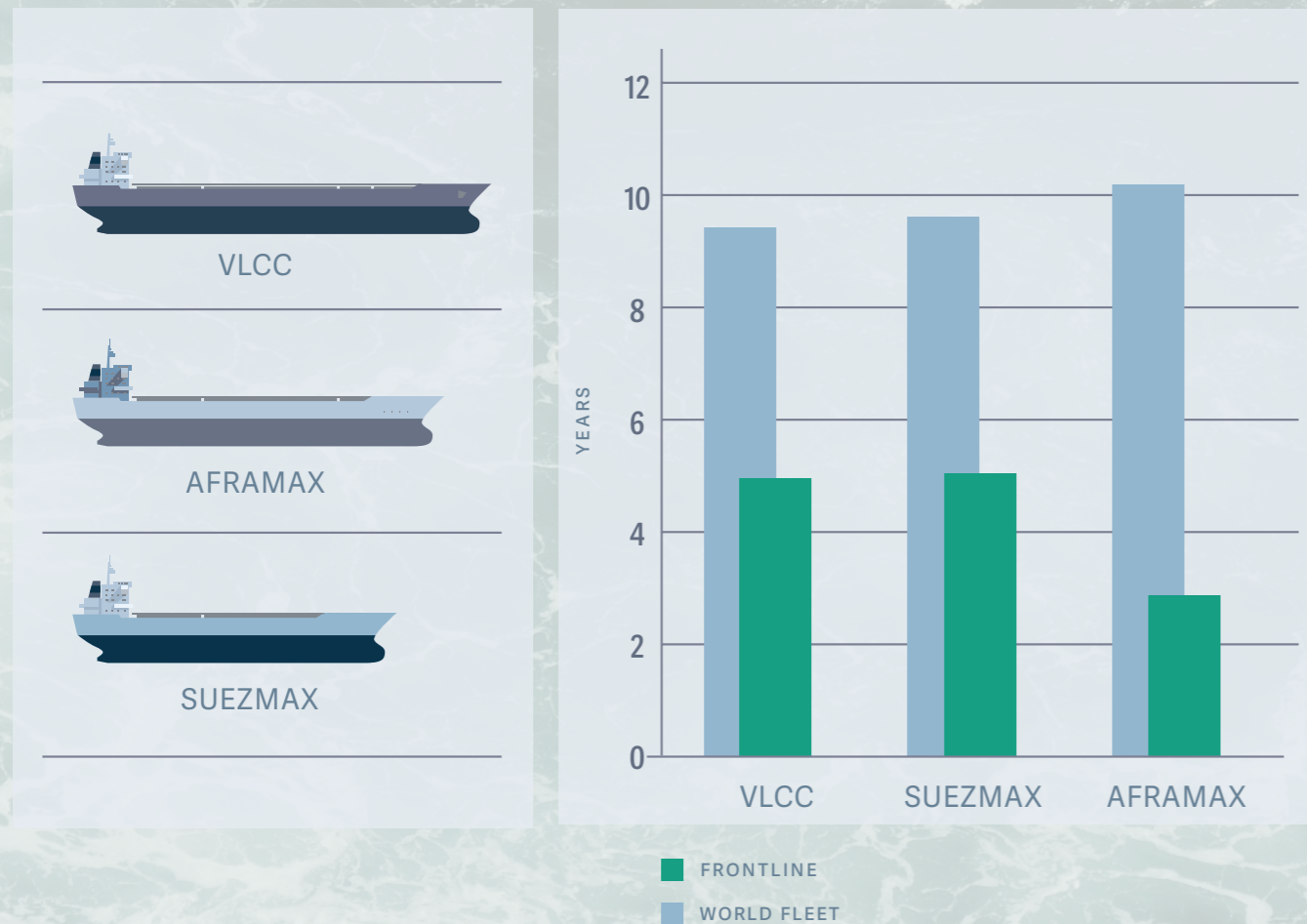NUMBER OF SHIPBOARD
PERSONNEL

17 664
OPERATING
DAYS

52
NUMBER OF ASSETS
IN FLEET

2 982 899
TOTAL DISTANCE TRAVELLED
BY VESSELS

1 281
NUMBER OF VESSEL
PORT CALLS

FRONTLINE FLEET AGE

VLCC

AFRAMAX

SUEZMAX

YEARS

VLCC   SUEZMAX   AFRAMAX

■ FRONTLINE
■ WORLD FLEET

1. INTRODUCTION

With one of the largest fleets in the industry, Frontline Ltd. ("Frontline") is a world leader in the international seaborne transportation of crude oil and refined products. Our fleet consists of modern Very Large Crude Carriers (VLCCs), Suezmaxes and LR2/Aframaxes. Frontline is listed on both the New York and Oslo Stock Exchanges ("FRO").

Frontline published its first Environmental, Social and Governance (ESG) report in 2019. The report includes information on how we monitor, manage and perform on material ESG issues in the face of increasing expectations and regulations.

In January 2020, the IMO Low Sulphur Regulation ("IMO 2020") came into effect, placing a global sulphur cap of 0.5 percent on marine fuels to curb damaging air pollution. In preparing for the new IMO directives, a key priority for Frontline has been to secure access to leading technology. In 2019, we acquired 17.3 percent of Clean Marine, a world class supplier of exhaust gas cleaning systems ("scrubbers") for the shipping industry. Access to low sulphur fuels compliant with the IMO requirements is expected to become more challenging. To secure compliant fuel for our fleet at the right price, timing and quality – we have teamed up with one of the largest oil traders in the world - Trafigura – and founded the marine fuel supply company TFG Marine.

