

ESG REPORT 2020



OCEAN YIELD

4

Ocean Yield ESG report 2020

6

About this report

8

Principles of governance

12

Responsible Business Conduct

14

Climate change and environment

22

People and communities

26

Definitions and assumptions





Lars Solbakken - CEO.

OCEAN YIELD ESG REPORT 2020

– Introduction from the CEO

I am proud to present Ocean Yield's ESG report for 2020 where we present to our stakeholders a comprehensive and transparent picture of our performance and efforts with regards to key Environmental, Social and Governance topics.

An understanding of our ESG risks, opportunities and performance is essential to ensure the long-term value creation and success of Ocean Yield. We take these matters seriously and work to meet our stakeholder's expectations in a fast moving and changing environment.

Ocean Yield has a diverse and young fleet consisting of 68 vessels, including tankers, container vessels, dry-bulk, car carriers, gas carriers and oil service vessels. Our investment strategy is focused on investing in modern vessels or newbuildings to ensure a modern and energy efficient portfolio of vessels with low emissions and low carbon footprint.

Whilst ocean going transportation is the most carbon efficient means of transport available today, global emissions will have to be reduced in order to minimize the effects of climate change. Ocean Yield welcomes and supports the IMO 2050 strategy to reduce the CO2 emissions from the shipping sector in line with the Paris Agreement, and we will do our part to support these global efforts.

2020 was a year dominated by the COVID-19 pandemic. Hence investment activity was somewhat lower than normal. For 2021, we aim to continue to invest in fuel-efficient, modern vessels on long-term charter in order to build an even more diversified fleet.

ESG covers a broad range of topics. In this report we have focused on what we see are the key topics to our way of doing business and long-term profitability:

- *Principles of governance*
- *Responsible business conduct*
- *Climate Change and environment*
- *People and communities*



Ocean Yield has a diverse and young fleet consisting of 68 ships, including tankers, container vessels, dry-bulk, car carriers, gas carriers and oil service vessels.

ABOUT THIS REPORT

IN THIS SECTION WE OUTLINE THE
PRINCIPALS, BOUNDARIES AND SCOPE
OF OUR ESG REPORTING AND HOW WE
SEE ESG AS A VITAL PART OF OCEAN
YIELD'S REPORTING TO OUR
STAKEHOLDERS

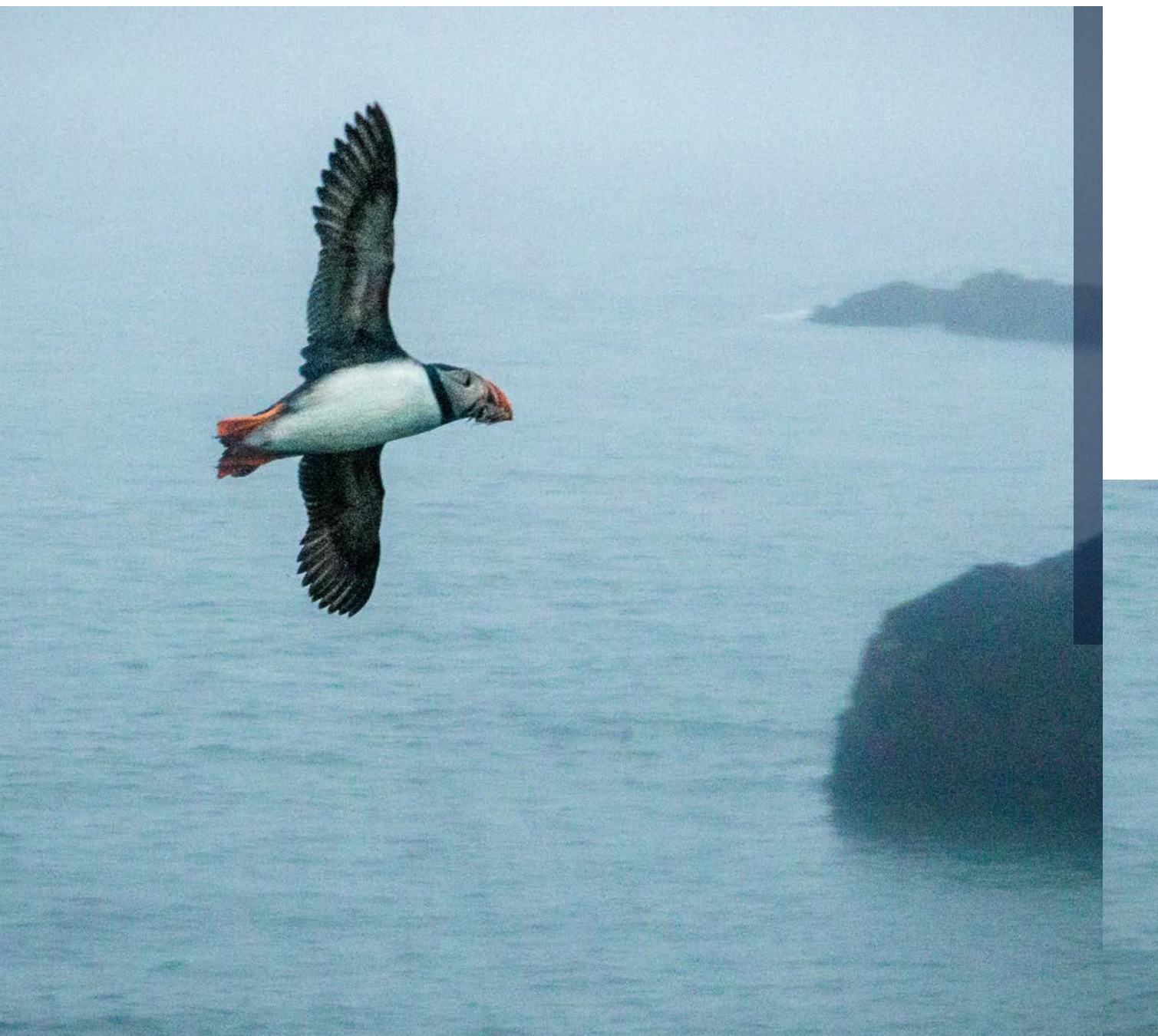
REPORTING STANDARDS

This report contains disclosures from the World Economic Forum's¹ efforts to develop a core set of common sustainability metrics, and from the Norwegian Shipowners' Association Guidelines on ESG reporting in the shipping and offshore industries. We also use reporting guidance from Euronext and selected recommendations from the Task Force on Climate-related Financial Disclosures.

