



# 2019 SUSTAINABILITY REPORT



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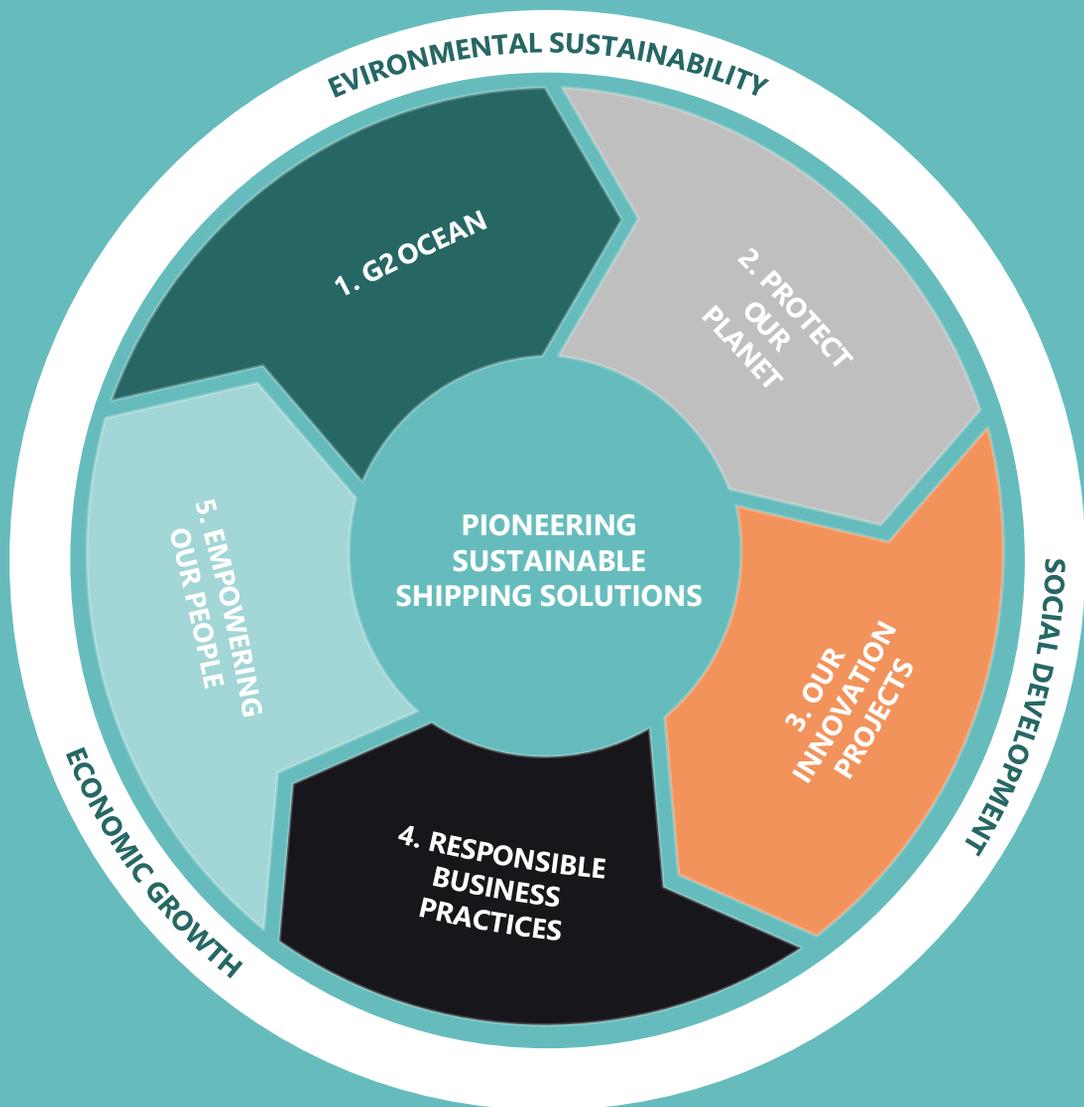
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G2 Ocean is committed to being a sustainable and responsible company. Our operations impact society in the form of global goods supplies, purchase of goods and services, employment, and corporation tax. In addition, we willingly take responsibility for ensuring sustainable shipping operations by reducing our greenhouse gas emissions and improving waste management.

‘Pioneering Sustainable Shipping Solutions’ is our vision. We focus on sustainability across three mutually reinforcing components: Environmental Sustainability, Social Development and Economic Growth.



# 1. Performance Highlights

## Climbs on EcoVadis ranking

In 2019, we received an overall score of 64 points by EcoVadis for our sustainability performance – an improvement of six points in one year. As a result, we were awarded with EcoVadis' Silver Badge.

## Among top 19 eco-friendly businesses

G2 Ocean received the Blue Circle Award from the Vancouver Fraser Port Authority in 2019. The honour was given to the top 19 shipping companies to reduce emissions and conserve energy in the city's port.

## Improved Fuel Performance

In 2019, our carbon, sulphur dioxide, and nitrogen oxide emissions were reduced by 3; 19.6 and 3.1 per cent, respectively, compared to 2018 numbers.