Concerns related to climate change continued to rise in 2019. Frontline will work diligently to align with the IMO 2030 strategy[1]; a strategy aiming to lower CO_2 emissions and increasing energy efficiency of shipping operations. Frontline has since 2017 invested in the expansion and modernisation of our fleet and we currently run one of the youngest and most energy efficient fleets in the industry. We will continue to reduce emissions by improving vessel fuels, optimising voyage efficiency and explore new technologies.

In 2019, we initiated the process of enhancing our ESG management system by scoping the development of a digital platform that sets out to make monitoring, management and reporting of ESG issues more efficient and accurate. The implementation of the platform will commence in 2020.

The disclosures in this report provide investors and other stakeholders with material ESG information. This report has been prepared in accordance with the Marine Transportation framework established by the Sustainability Accounting Standards Board (SASB). The SASB standard allows us to identify, manage and report on material ESG topics with industry specific performance metrics, based on SASB's internationally recognised indicators and related definitions, scope and calculations. Additionally, we have incorporated the principles of the UN Global Compact. The report and data cover the period 1 January to 31 December 2019, and reflects the Euronext ESG Reporting Guidelines.

Robert Hvide Macleod
CEO, Frontline Management AS

"We currently run one of the youngest and most energy efficient fleets in the industry"

[1] http://www.imo.org/en/MediaCentre/PressBriefings/Pages/06GHGinitialstrategy.aspx