BOUNDARIES AND SCOPE

Ocean Yield has no operational control of our vessels on long term contract, which are leased on a bareboat charter to our counterparties. Hence the counterparties are responsible for operations of the vessels and the emissions are hence considered to be indirect emissions through a third party. However, we strive to be transparent concerning availability of data and reporting boundaries.

- *CO₂-emissions from our vessels are included on a 100% basis to the extent the data has been provided by our counterparties. As these emissions are beyond our operational control they are reported as indirect scope 3 emissions according to the GHG protocol. Emission data for our vessels in this report are for 2019 as 2020 emissions are not available from our counterparties until Q3 2021.*
- *Scope 1 emissions relates to direct emissions from the operated vessel Connector.*
- *Scope 2 emissions related to electricity consumption is not included in this report as this is considered to be immaterial.*
- *We do not report safety data for our vessels as it is beyond our operational control.*
- *Our FPSO Dhirubhai-1 is currently not in operation and is moored in a fixed position with a small crew. Environmental and safety data from the vessel is therefore not included in this report.*
- *Our workforce data does not include temporary employees or contractors.*



OUR MATERIAL ESG ASPECTS

We have selected the ESG topics that are the most significant to us and our stakeholders. These topics have been selected and prioritized through processes including internal interviews and market analysis, in addition to considering relevant ESG standards, the business context of the shipping industry and financial stakeholder outreach.

Ocean Yield has identified the following material ESG aspects:

- *Principles of Governance*
- *Responsible business conduct*
- *Climate-Change and Environment*
- *People and Communities*



**DO YOU HAVE FEEDBACK
OR WANT TO LEARN MORE?**

Please visit our Webpage www.oceanyield.no
or contact us on post@oceanyield.no

PRINCIPLES OF GOVERNANCE

CLEAR AND STRONG CORPORATE
GOVERNANCE FORMS THE BASIS FOR
OCEAN YIELD'S LONG TERM VALUE
CREATION AND IS ENSURING THE PUBLIC
TRUST IN THE COMPANY.

By promoting the interests of our shareholders, identifying and managing risks and opportunities, and ensuring the Board of Directors and managements accountability, Ocean Yield seeks to maintain our license to operate.

Ocean Yield's principles of governance is built on our values and defines a framework of rules and procedures by which we govern and control our business and is incorporated into our performance culture through our Board of Directors, executive management and employees.

Ocean Yield is committed to strong and credible approach to ESG and is currently developing a dedicated ESG policy. The policy will contribute to strengthening the integration of sustainability into our operations and business decisions, and cement our commitment to good governance, good working environment, environmental and climate responsibility, diversity and inclusion, and ethical business conduct.

COMPLIANCE

Ocean Yield's corporate governance principles are in accordance with the Norwegian Accounting Act §3-3b and are based on the Norwegian Code of Practice for Corporate Governance ("NUES"). Any deviation from the "NUES" principles has been explained in the Corporate Governance Statement published together with the annual report.

OUR CODE OF CONDUCT

Ocean Yield's vision and core values are designed to cultivate and refine a corporate culture in which people deliver excellent results in a responsible manner. This is reflected in our Code of Conduct which all employees are expected to follow. Our Code of Conduct is available in English and the full text also appears on our company website.

The Code of Conduct covers a wide range of important topics, including, but not limited to:

- *Working environment*
- *Corruption and bribery*
- *Conflicts of interests*
- *Insider trading*
- *Relations to suppliers*

All employees are trained in the contents of the Code of Conduct, and the document is signed by all new employees when joining the company. The Code of Conduct is reviewed annually.

We apply a zero-tolerance management to violations of our code of Conduct. Under our whistleblower procedure most (potential) violations are reported to and dealt with by line management. If this is not considered appropriate, complaints can be reported directly to our Board of Directors, or through our whistle-blower hotline which is available on the company website.

Reports received through the integrity channel are initially received and handled by an independent third party; PwC Law. PwC is dedicated to maintaining high ethical standards and handles all submissions with confidentiality.

ANTI-CORRUPTION

Ocean Yield does not tolerate any form of corruption and will make active efforts to ensure that this does not occur in the Company's business activities. Ocean Yield's Anti-corruption Policy contain principles on relevant issues such as bribes, gifts, services and other forms of corruption and can be found in full on our company website. Per the date of the publication of this report, Ocean Yield is not aware of any incidents or allegations of corruption in 2020.

BOARD OF DIRECTORS

As defined in the Company's articles of association, the Board of Directors comprises between three and seven members. The Company's nomination committee will recommend appointment of board members and Board Chairman, which is subject to approval by the shareholder's meeting.

The Board members are considered independent of the Company's controlling shareholder, executive management and significant business associates with the exception of Kjell Inge Røkke and Frank O. Reite. No Company executives are Board members. The Board consists of two women and three men. Three out of five board members are independent.

The Board members have diversified experience and capabilities, with long track records from companies within shipping, finance and other industries. The Board members are encouraged to own shares in the Company. Board members' shareholdings are presented in Note 26 in the annual report.





RISK AND OPPORTUNITY MANAGEMENT

Ocean Yield's risk management process shall identify potential threats and opportunities in order to develop a strategy for minimizing or eliminating risks and capturing business opportunities. This process is included into our overall business processes and includes ESG, particularly with regards to climate risks and opportunities, such as stricter climate and environmental regulations, changing stakeholder expectations, EU Taxonomy developments and new technologies. The risk management process include:

- *Definition of business goals and identification of risks*
- *Risk assessment and mitigation*
- *Risk reporting, monitoring and improvement*

The risk assessments and related actions are reported and reviewed by both the Audit Committee and Board of Directors annually.