## 17,300 web slings recycled

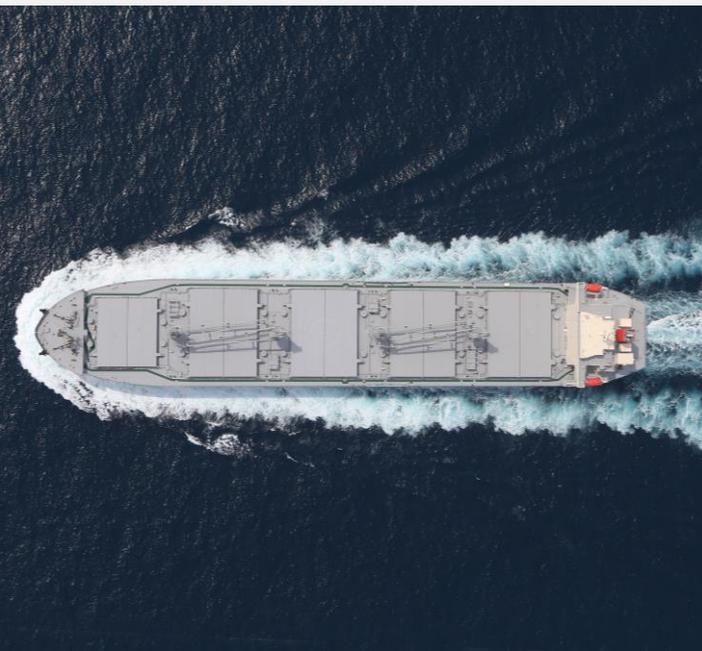
To protect the environment from plastic pollution, 17,300 of our polyester web slings have been recycled. 9,547 were processed in 2019 – an increase of 22 per cent in one year.

## Developing digital customer platform

G2 Ocean is developing a digital platform for its customers – MyG2 access to live data and information related to various business activities, including Live Schedules, Cargo Booking and Shipment Tracking.

## Blockchain Bill of Lading

G2 Ocean is increasingly using blockchain technology for distributing and issuing Bill of Lading documents. The solution helps customers in improving trade documentation efficiency, reducing costs, and managing risks.



## **2. About G2 Ocean**



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**Our Strategic Focus Areas**

# Message From Our CEO

## Pioneering Sustainable Shipping Solutions is G2 Ocean's vision.

Creating new solutions for sustainable development while continuing to shape our business responsibly and satisfying the needs of our customers, is ambitious. Still, we strive to reflect our vision in all aspects of the business.

G2 Ocean understands the impact we, as a world-leading shipping company, have on the environment and society. As a responsible shipping operator, we are committed to securing sustainable management of the world's natural resources. We are especially dedicated to protecting life in our oceans – without this important resource, our foundation for business becomes unsustainable.

This is the first Sustainability Report released by G2 Ocean. By giving a complete, comprehensive representation of our environmental, social, and economic performance, we hope to nurture a culture of openness and continuous improvement. Based on the results presented in this report, we will set ambitious targets to improve our performance.

Achieving our operational, financial, and sustainability targets is unachievable without empowering G2 Ocean's most important asset, our people, to find new and innovative ways to improve our services and processes.

By working together as one team, focusing on high performance, and continuous improvement, we have managed to initiate a variety of projects this year, and I am proud of our achievements. A strong, productive corporate culture enables us to provide reliable, efficient, and high-quality services to our worldwide customers.

Volatile markets, increased competition, new regulations, and technology poses many future challenges and great opportunities for the maritime sector. Currently, we are also facing a global health crisis unlike anything we have seen before. The COVID-19 pandemic has created a global humanitarian and economic crisis, severely impacting people's health and businesses. As these factors of influence continue to evolve, G2 Ocean is determined to be a front runner in bridging the gap to sustainable shipping.

I look forward to collaborating with our customers, suppliers, employees, and owners in these efforts.



**Arthur English**  
CEO, G2 Ocean

“

*As a responsible shipping operator, we are committed to securing sustainable management of the world's natural resources.*



**Arthur English**  
CEO, G2 Ocean

# About Us

**G2 Ocean is a world-leading shipping operating company in the open hatch and dry bulk segments.**

**15**

**local offices**

To meet customer needs, we have a local presence in 15 locations worldwide. Our regional hubs are in Bergen, Rio de Janeiro, and Singapore.

**32**

**trade routes**

We serve 32 trade routes between six continents and make over 4000 port calls in more than 70 countries each year.

**125**

**vessels**

Our fleet comprises of 100 open hatch and 25 conventional bulk vessels between 23,500 and 73,300 deadweight ton.

**\$1,193,530,000**

**revenue**

G2 Ocean's gross revenue was USD 1,193,530,000 in 2019. For more details, see our [Financial Statements](#).



North America	South America	Europe	Asia	Australia	Africa
Atlanta Houston Vancouver	Rio de Janeiro Santiago	Bergen (HQ) Gothenburg Hamburg Livorno Rotterdam	Shanghai Singapore Manila	Melbourne	Cape Town

# Our Strategic Focus Areas

In 2019, we conducted an extensive materiality analysis of our value chain.

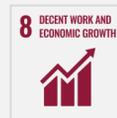
In 2019, G2 Ocean conducted an extensive materiality analysis of our value chain. The assessment aimed to identify areas that may have current or potential positive or negative impact on reaching one or more of the Sustainable Development Goals (SDGs) adopted by the United Nations.