2. SUSTAINABILITY ACCOUNTING STANDARD DISCLOSURES

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2018	DATA 2019	CODE
	CO₂ EMISSIONS				
GREENHOUSE GAS EMISSIONS	Gross global Scope 1 emissions: Financial control	Metric tons (t) CO_2-e	1 330 023	**1 328 550[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	**8**	TR-MT-110a.2
	ENERGY CONSUMED				
	(1) total energy consumed	Gigajoules (GJ), Percentage (%)	24 280 844 100 %	**20 387 685[b]** **100%**	TR-MT-110a.3
	(2) percentage heavy fuel oil	Gigajoules (GJ), Percentage (%)	22 960 702 95 %	**19 100 688** **94%**	
	EEDI				
	Average Energy Efficiency Design Index (EEDI) for new ships	Grammes of CO_2 per ton-nautical mile	3.0	**2.2[c]**	TR-MT-110a.4
	AER				
	Annual Efficiency Ratio (AER)	Grammes of CO_2/DWTnm	Not disclosed	**3.5**	Non-SASB: Optional
AIR QUALITY	**OTHER EMISSIONS TO AIR**				
	(1) NOx (excluding N2$_O$)	Metric tonnes (t)	49 443	**40 258[d]**	TR-MT-120a.1
	(2) SOx	Metric tonnes (t)	29 205	**24 795[d]**	
	(3) particulate matter	Metric tonnes (t)	3 671	**3 216[d]**	
ECOLOGICAL IMPACTS	**MARINE PROTECTED AREAS**				
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	768	**945[e]**	TR-MT-160a.1
	IMPLEMENTED BALLAST WATER				
	(1) exchange	Percentage (%)	79 %	**79 %[f]**	TR-MT-160a.2
	(2) treatment	Percentage (%)	67 %	**75 %[f]**	
	SPILLS AND RELEASES TO THE ENVIRONMENT				
	(1) number	Number	0	**0[g]**	TR-MT-160a.3
	(2) aggregate volume	Cubic meters (m³)	0	**0**	

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2018	DATA 2019	CODE
	CORRUPTION INDEX				
BUSINESS ETHICS	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	54	**295[h]**	TR-MT-510a.1
	CORRUPTION				
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	**0**	TR-MT-510a.2
EMPLOYEE HEALTH & SAFETY	**LOST TIME INCIDENT RATE**				
	Lost time incident rate (LTIR)	Rate	0.45	**0.65[i]**	TR-MT-320a.1
ACCIDENT & SAFETY MANAGEMENT	**MARINE CASUALTIES**				
	Incidents	Number	1	**1[j]**	TR-MT-540a.1
	Very serious marine casualties	Percentage (%)	0	**0**	
	CONDITIONS OF CLASS				
	Number of Conditions of Class or Recommendations	Number	0	**0[k]**	TR-MT-320a.1
	PORT STATE CONTROL[i]				
	(1) deficiencies	Rate	Not disclosed	**0.48[i]**	TR-MT-540a.3
	(2) detentions	Number	0	**0**	

ACTIVITY METRIC	UNIT OF MEASURE	DATA 2018	DATA 2019	CODE
Number of shipboard employees	Number	1 171	**1 236[m]**	TR-MT-000.A
Total distance travelled by vessels	Nautical miles (nm)	3 598 088	**2 982 899[n]**	TR-MT-000.B
Operating days	Days	19 009	**17 664[o]**	TR-MT-000.C
Deadweight tonnage	Deadweight tons	9 954 085	**9 954 085**	TR-MT-000.D
Number of vessels in total shipping fleet	Number	52	**52[p]**	TR-MT-000.E
Number of vessel port calls	Number	1 292	**1 281**	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	TEU	Not applicable	**Not applicable**	TR-MT-000.G

Please see chapter 7 for assumptions regarding the SASB disclosures, and specific comments referred to above

3. ESG GOVERNANCE

The shipping industry carries inherent risks related to emissions, spills, health & safety and corruption. For Frontline, clear guidance and robust control mechanisms are essential to safeguard the proper handling of such risks in our daily operations. We have established a set of policies and control processes to manage our employees and partners, in order to ensure compliance with all applicable international and local laws and regulations.

The Board of Directors (BoD) oversees Frontline's ESG strategy. In line with the Norwegian Corporate Governance Code, the BoD has throughout the year considered important ESG matters. The BoD is responsible for ensuring that appropriate and effective ESG related risk management and internal control systems are in place, and our Code of Conduct and corporate governance framework are reviewed annually. The BoD also reviews our annual ESG report.

The Chief Executive Officer (CEO) carries the responsibility for all activities of Frontline, while our technical managers are the first in line to handle incidents. Our subsidiary Frontline Management Ltd. is our fleet manager and outsources crewing and ship management to several leading third-party ship management companies. The third-party managers are supervised, closely monitored and assessed by the fleet managers at Frontline Management Ltd., who reports to the CEO on a weekly basis. Our fleet managers host trainings and seminars regularly throughout the year to ensure that our staff and crew are equipped to carry out their work in a diligent and safe manner.