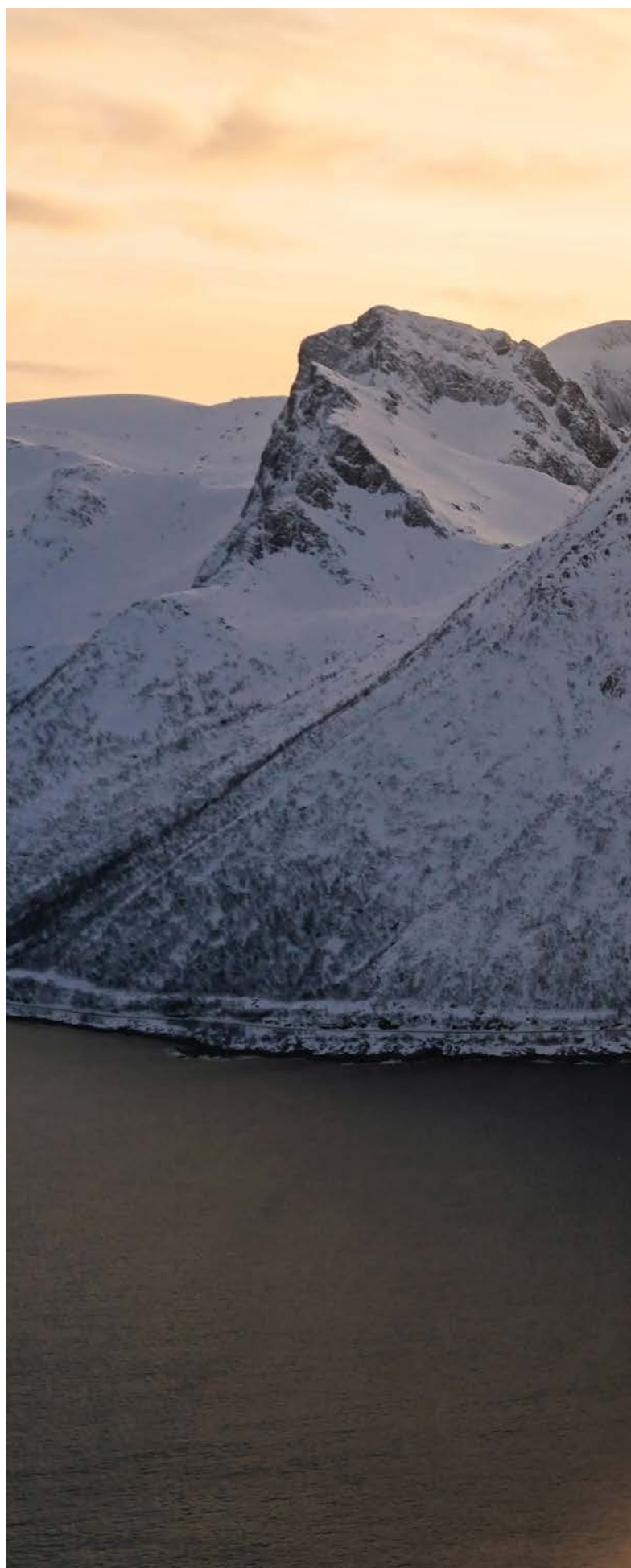
REPORTING TO STAKEHOLDERS

Ocean Yield will communicate relevant business information in full and on a timely basis to our external stakeholders and employees. Ocean Yield is committed to providing the financial markets with quality information on the financial and operational status, enabling investors and analysts to maintain a correct picture of the financial situation as well as ESG risks and opportunities facing us in the future. Ocean Yield will provide accurate disclosure information to the financial markets in line with all relevant laws and regulations for listed companies on the Oslo Stock Exchange.

MANAGEMENT INCENTIVES

The main purpose of the system for management remuneration is to stimulate a strong and lasting profit-oriented culture leading to an increasing value of the Company. The CEO, CFO and other key employees are entitled to a variable salary calculated on the development of the market price of the shares and dividends paid on the shares. There are no fees paid to management companies or other structures with the purpose of aligning the interest of management and shareholders. Remuneration to the Board of Directors as well as fixed and variable salary of Ocean Yield's CEO and CFO is presented in note 26 of the Annual report.

More information on our Corporate governance on
www.oceanyield.no





Ocean Yield is committed to a strong and credible approach to ESG.

RESPONSIBLE BUSINESS CONDUCT

OCEAN YIELD IS COMMITTED TO ETHICAL
AND RESPONSIBLE BUSINESS CONDUCT
WHICH WE REGARD AS A PRE-REQUISITE
TO MAINTAIN PUBLIC TRUST IN THE
COMPANY AND TO ENSURE OUR
LICENSE TO OPERATE.

Ocean Yield choose our counterparts carefully and strive to work with partners that share our values and zero tolerance for corruption, bribery and unethical behaviour.

Ocean Yield does not tolerate any form of corruption and make an active effort to ensure that this does not occur in our business activities. Ocean Yield's Code of Conduct and Anti-corruption Policy contain principles on relevant issues such as bribes, gifts, services and other forms of corruption. Ocean Yield has strict restrictions against any forms of anti-competitive practices, in addition to contractual requirements related to sanctions and restricted parties

Ocean Yield maintain business processes, training and controls in implementing and upholding our Code of Conduct.

Ocean Yield has not incurred any monetary losses as a result of legal proceedings associated with bribery or corruption in 2020, or in any years prior.

INSIDER TRADING

Ocean Yield is subject to a number of laws concerning the purchase and sale of publicly traded securities. Our employees and their close family members must refrain from trading securities while in possession of material, non-public information relating to the Company or any other company where Ocean Yield directly or indirectly has ownership interests. Directors, officers and other personnel defined as primary insiders are subject to various reporting and insider trading requirements.



LOBBYING

Ocean Yield maintains a neutral position on party politics and will not support, financially or otherwise, any party or their candidates. Ocean Yield has not participated in any forms of lobbying.

TAX

As a Norwegian, publicly listed, company, Ocean Yield pays tax according to Norwegian rules and requirements. In addition, Ocean Yield pays taxes related to our operation on Malta to the Maltese government.

WHISTLEBLOWER PROGRAM

Ocean Yield has established a whistle-blower channel where employees and others can raise concerns about improper activities or misconduct and report instances of potential

non-compliance with our values without fear of retaliation. Such improper activities or misconduct may include HSE violations, harassment, insider trading, money laundering, fraud, bribery and kickback arrangements, or other breaches of Ocean Yield ASA's Code of Conduct.

Ocean Yield's employees are encouraged to first discuss any compliance matters internally with their immediate supervisor or another member of senior management. If such measures are not deemed to be appropriate or sufficient, complaints may be reported through the independent whistle-blower channel. Reports are initially processed by an independent third party; the law firm PwC. PwC is dedicated to maintaining high ethical standards and handles all submissions with confidentiality. As in 2019, no cases were reported in 2020 either through our whistle-blower channel or through line management.

CLIMATE CHANGE AND ENVIRONMENT

SEABORNE TRANSPORTATION REMAINS THE MOST COST- AND ENERGY EFFICIENT WAY TO TRANSPORT LARGE VOLUMES OF COMMODITIES AND FINISHED GOODS AROUND THE WORLD.