Both internal and external stakeholders were included in the mapping process to ensure that all views and concerns were considered.

The materiality analysis identified five main areas, which are now the fundamentals of G2 Ocean’s strategy for 2020 – 2024:



In 2019, G2 Ocean adopted the following Sustainable Development Goals:



*Strong economic performance, along with social responsibility and environmental stewardship, is part of being a sustainable shipping company.*

**Arthur English**  
CEO, G2 Ocean

# 3. Protect Our Planet



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**Carbon Dioxide Emissions**

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**Waste Management and Recycling**

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**Knowledge and Cooperation**

# Protect Our Planet

**We recognise our responsibility to protect the environment for future generations.**

As a responsible shipping company, we are committed to doing our part in reducing greenhouse gas emissions from our operations.

G2 Ocean’s impact on the climate and the environment is mainly related to fuel consumption. We started monitoring our emissions in 2018, as this was our first full year of operation.

### Positive development

The emissions monitored are Carbon Dioxide, Nitrogen Oxides and Sulphur Oxides – and we are pleased to see that we have reduced all of these from 2018 to 2019.

Still, we have a long way to go to meet the current IMO goal of reducing the total greenhouse gas emissions from international shipping by at least 50 per cent by 2050.

The table below shows the objectives and metrics G2 Ocean has set for the strategic area ‘Take Environmental Action’.

UN OBJECTIVE	G2 OCEAN OBJECTIVE	WHAT WE DO	OUR METRICS*
 <p>Take urgent action to combat climate change and its impacts</p>	<p>We improve our fuel efficiency with 3 per cent by 2021</p> <p>We start using alternative fuels</p>	<p>We monitor fuel efficiency closely</p> <p>We optimize vessel routing, speed, and engine load</p> <p>We test and start using biodiesel as an alternative fuel</p> <p>We complete regular cleaning and propeller polishing</p> <p>We use new technology to reduce GHG emissions</p>	<p>EEOI (CO2 emitted per transport work)</p> <p>SOx emitted per transport work</p> <p>NOx emitted per transport work</p>

\*A challenge when measuring performance over time is that the fleet size might vary from year to year. A larger fleet is commercially desirable; however, it will lead to higher total emissions. To compensate for this, all metrics divides the emissions by ton-miles, i.e. the cargo carried, and the distance sailed. This makes the metrics comparable even with changes in the commercial pool of vessels.

## Our Carbon Dioxide Emissions

Carbon Dioxide Emissions (CO<sub>2</sub>) is the gas formed when carbon from the fuel reacts with oxygen in the air during the combustion process in the ship’s engines. Hence, the emission of CO<sub>2</sub> is directly proportional to the fuel consumption.

G2 Ocean has chosen the EEOI (Environmental Efficiency Operational Index) as our metric for CO<sub>2</sub> emissions. From 2018 to 2019, our EEOI was reduced by 3 per cent.

### G2 Ocean’s CO<sub>2</sub> emissions development:

Year	Nautical Miles [nm] sailed	Steaming days	Transport Work [mill t*nm]	HFO [MT]	MGO [MT]	Total fuel [MT]	Kg FO/nm	CO <sub>2</sub> emissions [MT]	EEOI [ton CO <sub>2</sub> per mill t*nm]
2018	6,665,358	22,652	193,836	595,429	74,137	669,566	100.45	2,092,058	10.79
2019	6,199,322	21,330	182,411	528,910	81,334	610244	98.43	1,907,906	10.46

**Note:** The fuel to CO<sub>2</sub> emission factors used are as follows:

- Fuel oil (FO): 3.1144 metric ton
- Diesel oil (DO): 3.2060 metric ton

The EEOI is calculated using the formula below:

$$EEOI = \frac{\sum_j FC_j \times C_{Fj}}{m_{cargo} \times D}$$

EEOI Formula:

- j is the fuel type
- FC is the mass of consumed fuel j
- C(F<sub>j</sub>) is the fuel mass to CO<sub>2</sub> mass conversion factor for fuel j
- m(cargo) is cargo carried (tonnes)
- D is the distance in nautical miles corresponding to cargo carried

Reference: IMO MEPC.1/Circ.684

**3**

per cent

From 2018 to 2019, we reduced our Environmental Efficiency Operational Index by 3 per cent.

**19.6**

per cent

From 2018 to 2019, we reduced our sulphur emissions by 19.6 per cent.

**3.1**

per cent

From 2018 to 2019, the NO<sub>x</sub> emissions per transport work from the G2 Ocean fleet were reduced by 3.1 per cent.

## Our Sulphur Oxides Emissions

Sulphur oxides (SOx) originate when sulphur in the fuel reacts with oxygen in the combustion process. Hence, the SOx emission is proportional to the sulphur content in the fuel.

SOx have a serious negative impact on the local and regional environments we operate in, causing health issues for people, animals, and damaging plant life.

In one year, we reduced our sulphur emissions by 19.6 per cent – from 146.46 to 117.76 kilograms per million-ton miles.

Year	Average Sulphur content [%]	SOx emission [t]	SOx per transport work [kg/mill t*nm]
2018	2.12	28,389	146.46
2019	1.76	21,480	117.76

**Note:** The mass of SOx emitted by the vessel is calculated by multiplying the given fuel type consumption (in metric tons) with the sulphur content factor (in kg/metric tons).