All our employees are to abide by the established policies to guide them in conducting their daily assignments for Frontline. We have a continuous monitoring system on our vessels, which enables management to follow up as required. Additionally, the Audit Committee monitors reports and complaints received by the company relating to internal controls and compliance. All incidents are reported to the BoD in an annual review. Substantial impact cases are reported directly to the BoD as instructed in our Code of Conduct.

In 2020, Frontline will review its corporate governance framework to ensure that board committees, nomination and reporting processes are as effective and efficient as possible, and of course in line with legal requirements and industry best practice.

ESG MANAGEMENT PROGRAMME

In 2019, Frontline Management initiated the process of enhancing our ESG management system by scoping the development of a digital platform that sets out to make monitoring, management and reporting of ESG issues more efficient and accurate. By the end of 2019, the scope of the platform was defined, and DNV GL was chosen as our partner. The implementation of the platform will commence in 2020.

COOPERATION INITIATIVES

Frontline is always to have relevant procedures in place within the areas of environmental, social and governance issues. However, developments in technical solutions influencing environmental performance or company measures to tackle corruption, may not always be enough. Frontline recognises that some ESG related challenges can only be tackled when both industry members and regulatory authorities join forces. Resultingly, Frontline has decided to join the following important initiatives: Maritime Anti-Corruption Network (MACN), Clean Shipping Alliance, the International Association of Independent Tanker Owners (INTERTANKO) as well as complying with the requirements of Oil Companies International Marine Forum (OCIMF). We believe being part of these initiatives will keep us up to date on material risks and opportunities and provide us with a chance to influence the decision making in many important areas, which will contribute positively to our risk management.

MATERIAL ISSUE	INTERNAL GOVERNANCE DOCUMENTS	INTERNATIONAL STANDARDS AND REFERENCES
Climate change	Environmental Policy (SM)	The Paris Agreement The Intergovernmental Panel on Climate Change (IPCC) Initial IMO Strategy on Reduction of GHG Emissions from Ships
Air emissions	Environmental Policy (SM)	IMO MARPOL Convention Annex VI EU Sulphur Directive 2016/802 UNCLOS
Ecological impact	Environmental Policy (SM) Ship Recycling Policy (Draft)	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	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 (Draft)	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
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

As part of addressing sustainability in a broader perspective, we have identified three of the UN Sustainable Development Goals (SDGs) where we believe Frontline can contribute: We have selected SDG 13, 14 and 16 since these goals are closely tied to the industry we are a part of and they represent material issues that we monitor – please see chapter 4 and 6 for more information. Contributing to the broader global agenda of reaching the SDGs is in our interest as they affect our business, customers, suppliers, investors and regulators which we depend on.

4. ENVIRONMENT

For the shipping industry, emissions, as well as any discharges and spills, represent environmental and ecological risks that must be managed conscientiously. These factors have significant implications for air and water quality, and marine biodiversity, if precautionary actions are not taken. At Frontline, we recognise our responsibility to manage our environmental impact. Our diligent monitoring and management of such risks are vital for protecting the environment, as well as being fundamental to the success of our business.

Frontline Management's Environmental Policy describes how environmental due diligence, emissions of CO_2, sulphur oxides, nitrogen oxides, waste and other spills or discharges are to be managed. We work sedulously with our Ship Energy Efficiency Management Plan and have established a thorough system for incident reporting. Our Safety Management System is ISO-compliant and in accordance with the International Safety Management Code (ISM Code). Through diligent risk assessment procedures, as well as having monitoring and management tools in place, we ensure compliance with international and local regulations.

GREENHOUSE GAS EMISSIONS AND AIR QUALITY

Attention to climate change and air quality continued to grow in 2019. This was also reflected in emerging requirements from the financial community. Based on the importance of the shipping industry in world trade and its effect on global social and economic development, the sector is seen as an essential contributor to sustainable development.