CLIMATE CHANGE

Today, 85%¹ of the world's goods are transported by sea. As a result, global sea-going transport is responsible for an estimated 2,5%¹ of total global CO₂-emissions, about 940 million tons¹. However, according to IMO, under a business-as-usual scenario these emissions are projected to increase between 50% and 250% by 2050², undermining the objectives of the Paris Agreement.

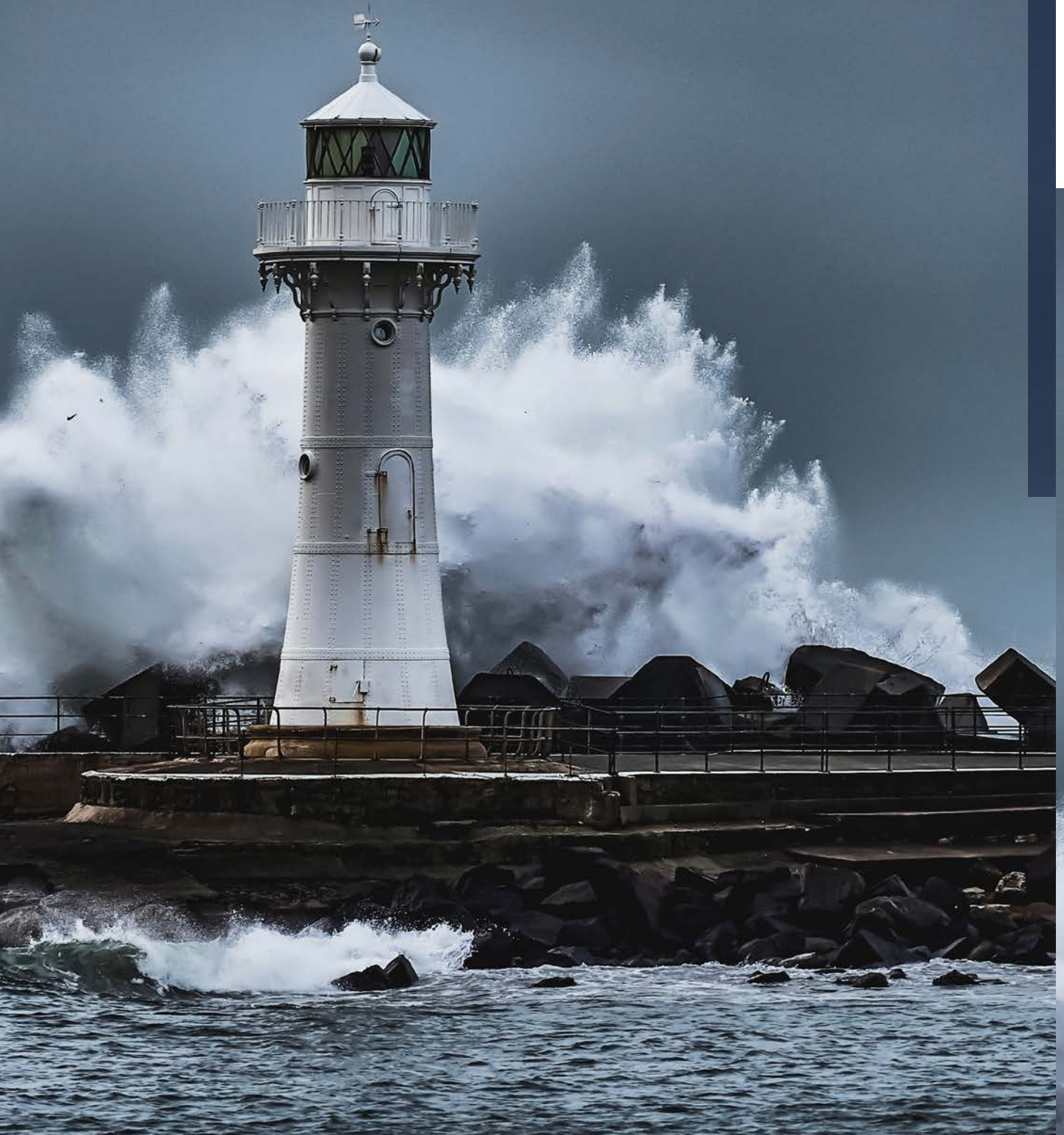
As a response IMO launched their initial strategy for reduction of Greenhouse gas (GHG) emissions from ships in 2018.



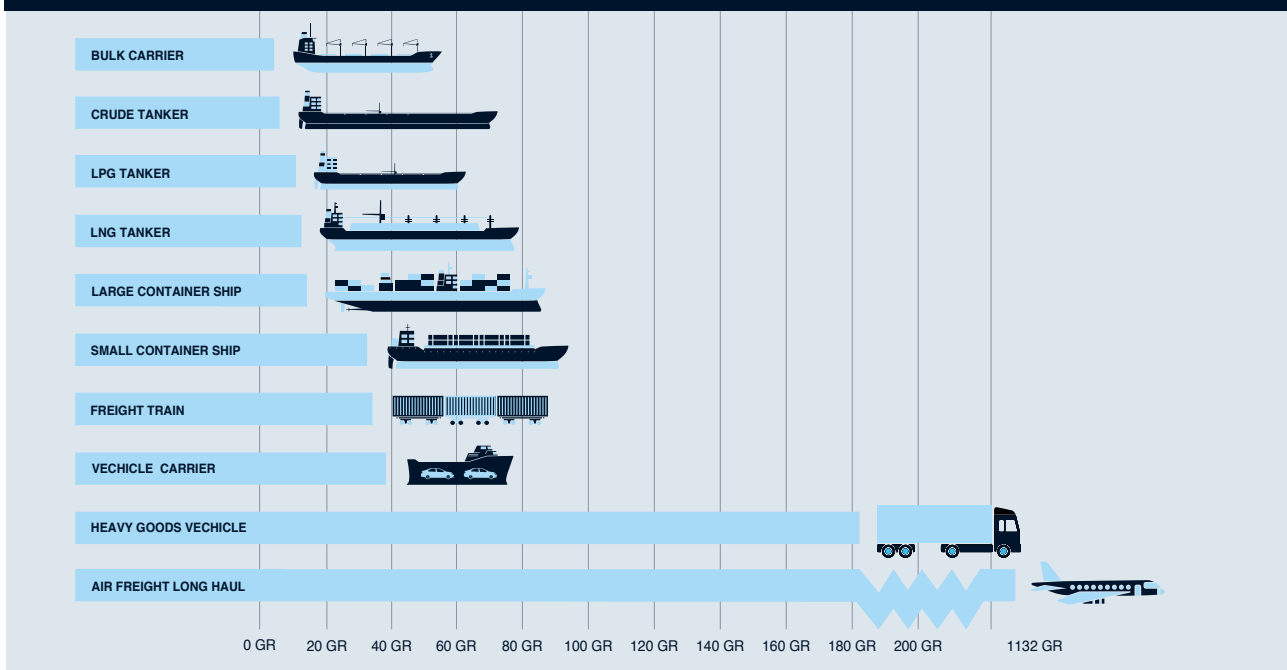
¹ European Commission – Reducing emissions from the shipping sector.