The sulphur content factor is calculated by multiplying the fixed parameter of 20kg/mt and, given the fuel type, the sulphur content percentage is expressed as an absolute value.

The emitted mass of SOx will then be:

$$\text{Consumption [MT]} * \text{Sulphur Content Factor (20 kg/ton)} * \text{Sulphur content [\%]}$$

Reference: IMO GHG Study Annex 6, Section 2

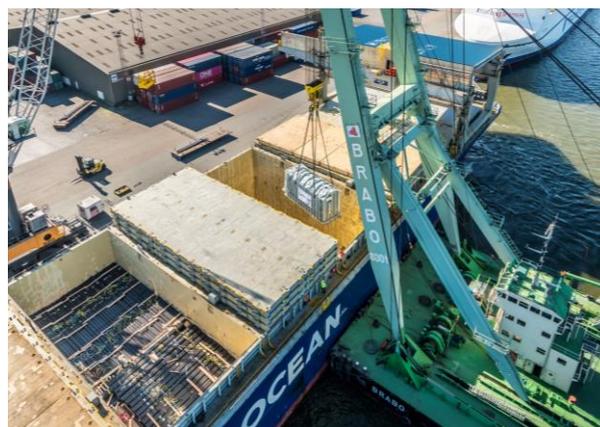
### Reducing SOx emissions

To reduce the sulphur emissions in the global shipping industry, new restrictions are coming into force - one of the most recent being the IMO 2020 regulation (MARPOL Annex VI). It enforces a global 0.5 per cent sulphur cap on marine fuels and came into effect on 1 January 2020.

G2 Ocean complies with the IMO regulations by switching from high sulphur fuel oil, containing maximum 3.5 per cent sulphur, to new types of compliant fuel oils, so-called very low sulphur fuel oil (VLSFO) with maximum 0.5 per cent sulphur.

Following the IMO 2020 regulation, we expect our SOx emissions to be considerably reduced.

We also comply with the maximum sulphur level of 0.1 per cent in Emission Control Areas, which are sea areas with stricter sulphur emissions controls.



## Our Nitrogen Oxide Emissions

Nitrogen Oxide (NOx) emissions are formed when Nitrogen and Oxygen are exposed to high temperatures in the engine combustion chamber. NOx readily reacts with numerous compounds in our atmosphere and is considered a potent climate gas.



The level of NOx emissions from a ship depends on the engine design; modern engines generate less NOx, while older engines produce more. Further, the actual NOx emission varies according to the engine load at any given time.

As NOx emissions are relatively complex to measure, G2 Ocean has adopted the method outlined by MARPOL which estimates the average NOx emission based on engine revolutions per minute (rpm).

**In one year, the NOx emissions per transport work were reduced by 3.1 per cent.**

Year	Nox emitted [t]	NOx per transport work (kg/mill t*nm)
2018	63,905	329.7
2019	58,255	319.4



**NOx**  
emissions in  
2019

Note: The mass of NOx emitted is calculated using the following formulas and assumptions:

- All main engines < 200 rpm, this equals 100 kg of NOx per metric ton fuel used
- All auxiliaries <200 >1000 rpm, this equals 70kg of NOx per metric ton fuel used
- At sea – assume 95% of fuel used in main engine, 5% used in auxiliary engines
- In port – assume 100% of fuel used in auxiliary engines

The formula for the total NOx emitted will then be:

$$(Fuel\ consumed) * (NOx\ factor)$$

This is then divided by transport work, (mTons x distance)

Reference: MARPOL Annex VI Appendix II – Test cycles and weighting factors (Regulation 13)

## Waste Management and Recycling

According to the World Wildlife Foundation (WWF), 80 per cent of the plastic in our oceans comes from land sources.

Plastic waste is a threat to all marine life. As a shipping company, we depend on the ocean being protected.

Through our strategy, we are committed to doing our part in both reducing our plastic consumption and preventing marine waste.



**80 per cent**  
of the plastic in our oceans comes from land sources



UN OBJECTIVE	G2 OCEAN OBJECTIVE	WHAT WE DO	OUR METRICS*
 <p>Conserve and sustainably use the oceans, seas, and marine resources</p>	<p>We work to reduce plastic in the ocean</p> <p>We reduce waste</p>	<p>We engage our employees in reducing and cleaning up plastic</p> <p>We do not use or purchase single use plastic</p>	<p>Number of employees participating in plastic clean up events</p> <p>Number of offices participating in the single use plastics reduction initiative</p>
 <p>Ensure sustainable consumption and production patterns</p>	<p>We support our customers in their sustainability efforts</p> <p>We operate our supply chain with a high focus on sustainability and circularity</p>	<p>We actively seek to cooperate with customer on sustainability</p> <p>We set requirements to our relevant suppliers for their environmental performance</p> <p>We recycle our equipment</p>	<p>Consider ISO 20400:2017*</p> <p>No of suppliers signing the Supplier Code of Conduct</p> <p>Score with EcoVadis</p> <p>Number of equipment items recycled</p>

\*Subject to consideration in 2020-2024

## Waste Management and Recycling Projects:

At G2 Ocean, we have several measures in place to reduce plastic pollution, the latest being our company-wide Clean-up Week, which we arranged in September 2019.