Since 2017, Frontline has invested in the expansion and modernisation of the fleet. This has included preparations for compliance with the IMO 2020 and the associated sulphur regulations. In 2019, we acquired 17.3 percent of the company Clean Marine, a world class supplier of exhaust gas cleaning systems for the shipping industry. This will play an important role in achieving the intended mode of 2020 Sulfur compliance, securing access to leading technology in the field. In 2019, one out of three of our ships had installed scrubbers. By the summer of 2020, scrubber instalments will cover 50 percent of our fleet.

Frontline anticipates that the IMO 2020 sulphur restrictions will make fuel supply more challenging. To secure fuel for our fleet, we have teamed up with one of the largest oil traders

in the world: Trafigura. This ensures our ability to source and acquire marine fuels at the right price, the right timing and the right quality – the latter being essential for compliance with the IMO 2020.

Frontline intends to contribute to the IMO 2030 Strategy aiming to reduce CO_2 emissions per transport work by at least 40 percent by 2030, compared to 2008 levels. Emissions are directly linked to fuel consumption, and our focus has therefore been on:

- hulls designed for reduced resistance
- improving vessel fuels
- cleaning systems (hull, propellers)
- voyage efficiency
- engine technology and optimisation

The oil tankers we own are on average only 4.3 years old, this implies we are running one of the youngest and most energy efficient fleets in the industry. We will continue to enhance and develop energy efficiency measures – this is in line with our overall company strategy as reducing fuel consumption is both environmentally and financially beneficial. Our fleet average annual efficiency ratio (AER) was 3.5 (gCO_2 per DWT-nm) in 2019.

Examples of efficiency measures include our bi-annual periodic plan for propeller cleaning, followed by hull inspection with condition-based cleaning. This is part of our efforts to reduce fuel consumption by minimising resistance in the water.

Going forward, we will investigate using alternative fuels, such as Liquified Natural Gas (LNG), an efficient fuel with a significantly lower environmental footprint. We are also continuing to work on voyage efficiency and weather routing as an opportunity to further enhance our business.

We see ESG management as fundamental to ensure actual progress. To enhance our ESG management, we will implement a digital platform to track vessel fuel efficiency in 2020. Firsthand tracking of each of our vessels' emissions and energy consumption will be an important tool to monitor efficiency and emissions in accordance with regulations and our own targets.

Through our efforts to lower our fleet's CO_2 emissions by increasing efficiency and upgrading engine technology, Frontline supports UN SDG 13 – targeting the global fight against climate change, which is the basis for the IMO 2030 strategy.

ECOLOGICAL IMPACTS

In addition to emissions, discharges and potential spills represent risks to the environment and to Frontline. Our ability to manage these risks are critical to our surroundings, including the sector, our customers and our own business.

Frontline reviews all identified risks to the environment, allowing us to establish appropriate safeguards. We have monitoring and management tools in place to minimise the environmental impact of our activities, in accordance with international and local regulations. Our fleet managers formally supervise the third-party ship managers through quarterly performance review meetings to ensure compliance, and any corrective measures that are imposed on them are followed-up on. An annual audit is performed by the ship's Classification Society according to the ISM Code and where appropriate ISO 9001 and ISO 14001.

Oil spills may have serious and long-lasting negative impacts on the ecosystem. Frontline has preventive measures and procedures in place to reduce the risk of spills. Frontline experienced zero oil spills or other types of spills to the environment in 2019.

For shipping, ballast water is vital for safe and efficient operations. However, the process of 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. Frontline takes ecological risks seriously, and per 31 December 2019, 79 percent of our owned and operated vessels have installed ballast water exchange systems (BWXS), and 75 percent have installed ballast water treatment systems (BWTS) –all of our vessels have in place at least one of the two technologies. We are following a BWTS instalment plan in line with the IMO Ballast Water Management Convention[2], which covers the totality of our fleet. By the end of 2020 all of our vessels but one will have installed BWTS.

A ship may represent potential hazardous waste which must be recycled under safe conditions with respect to human health, safety and the environment. The Hong Kong Convention aims to ensure that ships, when recycled after reaching the end of their operational lives, do not pose a risk to safety of workers or to the environment. As mentioned above, Frontline has a young fleet. Recycling of vessels is therefore not currently

relevant. However, Frontline is developing a Ship Recycling Policy to ensure that future recycling of Frontline's ships may only take place at an approved yard compliant with the Hong Kong Convention and in alignment with the 10 UN Global Compact principles. The policy is scheduled to be reviewed by the BoD in 2020.