Our fleet's average AER is 3% lower than Poseidon's 2019 trajectory AER for the same fleet composition.



GLOBAL AVERAGE - GRAMME CO₂ PER TONNE KM



Source: DEFRA 2019.

IMO's ambitions include;

- A reduction of CO₂ intensity as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008; and,
- Reduction of the total annual GHG emissions from international shipping by at least 50% by 2050 compared to 2008, consistent with the Paris Agreement goals.

Ocean Yield acknowledges the risks and challenges related to climate change and is a strong supporter of IMO's ambitions and efforts to reduce and eventually eliminate GHG emissions in the maritime sector. We recognize that we have responsibility to do our part to reduce our own contributions to global warming.

At the same time, as a part of EU's Sustainable finance action plan, the EU is developing a taxonomy for sustainable activities (the taxonomy).

The Taxonomy consists of six objectives, where screening criteria for economic activities for two of the objectives are currently being defined; 'Climate Change mitigation' and 'Climate Change adaptation'. Both of these objectives include technical requirements for the maritime sector.

The taxonomy is expected to greatly influence how financial institutions direct their investments, subsequently making alignment with the taxonomy an advantage for companies when seeking investment or access to capital in the near future.

Ocean Yield is following the developments related to the EU taxonomy closely and is continuously seeking to strengthen our investment strategy to align with future regulatory and market requirements.

MAIN CLIMATE AND ENVIRONMENTAL RISKS

For shipping as an industry, we see the main climate risks related to the following:

- Compliance with emerging regulations.
- Lock-in to emitting fuels that become less competitive during the ship's lifetime.
- Climate change may reduce global GDP growth and thereby negatively affect trade volumes.
- Changing consumption patterns may change trade volumes.

However, these risks also provide opportunities, where Ocean Yield can contribute to financing new vessels with low or zero fuel emissions, replacing older vessels in the world fleet.

INVESTING IN A FUTURE PROOF FLEET

Ocean Yield's strategy since the inception has been to invest in modern fuel-efficient vessels with eco-design where possible. This strategy has resulted in a young fleet of 68 vessels with average age of only 4,5 years, which is one of the youngest fleets among the listed shipping companies. Looking ahead Ocean Yield will continue our strategy of investing in modern fuel-efficient vessels, which is our key contribution to reducing the carbon intensity of our fleet.

Ocean Yield has no operational control of our vessels, which are leased on a bareboat charter to our counterparties. However, Ocean Yield has since the launch of the Poseidon Principles implemented requirements in new bareboat charters, imposing the counterparty to report to Ocean Yield with respect to our vessels in accordance with the principles. The Poseidon Principles were launched in 2019 and serves as a framework for creating common, global baselines that are

consistent with and supportive of society's goals, including IMO's 2050 GHG reduction strategy. The principles are relevant for a broad group of financial institutions and will enable them to better align their portfolios with responsible environmental impacts. Relevant and available data is disclosed in this report.

The Poseidon Principles utilizes a carbon intensity metric known as the Average Efficiency Ratio (AER). The metric is calculated using an approximation of the annual transport work performed by a ship, using the parameters of fuel consumption, distance travelled and design deadweight tonnage (DWT).

AER is reported in unit grams of CO₂ per tonne-mile³. Ocean Yield's fleet has a weighted average AER of 6.9. This is 3% lower than Poseidon Principles trajectory AER for 2019 for the same fleet composition.

In addition, our fleet has a low average Energy Efficiency Design Index (EEDI). EEDI is an important technical measure and aims at promoting the use of more energy efficient equipment and engines and is expressed in grams of CO₂ per ship's capacity-mile. The CO₂ reduction level in the first phase is set to 10% and will be tightened every five years. Reduction rates have been established until the period 2025 and onwards when a 30% reduction is mandated for applicable ship types calculated from a reference line representing the average efficiency for ships built between 2000 and 2010.

Ships build after 1 January 2013 are required to meet the reference EEDI value for their ship type, therefore older ships do not have an EEDI value. We take pride in the energy efficiency of our ships and will continue our strategy on investing in new and efficient vessels that meet the anticipated new and stricter requirements.

Vessel type	EEDI average OCY fleet*
Crude & product tankers	2.8
Chemical tankers	4.7
Container vessels	10.9
Dry-bulk vessels	3.9
Car carriers	10.3
Liquefied gas tankers	9.9

**Vessels with EEDI accounts for 90% of gross asset value as per 31.12.2020 for the shipping fleet, in total 54 vessels. Oil-service vessels excluded.*

³IMO. ³gCO₂/dwt-nm.





ENABLING LOW-CARBON SOLUTIONS

DUAL FUEL TECHNOLOGY

Since 2016 our two ethylene gas carriers Gaschem Orca and Gaschem Beluga have successfully been powered by the unique Man M-type gas-injection engines (ME-GIE) which enables the vessels to operate on almost any gas type, without reduction in efficiency. This dual-fuel capability has resulted in an AER in 2019 of 9.8, much lower than Poseidon's trajectory AER for the same vessel type at 15.6. The vessels are currently on bareboat charter to Hartmann Rederee in Germany and transport ethane derived from US shale gas to Europe.

Ocean Yield's newest ethylene vessel, Navigate Aurora, was acquired in 2019 and is designed to use LNG as fuel in addition to conventional fuel. The ship is on a long-term bareboat charter to Navigator Holdings Ltd., transporting ethylene from the east coast of USA to Europe and had an AER of 13.0 in 2019.

BATTERY POWER

Ocean Yield's two platform supply vessels, NS Frayja and NS Orla, which are on a bareboat charter to AkerBP, have undergone modifications to install battery packs designed to reduce energy emissions while the vessels are operating on dynamic positioning. This innovative solution was installed and taken into use in July 2020 and it is estimated that that battery packs can significantly reduce fuel use, costs and reduce CO₂ emissions by almost two tons annually for the two vessels. The energy storage system container (ESSC) is provided by Rolls-Royce.