Nine of G2 Ocean’s offices and over 200 of our employees participated in the event.

In addition to reducing marine pollution by picking up waste lost or dumped in the ocean, at lakes, or along fjords and beaches, the event also contributed to increasing employee’s knowledge of the subject.



### We work strategically to reduce our plastic consumption in the workplace:

OBJECTIVE	2018 RESULTS	2019 RESULTS
Reduce the number of plastic bags* purchased to 0.	50% of G2 Ocean’s offices purchase and use plastic bags on regular basis.	0 of G2 Ocean’s offices purchase and use plastic bags
Reduce the number of plastic beverage bottles purchased to 0.	In total, approximately 95 plastic beverage bottles are purchased per week	0 plastic beverages are purchased by G2 Ocean’s offices
Reduce the number cutlery and plastic stirrers purchased to 0.	40% of G2 Ocean offices purchase and use plastic cutlery and plastic stirrers	0 of G2 Ocean’s offices purchase and use plastic cutlery and plastic stirrers
Reduce the number of plastic straws, cups and wrappers purchased to 0.	30% of G2 Ocean offices purchase and use plastic straws, cups and wrappers	0 of G2 Ocean’s offices purchase and use plastic straws, cups and wrappers
Establish waste management practices with a particular focus on managing plastic waste at all offices.	70% of G2 Ocean offices are recycling (have recycling points) plastic items	All G2 Ocean offices have recycling points for plastic items

\*Offices can purchase biodegradable garbage bags.

## Web Sling Recycling

G2 Ocean has close to 849,000 polyester web slings in service worldwide and each year many are withdrawn from operations due to age or damage. Traditionally, these have been disposed of at landfills which is an unsustainable way of handling the equipment.

Web slings are made of polyester – a chemical that can cause significant environmental damage if not disposed of properly.

To avoid environmental pollution, we store the used web slings in containers until they are recycled. The products are then made into various goods, such as matting which is used for insulation and fillings.

A total of 17,300 web slings have been recycled so far. 9,547 of them were processed in 2019 – an increase of 22 per cent in one year.

The project has inspired G2 Ocean to find ways to dispose of other types of equipment, such as poly airbags and dunnage bars. The long-term ambition is to recycle all equipment.

Learn more: <https://bit.ly/2Z46fs3>



17,300

**Web slings** were recycled by G2 Ocean in 2018 and 2019.



### Recycling Process:

1. The used web slings are sent to the recycling facility where they are shredded into small pieces.
2. These are later woven into felt mats.
3. The felt mats are then used for making products such as computer cases.

## Knowledge and Cooperation

We cooperate with different international organisations to accelerate sustainable development:



### EcoVadis

The sustainability rating platform EcoVadis assess policies, procedures, actions and measures systems of approximately 60,000 companies in over 198 industry sectors each year. The companies are given an overall score (0-100) based on their performance within the following categories:

- Environment
- Labor & Human Rights
- Ethics
- Sustainable procurement

In 2019, G2 Ocean received an overall score of 64 points for our sustainability performance – an improvement of six points in one year. Our strongest area was ethics; we scored 70 out of 100 points, bringing us to the top three percent in our industry. Based on the overall score, we were awarded with EcoVadis’ silver badge.



### Baltic and International Maritime Council (BIMCO)

G2 Ocean is a member of BIMCO – the world’s largest direct-membership organisation for shipowners, charterers, shipbrokers, and agents. As a member of BIMCO, we work to secure a level playing field for the global shipping industry through:

- Promoting and securing global standards and regulations for the maritime sector
- Exchanging experiences and best practises
- Supporting development of regulations that – among other things – drive the shipping industry towards the target of reducing CO2 emission by 50 per cent by 2050



### ICC Commercial Crime Services - International Maritime Bureau (IMB)

G2 Ocean is a member of the IMB - a non-profit making organisation fighting against all types of maritime crime and malpractice. As a member, we:

- Collaborate with the IMB to exchange experience and knowledge
- Educate both the shipping community and a wider audience about various types of maritime crime
- Consider measures proposed by IMB when implementing internal strategies for maritime security

For more information on our environmental sustainability efforts, please visit [our website](#).

# 4. Our Innovation Projects



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**Innovation Objectives**

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**Long-term Innovation Projects**

# Our Innovation Projects

We aim to be a frontrunner in developing innovative solutions in the shipping industry.

To operate more efficiently and profitably, while catering to our customer's needs, G2 Ocean continuously develops its business model and services.

We have a dedicated innovation team of four full-time employees working together with our employees, owners, customers and various other partners to develop and implement sustainable solutions to improve our business.

Throughout 2019 we initiated 12 innovation projects, four of these were completed within the same year and the remaining are ongoing.