We have identified SDG 14 – Life below water – as relevant for our operations, and target 14.C is aimed at enhancing the conservation and sustainable use of oceans and their resources by implementing international law. Our crew members are trained in and must follow our stringent rules for avoiding spills at any time.

ACCOUNTING METRIC	UNIT OF MEASURE	DATA
CO₂ EMISSIONS		
Gross global Scope 1 emissions	Metric tonnes (t) CO_2-e	1 328 550
ENERGY CONSUMED		
(1) total energy consumed	Gigajoules (GJ), Percentage (%)	20 387 685 100 %
(2) percentage heavy fuel oil	Gigajoules (GJ), Percentage (%)	19 100 688 94%
EEDI		
Average Energy Efficiency Design Index (EEDI) for new ships	Grammes of CO_2 per ton-nautical mile	2.20
OTHER EMISSIONS TO AIR		
(1) NO_X (excluding N2O)	Metric tonnes (t)	40 258
(2) SO_X	Metric tonnes (t)	24 795
(3) particulate matter	Metric tonnes (t)	3 216
MARINE PROTECTED AREAS		
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	945
IMPLEMENTED BALLAST WATER		
(1) exchange	Percentage (%)	79 %
(2) treatment	Percentage (%)	75 %
SPILLS AND RELEASES TO THE ENVIRONMENT		
(1) number	Number	0
(1) aggregate volume	Cubic meters (m³)	0

[2] http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Control-and-Management-of-Ships'-Ballast-Water-and-Sediments-(BWM).aspx

5. HEALTH & SAFETY

At Frontline, the safety of our employees is our number one priority. A strong emphasis on health and safety, both onshore and offshore, positively affects the long-term performance of our company.

There are inherent safety and security risks related to operations at sea that must be managed carefully to safeguard crew, vessel, the cargo and the environment. Frontline has a zero-accident ambition and operates according to the ISM Code.

We have implemented risk assessment systems to review all identified risks to our ships and personnel, establishing appropriate procedures. Our fleet managers formally supervise our third-party ship managers through quarterly performance review meetings where all performance criteria, including safety matters, are reviewed to ensure compliance. We also bring all third-party ship managers together monthly for thematic seminars to facilitate knowledge sharing and training.

Furthermore, representatives from our fleet manager's technical team meet with all third-party ship managers on a monthly basis going through all incidents related to safety.

All accidents, incidents and near misses shall be reported and proactive measures are taken to ensure that we encourage our crew to report these with no hesitation and with support of their managers. Our third-party ship managers are regularly supervised and formally audited annually, and our fleet managers follow up on the implementation of any corrective measures. Frontline and its subcontractors adhere to industry best practice as put forward in the OCIMF Tanker Management and Self Assessment (TMSA) framework when investigating incidents and take appropriate actions to ensure lessons are learned to prevent future incidents.

The most severe incident in 2019, occurred on June 13. The LR2 tanker Front Altair experienced an explosion shortly after the ship had passed the Strait of Hormuz in the Persian Gulf. Frontline deployed emergency responders in a timely manner; the fire resulting from the explosion was extinguished within hours, our highly-trained crew and vessel master followed procedures to ensure the safety of all seaborne crew, and measures were taken to avoid potential pollution. No lives were lost during the incident.

Frontline initiated an investigation of the incident in collaboration with third-parties and government officials to determine the cause of the explosion. Thus far, there is no evidence that the incident was caused by mechanical or human error. The Strait of Hormuz is one of the most densely trafficked sea routes in the world and serves as the passageway for more than 25 percent of the world's seaborne crude oil. As geopolitical tensions rise in the Persian Gulf, Frontline will exercise a high degree of caution when considering new contracts in the region. We will consider all possible measures to uphold the safety of our crews and vessels operating in the area.