CLIMATE RELATED RISK MANAGEMENT

Climate change related risks, most importantly transitional risk but also physical, can have significant future financial effects for Ocean Yield. We recognize this fact and climate related risks are covered in the Company's Risk Management Process. The key risks related to climate change are related to potential new regulations and technologies that can make Ocean Yield's vessels less competitive in the market with a corresponding risk of lower economic values. Ocean Yield is currently mitigating key climate risks by requiring pre-paid charter hire from our clients and use conservative residual value assumptions to account for loss of value due to evolving regulation. We also believe that our strategy of investing solely in modern fuel-efficient vessels is a key risk mitigator.

As an Aker Group company, Ocean Yield is expected to assess our Climate risks by conducting a climate risks impact assessment of our fleet and potential future investments, in addition to report in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations going forward.

PERFORMANCE DATA

The table below presents the CO₂ emissions of our fleet as reported to us by our counterparties. As part of our commitment to ESG it is important to us to be transparent and disclose the environmental impact of our assets. These emissions are beyond our direct operational control, and as such they represent our indirect scope 3 emissions as defined by the GHG protocol.



Metric	Unit	Performance
CO ₂ emissions		
Scope 1 emissions	Million MT CO ₂ -e	0.01 ¹
Scope 2 emissions	Million MT CO ₂ -e	0.00
Scope 3 emissions	Million MT CO ₂ -e	1.21 ²
EEDI		
Average Energy Efficiency Design Index (EEDI) for new ships	gCO ₂ per ton-nm	5.2 ³
AER		
Annual Efficiency Ratio (AER)	gCO ₂ per dwt-nm	6.9 ⁴

ENVIRONMENT

Ocean Yield has very limited operation of own vessels as most of the fleet is chartered out on long-term bareboat contracts. Our counterparty is responsible for the operation and management of the vessels in addition to compliance with new environmental regulations. We therefore do not have in place a specific environmental management framework, nor do we report information related any environmental incidents that is beyond our control.

ENSURING RESPONSIBLE BALLAST WATER MANAGEMENT

The International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of aquatic organisms and pathogens within ballast water and sediments. All ships engaged in international trade are required to manage their ballast water to avoid the introduction of alien species into coastal areas, including exchanging their ballast water or treating it using an approved ballast water management system. The IMO BWM regulation requires that ballast water treatment systems are in place on all new vessels.

¹⁾ Scope 1 emissions includes all operated vessel (Connector). Dhirubhai-1 excluded as this vessel is in lay-up and classified as discontinued operations.

²⁾ Scope 3 emissions includes all vessels owned in 2019 with exception of 6 container vessels (50% ownership) and the SBM Installer (75% ownership) that was sold in 2020 due to no data.

³⁾ Weighted average EEDI per gross asset value. Vessels with EEDI accounts for 90% of gross asset value per 31.12.2020 for the shipping fleet, in total 54 vessels.

⁴⁾ Weighted average AER per gross asset value. Includes all vessels owned in 2019 with exception of 6 container vessels (50% ownership), oil-service vessels and Dhirubhai-1.

A CONTRACTUAL OBLIGATION TO THE ENVIRONMENT

Ocean Yield's long-term charters are documented through bareboat charter contracts, which are based on the internationally recognized standard BIMCO 2001. Our bareboat charters have clear requirements for how the counterparty operating the vessel shall comply with international environmental regulations.

The contracts place a legal responsibility on the counterparty for compliance with international conventions, codes and regulations.

The charters also regulate that the vessels must be insured against oil spills and environmental incidents. This includes any incident in which environmentally sensitive material is released into the sea through a collision or similar which would lead to a negative impact on the environment.

The contracts also regulate that the counterparty operating the vessel must have all relevant environmental permits in place relating to any environmentally sensitive material.