**12 innovation** projects were initiated by G2 Ocean in 2019.

UN OBJECTIVE	G2 OCEAN OBJECTIVE	WHAT WE DO	OUR METRICS*
 <p>Build resilient infrastructure, promote sustainable industrialization and foster innovation</p>	<p>We are frontrunners in establishing and supporting innovative solutions</p> <p>We expand our services into new geographical areas</p> <p>We cooperate with others to introduce new solutions to the shipping industry</p> <p>We optimise internal processes and systems to become more efficient</p>	<p>We develop UnlTy as a business partner</p> <p>We digitalize the customer journey</p> <p>We test blockchain as an enabler for business</p>	<p>Number of innovation ideas submitted by employees</p> <p>Number of Innovation Projects Initiated</p> <p>Number of Innovation Projects Completed</p>

## Three of our long-term innovation projects include:

### **MyG2 – Digital Customer Platform**

As a major step towards improving our customer service, we are developing a digital platform for our customers; MyG2.



The web-based platform will be launched in November 2020, giving customers full visibility and access to live data and information related to various business activities, including:

- Live Schedules
- Booking of Shipments
- Shipment Tracking
- Dashboard with Performance Data
- Exchange of Data via Application Programming Interface

By digitalising the customer's journey, we hope to improve the effectiveness of our customers' logistics management.

### **Blockchain Bill of Lading**



G2 Ocean cooperates with the digital platform CargoX in distributing and issuing Bill of Ladings (B/L) using blockchain technology.

The project digitises the B/L process for all parties involved and creates an agile, cost-efficient, and trustworthy mean of transferring ownership of the cargo.

Three of our customers implemented the solution in 2019 and we are expanding the project in 2020.

### **Biofuel as Alternative Shipping Fuel**



In cooperation with Gearbulk and Grieg Star, we are exploring the opportunity of using biodiesel as an alternative to fossil-based fuels on our vessels.

We are currently involving customers to jointly decide how to provide Biofuel as an alternative renewable fuel while ensuring that the investment is profitable. The project will continue into 2020.

# 5. Responsible Business Practises



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**Anti-bribery and Corruption**

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**Data Protection and Cyber Security**

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**Sustainable Value Chain**

# Responsible Business Practices

## Our Code of Business Ethics is our guide to ethical business practice.

The Code of Business Ethics expresses principles to follow in terms of business practices, relations with business partners, anti-corruption, confidentiality and more. Our Director Legal and Compliance is responsible for ensuring that our guidelines are followed by all employees, including the Board of Directors, agents, and subcontractors.

The guidelines are available in our official working language, English.

To support the Code of Business Ethics, G2 Ocean has implemented Behavioural Principles – desired principles and values that shall apply to all employees. The Behavioural Principles are developed together with our employees and guide them towards our vision of pioneering sustainable shipping solutions.

The Code of Business Ethics and our Behavioural Principles are available [on our website](#).

UN OBJECTIVE	G2 OCEAN OBJECTIVE	WHAT WE DO	OUR METRICS*
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>We promote transparency and work actively with anti-bribery and anti-corruption</p>	<p>We train all employees annually on anti-corruption and bribery</p> <p>We participate actively in MACN</p> <p>We work closely with Gearbulk and Grieg Star to prevent and handle ABC-issues</p> <p>We use the risk management system in our daily work</p>	<p>EcoVadis Score</p> <p>Number of employees received ABC training</p> <p>Number of Compliance Committee meetings conducted</p>
 <p>Ensure sustainable consumption and production patterns</p>	<p>We support our customers in their sustainability efforts</p> <p>We operate our supply chain with a high focus on sustainability and circularity</p>	<p>We actively seek to cooperate with customer on sustainability</p> <p>We set requirements to our relevant suppliers for their environmental performance</p>	<p>Number of customer's sustainability initiatives that G2 Ocean participates in</p> <p>Number of Supplier's Code of Conduct signed</p> <p>Number of Supplier's performance audits performed</p>

## Anti-bribery and Corruption

The global shipping industry is highly exposed to corruption. G2 Ocean is strongly committed to preventing any form of bribery and corruption including facilitation payments.

### Maritime Anti-Corruption Network

G2 Ocean has been a member of the Maritime Anti-Corruption Network (MACN) since 2017. Together with 138 other member organisations, and specifically the Dry Bulk Working Group, we work actively towards the vision of a maritime industry free of corruption. G2 Ocean attended the MACN Members Meeting in London in October 2019.

During 2019 Anti-bribery and Corruption workshops were held for all employees in Bergen, Gothenburg, Livorno, Manila, Rio de Janeiro and Rotterdam.



**Bribery and corruption concerns** were reported in 2019.



**Offices** participated in ABC-workshops in 2019.

### Combatting bribery and corruption

Combatting bribery and corruption is a challenging task which requires collective efforts. Our preventive work includes:

- Adhering to G2 Ocean’s anti-corruption- and bribery policies and guidelines
- Performing regular risk assessments to identify the level of corruption in our operations and business activities
- Educating our employees through training courses, workshops, and communication campaigns
- Collaborating with our owners, Gearbulk and Grieg Star in a joint compliance forum
- Reporting on bribery- and corruption-related cases both internally and to MACN
- Investigating and implementing corrective actions to prevent future incidents



*When joining forces, we stand a better chance to handle bribery disputes and cases of corruption.*

**Cecilie Koch Hatlebrekke**  
Director Legal and Compliance,  
G2 Ocean

## Data Protection and Cyber Security

Protecting our organisation from data breaches and cyberattacks have become increasingly important in the past few years. G2 Ocean relies on numerous Information Technology (IT) systems and if data are lost or manipulated, this can negatively impact our operations and logistics processes.