A detailed analysis of accidents and incidents for the entire fleet is prepared for Frontline by SeaTech Safety in accordance with the OCIMF guidelines on Lost Time Incidents (see LTIR in the table) and Total Recordable Cases and Frequency (TRC and TRCF). The reports allow us to identify the root causes of these reported incidents, and functions as a tool for future improvement of our operations. Our Lost Time Incident Rate was 0.65 in 2019.

Our employees are to abide by the values and guidelines set out in our Corporate Code of Business Ethics and Conduct. Frontline prohibits discrimination against any employee or any other person on the basis of sex, race, colour, age, religion, sexual preference, marital status, national origin, disability, ancestry, political opinion, or any other basis. We take any deviation from external regulations or our own guidelines seriously. Any deviation, or suspicion of deviation, is encouraged to be reported directly to the closest manager or through our telephone or web-based compliance hotline – the latter is described in our Complaints Procedure.

We are dedicated to respecting internationally recognised human rights as laid out in the UN Guiding Principles on Business and Human Rights (UNGP). 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. As an international company working with suppliers all over the world, we are developing a Supplier Code of Conduct in 2020 to address human rights in an even more targeted manner.

EMPLOYEE HEALTH & SAFETY	UNIT OF MEASURE	DATA
LOST TIME INCIDENT RATE		
Lost time incident rate (LTIR)	Rate	0.65
MARINE CASUALTIES		
Incidents	Number	1
Very serious marine casualties	Percentage (%)	0
CONDITIONS OF CLASS		
Number of Conditions of Class or Recommendations	Number	0
PORT STATE CONTROL		
(1) deficiencies	Rate	0.48
(2) detentions	Number	0

6. ANTI-CORRUPTION AND BUSINESS ETHICS

Frontline is determined to continue to conduct our business in an honest and ethical manner. Our commitment is outlined in our Corporate Code of Business Ethics and Conduct. Our Financial Crime Policy further commits us to the most stringent rules and regulations and is aligned with NYSE's guidelines.

The effects of corruption are profound. It undermines economic and social development and impedes sustainable progress. For companies in the shipping industry, corruption is potentially threatening the safety of the crew, poses legal and reputational risks while also leading to increased costs. Frontline has a zero-tolerance policy towards bribery as stated in our Corporate Code of Business Ethics and Conduct and our Financial Crime Policy. Our anti-corruption and money laundering policies are modelled on the UK Bribery Act and US Foreign Corrupt Practices Act (FCPA). The policies apply to all entities controlled by Frontline's officers, directors, employees as well as workers and third-party consultants, wherever they are located. Assessing and monitoring business processes, training and controls are fundamental tools in implementing our anti-corruption policy.

Our Corporate Code of Business Ethics and Conduct describes our 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; Antidiscrimination and Harassment; and Integrity of corporate records. The Code obliges employees who observe or become aware of a situation they believe to be in violation of the Code to promptly notify their manager and specifies how violations are managed. Frontline was not involved in any legal proceedings associated with bribery, corruption or anti-competition in 2019.

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 telephone or web-based compliance hotline as outlined in our Complaints Procedure.

Tackling systemic integrity challenges requires collective action. Through the Marine Anti-Corruption Network (MACN),

Frontline 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. In MACN collective action projects, member companies unite with stakeholders including port and customs authorities, NGOs, and local governments to undertake root cause analyses and then implement a range of 'recommended actions' that tackle corruption in ports and across the maritime supply chain.

MACN's collective actions have generated major outcomes, including for example: reductions in demands for facilitation payments in the Suez Canal; new regulations in Argentina that make it more difficult for officials to demand bribes; and improved ease of operations in Lagos, Nigeria, with the implementation of standardised operating procedures and grievance mechanisms.

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.