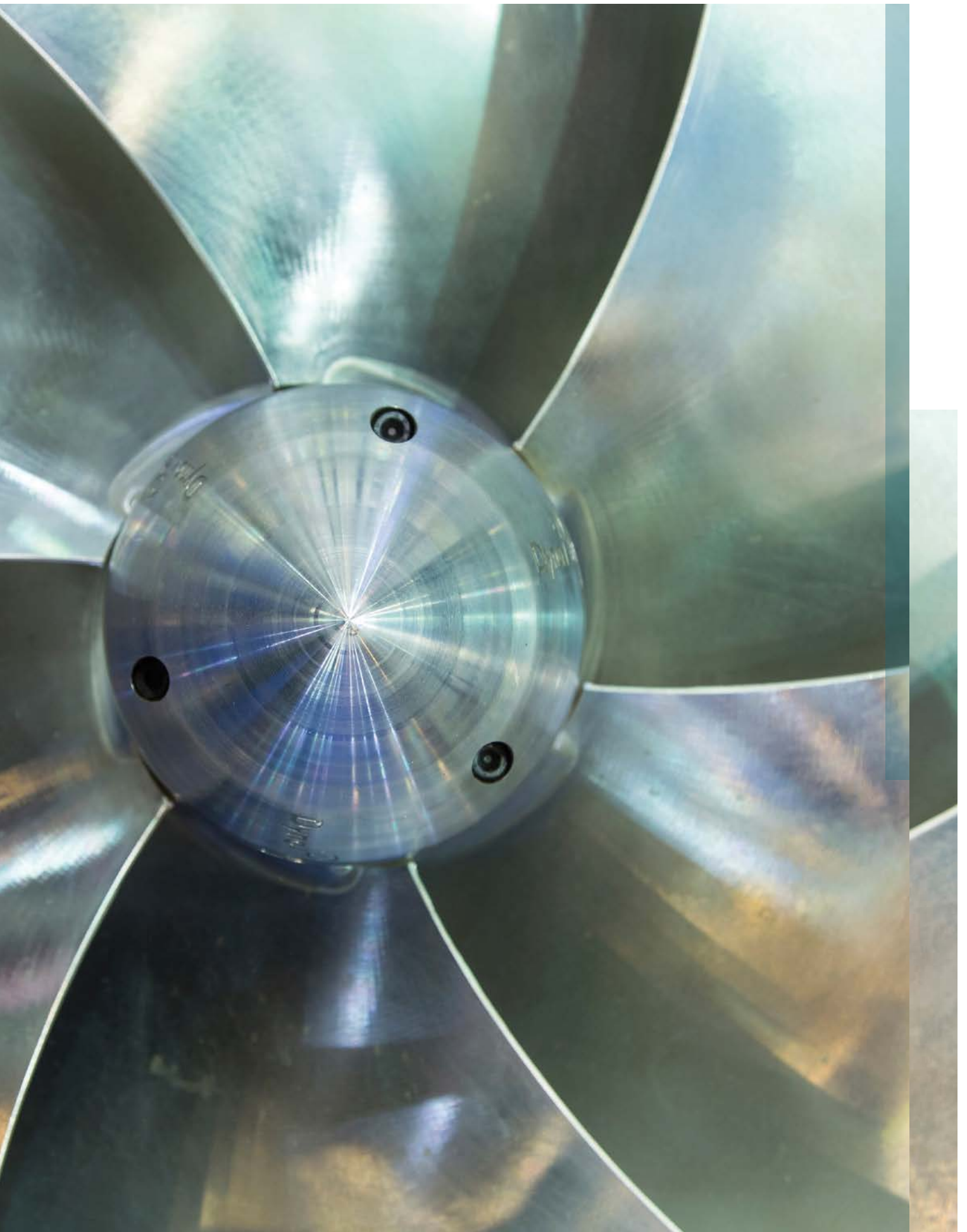
RECYCLING OF VESSELS

The Company is committed to environmentally and socially responsible recycling of ships. Any vessels that are under Ocean Yield's control will be subject to responsible recycling according to the Hong Kong Convention as minimum.

Many of our bareboat charters contain requirements towards Green Passports, which is a document prepared in accordance with the guidelines to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, including the Guidelines for the development of the Inventory of the Hazardous Materials, listing all the potentially hazardous materials on board the Vessels.

Following the fire at Hoegh Xiamen on 4 June 2020 the vessel was declared a Total Loss. She was transported to an EU recognized yard in Turkey for recycling. The recycling contract was entered into by Høegh Autoliners, under supervision and at the cost of the insurers.





PEOPLE AND COMMUNITIES

OCEAN YIELD'S EMPLOYEES ARE OUR MOST IMPORTANT RESOURCE AND THE DRIVERS OF THE COMPANY'S SUCCESS.

Our key activities demand a wide range of skills and the company relies on the competence and talent of our people to deliver on our strategic ambitions.

In line with our Code of Conduct Ocean Yield's priorities to maintain an inclusive environment, ensuring collaboration, continuous learning and productivity. These priorities are supported within every business area to secure the well-being of our people.



DIVERSITY

Ocean Yield strives to achieve and maintain a diverse workforce as it encourages innovation, learning and understanding. As of year-end 2020, the company is composed of 20 permanent employees, located in Norway and Malta.

The company aims to be an attractive employer for both new and existing employees. Our values are integrated in how we work and we work to recruit talent that recognizes the same values. Throughout 2020 there were one new hire.

In recent years, Ocean Yield has increased the proportion of women in its workforce. Women account for 40% of the workforce at year end 2020, compared to 41% the year before. 12.5% of female employees hold leadership positions. The Board of Directors consists of three men and two women. We believe that gender balance strengthens the company and aim to secure an inclusive work environment where our employees can flourish.

We are an equal opportunity employer and work to ensure an environment free of discrimination where all employees are treated equally regardless of gender, sexual orientation, disability, ethnicity, skin colour, religion or political opinions. Ocean Yield has a zero-tolerance policy for harassment or degrading treatments in any form by or towards employees.

Ocean Yield has a compensation policy that ensures fair and equal compensation for all employees, according to work, position and seniority. Wages are market competitive, and the company complies with the laws applicable in the countries where we are present. CEO and CFO compensation are disclosed in our annual report to secure transparency with regards to wage levels.

We will continue to uphold our values of diversity and equality in all our endeavours and be transparent about our activities.

COMPETENCE

Continuous development of our workforce is important for Ocean Yield's growth and productivity. Given the small size of our employee base, our focus is specifically to increase development training on the job. Employees are encouraged to evolve and seek new knowledge. We aim to provide our people with opportunities to develop their skillset and talent.

Ocean Yield thrives on having flat organizational structure and corporate culture encouraging open feedback, communication and cooperation. Annually, employees are subject to a performance review, in which they are also encouraged to voice opinions, concerns and make suggestions for improvements to learn and develop.

New employees are provided with the necessary training, guidance and supervision. Additionally, all new employees have completed anti-corruption and business ethics training as part of their introduction.

Focus on and awareness on compliance and business integrity as defined in the Code of Conduct, is important to ensure integrity in our work. We had a 100% completion rate of mandatory training related to Code Of Conduct and anti-corruption in 2020. Increasing competency and training on cyber security has been highlighted during this reporting year.



EMPLOYEE WELL-BEING

The safety and well-being of all our employees is our top priority. Ocean Yield has very limited operational control and responsibility of our assets, and our main activities is related to an office environment. Thus, the health and safety risk is considered to be low. During the past year we had no fatalities or recordable injuries.

We work hard to accommodate for employees to maintain a healthy work-life balance through flexible work hours, remote work possibilities, and stress management resources, among other initiatives. Sick leave rates remain low and have additionally been reduced since the previous reporting year. We achieved a sick leave rate of 0.9% in 2020 compared to 0.6% in 2019.

A high retention rate provides an additional indication of the well-being of our employees. In 2020, the retention rate was 88%, compared to 100% in 2019.

Ocean Yield is continually working to uphold and adjust people processes to provide our employees with the resources they need to maintain a healthy and productive work environment.

FREEDOM OF ASSOCIATION

Ocean Yield promotes a responsible employment environment and respects universal principles and norms that protect labour rights. This includes respecting the freedom of association and the freedom to conduct collective negotiations.

Ocean Yield is against any form of child labour.

STIFTELSEN VI

Ocean Yield is committed to continue supporting the foundation “Stiftelsen VI”, alongside several other Aker Group companies. Established in 2018, “Stiftelsen VI” works to ensure that persons with impairments are given the same opportunities to a dignified life as non-disabled persons.

Studies show that many people suffering from a disability experience reduced quality of life, poorer health and higher levels of isolation. The living conditions survey published by Statistics Norway shows that there is a large gap in the opportunities afforded non-disabled persons and persons living with a disability. “Stiftelsen VI” seeks to address this important issue. Through motivation, promoting and providing an arena for fellowship in sports and physical activity, the foundation aims to provide persons with impairments an increased sense of achievement and purpose - promoting equality through providing equal opportunities to function and perform.



Ocean Yield does not tolerate any form of corruption and make an active effort to ensure that this does not occur in our business activities.