To minimise such risks, G2 Ocean has established several processes and systems to ensure IT security, such as:

- Implementing stable IT systems
- Creating backup processes

- Installing virus scan software
- Integrating IT infrastructure and applications

The systems used for information security are constantly tested, updated, and expanded if necessary. In addition, our employees receive regular training on information and data privacy and protection. G2 Ocean uses the NIST Cybersecurity Framework to enhance the cybersecurity in the organisation.



### UnITy

In 2019, G2 Ocean, Gearbulk and Grieg Star joined IT forces and established UnITy, a merged IT Business Partner. In harmonising, and modernising a common infrastructure, UnITy will achieve a solid security control when implementing the same framework for all three organisations.



**1,200 cyber security incidents** were reported in 2019.

All were prevented by our Cyber Security Team.

## Sustainable Value Chain

Through our strategy, we are committed to ensuring sustainable consumption and production patterns. Environmental and ethical aspects are taken into consideration throughout our value chain, from booking to delivery port, and are not limited to our internal activities. We set high ethical and environmental requirements for both ourselves and our suppliers.



**Suppliers** in 2019. 150 of these contribute to 80 per cent of our voyage related expenses.



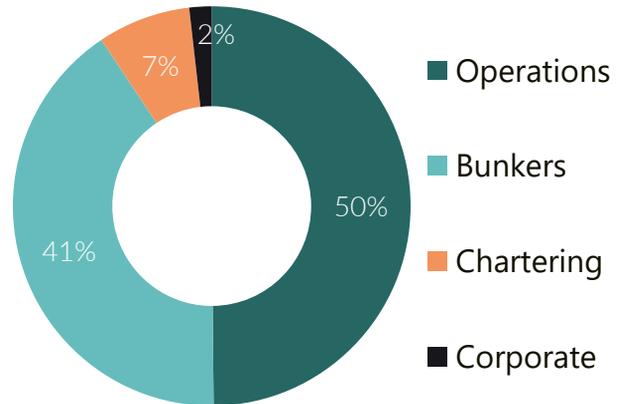
**New suppliers** in 2019.

## Our Supplier Base

As a shipping company operating worldwide trade routes, we have global suppliers that are valuable contributors to our operations. A particular group of suppliers is our port agents, which act for and on behalf of G2 Ocean towards authorities and suppliers in the ports.

We highly value the diversity in our supply chain and work continuously to develop our relationship with them.

Total expenses by category



## Supplier Selection

Our key suppliers are selected through a thorough selection process, where the following criteria are examined\*:

- Quality of products and services
- Pricing competitiveness
- Financial health
- Ethical business practices

All our suppliers must commit to our Supplier Code of Conduct, and it is expected that applicable laws and regulations are adhered to. The Conduct is based on the United Nations Global Compact Guiding Principles and specifies our fundamental ethical standards for business operations.

[The Supplier Code of Conduct is available on our website.](#)

\* For certain areas, the supplier decision is determined by local regulations, certifications, and authorisations.

## Supplier Audits

In G2 Ocean, supplier audits are a tool for developing cooperation and ensuring continuous improvement between ourselves and our suppliers, and a requirement to assure compliance.

G2 Ocean has developed a risk-based approach to supplier management to assure that our supply chains are sustainable and robust.



*G2 Ocean has comprehensive security and risk assessments in place.*

**CTPAT**

June Audit, 2019

### Risk Management

To cope with potential risks, all new suppliers must go through a risk evaluation before offering their services. To ensure compliance with all international sanction laws and regulations, G2 Ocean implemented a Sanctions Screening Tool in 2019. The digital system examines companies and identifies those who are subject to unlawful practises or sanctions.

Our suppliers are an integral part of our operations. By building honest relationships, as well as implementing a structured and standardised approach to supplier management, we can verify that our suppliers adhere to our requirements and, if necessary, initiate corrective measures.



### Customs Trade Partnership Against Terrorism

G2 Ocean was approved as a certified member of the Customs-Trade Partnership Against Terrorism (CTPAT) Program in 2018. CTPAT focuses on improving the security of private companies' supply chains to reduce the risks of terrorism and membership is required by many US customers. After comprehensive assessments and an on-site audit, the Company was reapproved for the period 2019 – 2021.



### Trace Register Access Code (TRAC)

The TRAC Register is a publicly searchable database containing thousands of global suppliers that have completed baseline due diligence requirements. In 2019, TRAC conducted a baseline due diligence assessment of G2 Ocean. As a result, our Holder Number was renewed.

Our Holder Number at TRAC is 4-18-013-8464-21

# 6. Empowering Our People



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# Empowering Our People

## Our employees are our most important resource.

At G2 Ocean, we work as 'One Team – One Way', meaning that we focus on building a high performing culture based on collaboration, knowledge sharing, trust and committed action.

Our goal is to be a recognised and attractive employer in the shipping industry, recruiting people with the right competencies, skills and values to manage our business activities: from chartering and operations, to finance and law.

International cooperation lies at the core of our business and we are proud to have people from 23 nations represented in our company. Different perspectives and the ability to communicate effectively in various parts of the world ensures efficiency and higher quality in our services.