BUSINESS ETHICS	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	295
CORRUPTION		
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0

All Frontline's ships are registered with The Environmental Ship Index (ESI) supported by the World Ports Sustainability Program. The ESI is a voluntary system designed to improve the environmental performance of sea going vessels and gives a numerical representation of the environmental performance of ships regarding air pollutants and CO_2. The index only scores ships that perform better in reducing air emissions than required by the current emission standards of the IMO and includes a reporting scheme on greenhouse gas emissions. The platform enables ports and other interested parties to stimulate ships to improve their environmental performance. Increasingly, ESI rated ships are rewarded with port fee rebates.

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, however, in some areas data are based on estimates, please see comments below.

[a]CO₂ emissions (Metric tons (t) CO_2-e): Calculations are based on IMO emission factors and fuel consumption data for the period, retrieved from StormGeo. The financial control approach defined by the GHG Protocol has been applied (Scope 1). This includes company owned vessels only (note that this does not reflect the Total fleet count, as that number includes four vessels on leaseback agreements and long-term contracts).

[b]Total energy consumption (TJ): Calculated based on available data on and fuel consumption data for the period, retrieved from StormGeo, by using the fuel properties defined by DEFRA, Conversion factors, 2019. Scope includes entire fleet, ex. Dewi Maeswara.

[c]Average Energy Efficiency Design Index (EEDI) for new ships: EEDI for two new ships entering the fleet in 2019, Front Discovery and Front Defender.

[d]Particulate matter (PM), NO$_x$, SO$_x$ emissions (Metric tonnes): PM, NO$_x$ and SO$_x$ emissions from the combustion of fuels from owned vessels have been calculated based on the tool established by Danish Shipping and distance travelled, where distance travelled has been provided by by IHS.

[e]Shipping 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): Any area of intertidal or sub-tidal terrain, together with its overlying water and associated flora, fauna, historical and cultural features, which has been reserved by law or other effective means to protect part or all of the enclosed environment, listed in the World Database of Protected Areas (WDPA) and mapped on Protected Planet. Protected Planet is the most up to date and complete source of information on protected areas, updated monthly with submissions from governments, NGOs, landowners and communities - the database coverage is constantly evolving. It is managed by the United Nations Environment World Conservation Monitoring Centre. 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. The data on shipping duration in Marine Protected Areas has been obtained through our tracking system (IHS).

[f]Percentage 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.

[g]Spills and releases to the environment (Number, Cubic meters (m³)): Any overboard spills and releases – intentional or accidental – shall be reported, even if the quantity is low and i.e. only causes a thin film or slight sheen upon or discoloration of the surface of the water.

[h]Number 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 2019. Note that scope for 2019 is extended to cover all countries that have the 20 lowest rankings in the CPI. Reported number for 2018 covers only the 20 lowest ranked countries. Data is provided by IHS.

[i]Lost 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. The rate is based on: (lost time incidents) / (1,000,000 hours worked).

[j]Marine Casualties: Regarding SASB TR-MT-540a.1, the reporting is in accordance with the standard, however injuries to personnel as described in point 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.

[k]Number of Conditions of Class or Recommendations: The practice of issuing conditions/recommendations of class does not follow an entirely harmonized reporting methodology making it less useful for reporting purposes without further explanations, hence we do not disclose these numbers. We may consider disclosing information on this in the future if the methodology becomes standardised. Currently our scope of disclosure only includes Conditions of Class that resulted in withdrawal, suspension, or invalidation of a vessel's Class certificate.

[l]Port 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. A detention is defined as an intervention action by the port state, taken when the condition of a ship or its crew does not correspond substantially with the applicable conventions and that a ship represent an unreasonable threat of harm to the marine environment etc.

[m]Number 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 personnel during the year.

[n]Total distance travelled by vessels: The distance (in nautical miles) travelled by all vessels during the calendar year. Data provided by IHS.

[o]Operating days: Operating days are calculated as the number of available days in a reporting period minus the aggregate number of days that the vessels are off-hire (i.e., a measure of days in a reporting period during which vessels actually generate revenue). Scope includes entire fleet, ex. Dewi Maeswara.

[p]Number of vessels in total shipping fleet: Total fleet count – as per December 31 in the financial year. Total fleet count in this report covers all owned vessels and four vessels on leaseback agreements and long-term contracts.

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