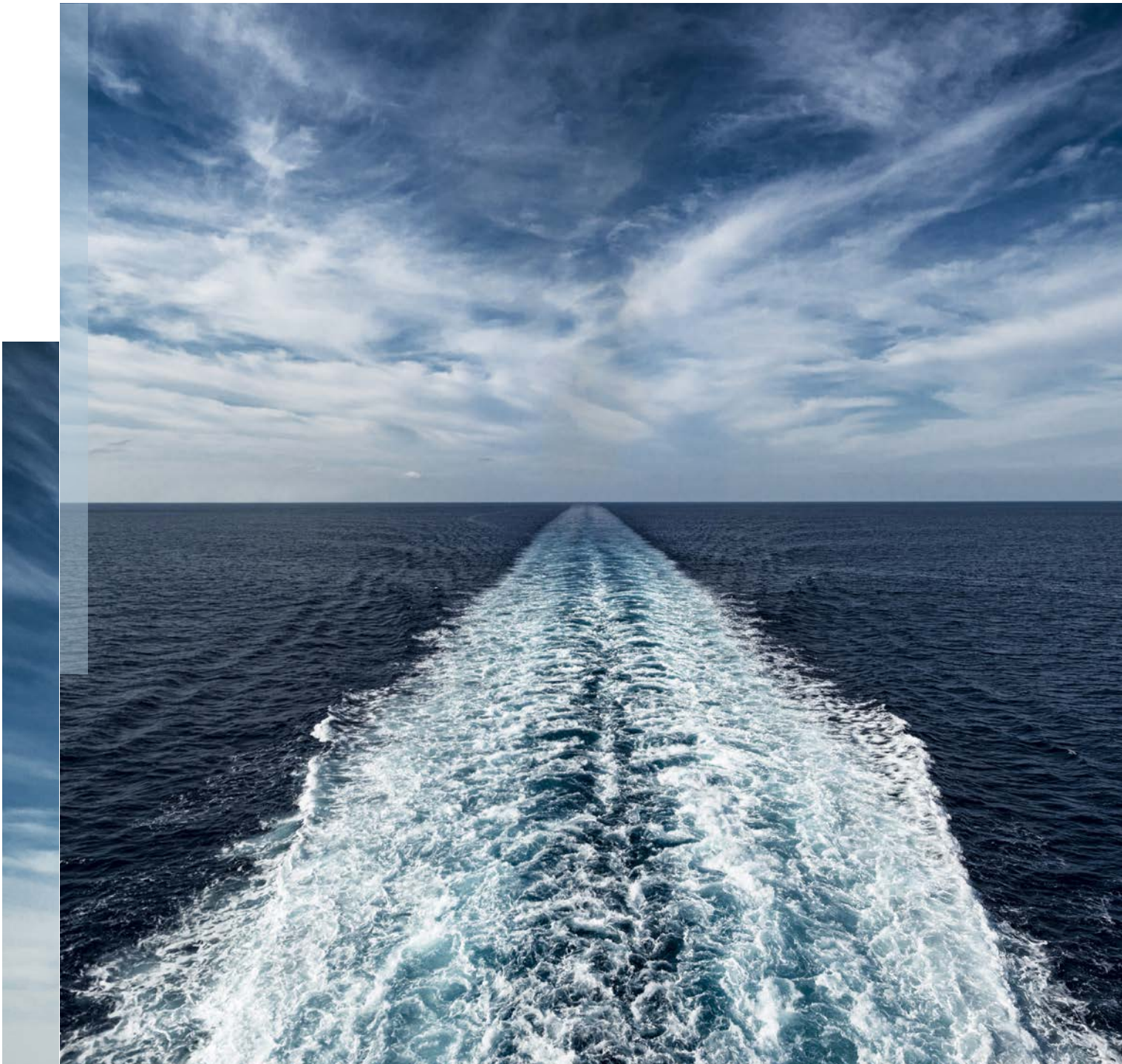


DEFINITIONS AND ASSUMPTIONS

AER	Annual Efficiency Ratio. The metric is calculated using an approximation of the annual transport work performed by a ship, using the parameters of fuel consumption, distance travelled and design deadweight tonnage (DWT). AER is reported in unit grams of CO ₂ per tonne-nautical mile.
BIMCO	Baltic and International Maritime Council.
BWM	Ballast Water Management.
CO ₂ -e	CO ₂ equivalents.
CoC	Code of Conduct.
DWT	Deadweight Tonnage.
EEDI	Energy Efficiency Design Index. A technical measure that aims at promoting the use of more energy efficient (less polluting) equipment and engines. EEDI requires a minimum energy efficiency level per capacity mile (e.g. tonne mile) for different ship type and size segments. Since 1 January 2013, following an initial two year phase zero, new ship design needs to meet the reference level for their ship type.
ESG	Environment Social and Governance.
IMO	International Maritime Organization.
NM	Nautical mile.
NUES	Norwegian Code of Practice for Corporate Governance.
OCY	Ocean Yield.
Poseidon Principles	The Poseidon Principles were launched in 2019 by several financial institutions and serves as a framework for creating common, global baselines that are consistent with and supportive of society's goals, including IMO's 2050 GHG reduction strategy.
SO ₂	Sulfur dioxide.
TCFD	Taskforce for Climate-related Financial Disclosures.
The taxonomy	EU Taxonomy for sustainable activities.
WEF	World Economic Forum.

The information in this report, except for climate performance data, represents the reporting period 01.01.2020 – 31.12.2020. The climate performance data AER and CO₂ represents the reporting period 1.1.2019 – 31.12.2019 for vessels owned by Ocean Yield in that period, but excluding the FPSO Dhirubhai-1, and 6 container vessels owned 50% and the SBM Installer owned 75% due to no data. The EEDI data excludes the oil-service vessels, two chemical tanker vessels sold in 2020 and Höegh Xiamen that was declared a total loss. All climate performance data, including AER and EEDI, represents the reporting period 01.01.2019 – 31.12.2019 for vessels owned

by Ocean Yield in that period, but excluding our FPSO Dhirubhai-1 (in lay-up) and our oil-service vessels. Information used to calculate climate performance, such as distance travelled and fuel use by fuel type are provided by our counterparts and is verified by third parties. Ocean Yield follows the Greenhouse gas protocol definitions for emissions. Ocean Yield use the emissions factors per fuel type provided by IMO in Resolution MEPC.245(66) Climate performance is calculated for 100% of the asset value of our owned vessels unless otherwise stated.







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