Every day, year-round, our 383 employees work dedicatedly together to ensure that the cargo of our customers is safely and efficiently transported to its destination.

## Where do our employees work?

LOCATION	PERMANENT	TEMPORARY	SECONDMENT	MALE	FEMALE
USA	24			20	4
Germany	1			1	
Norway	82	6	6	66	28
Sweden	5			3	2
Italy	3			2	1
Philippines	118			42	76
Australia	6			4	2
Brazil	41		15	35	21
The Netherlands	5	1		6	
Chile	5			5	
China	32			21	11
Singapore	16			13	3
Canada	15			10	5
South Africa	2			2	
<b>Total</b>					<b>383</b>

## High Performing Teams

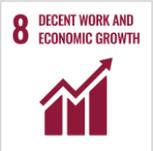
In collaboration with Ennova, G2 Ocean conducted an employee survey in 2019 to measure employee engagement, job satisfaction and perception of management.

96 per cent of the employees answered the survey, and on a 0 to 100 range, G2 Ocean received an index score of 74.

To enhance our working conditions,

cross-functional cooperation and learning culture, we have established a High-Performance Training Program for all employees.

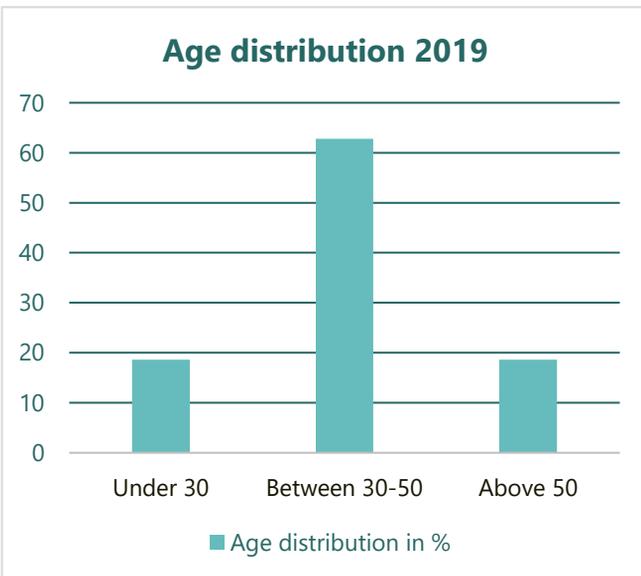
The table below shows the objectives and metrics G2 Ocean has set for the strategic area 'High Performing Teams'.

UN OBJECTIVE	G2 OCEAN OBJECTIVE	WHAT WE DO	OUR METRICS
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>We are flexible and reliable, and develop our trades and services to meet our customers evolving needs</p> <p>We prioritise economic sustainability</p> <p>We continuously grow our Project Cargo services</p> <p>We are cost aware</p> <p>We improve port productivity</p> <p>We automate manual processes and repetitive work</p> <p>We work proactively to enhance our health and safety culture</p>	<p>We diversify commodities and geographical presence</p> <p>We hold people accountable for financial performance in monthly reviews</p> <p>We prepare for automation by redesign of processes and full utilization of our systems</p> <p>We work closely with vessel owners and suppliers to ensure our operations are safe</p>	<p>Trade result</p> <p>Net result per day</p> <p>Vessel utilization rate</p> <p>Ballast days</p> <p>Gross revenue project cargo growth</p> <p>Time waiting for berth / waiting time in port</p> <p>Average revenue ton handled per vessel day in port</p> <p>0 fatalities</p> <p>Lost time incident ratio</p>
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>We actively develop our employees' skillsets for the future</p> <p>We encourage a high-performance culture</p>	<p>Inhouse performance training program</p> <p>G2 Ocean's Graduate Programme</p> <p>Leadership training</p>	<p>Competence mapping</p> <p>Employee turnover</p> <p>Employee survey result</p>

## Our Employees

G2 Ocean is committed to securing gender balance at all our work locations. At year-end 2019, the total workforce reflected a gender distribution of 40 percent women and 60 percent men. We are also proud to have an Executive Management Team of six women and five men.

The average age in G2 Ocean is 40 years. 63 per cent of our work force is in the range between 30 and 50 years. We do not promote employees solely based on seniority, and our roles encompass all age groups.



*We are committed to creating attractive and meaningful jobs for current and future employees.*

**Martha Roed**  
Global HR and Organisational Development Director, G2 Ocean

## Health & Safety

Ensuring safe and healthy working conditions for our operations is key to succeed in our business.

At G2 Ocean, we have a Zero Accident Vision. We maintain a strong focus on improving our safety performance. Close cooperation with ship management and crew is essential to achieve this. Examples include:



*Strong safety cultures don't just 'appear'. It takes time to develop and requires commitment, continuous effort and attention from all employees.*

**Phil Curran**  
VP Operation, G2 Ocean



**Implementing Ambitious Safety KPI's**



**Monitoring Our Safety Performance**



**Raising Safety Awareness**



**Safety Training For Employees**



**Cooperating With Ship Management**



**Communicating Safety Standards To External Parties**



**Arranging Safety Moments At Meetings**



**Cooperating With Key Suppliers and Third Parties**



**Employee Engagement**

## Our Health and Safety Performance

To prevent work-related injuries, G2 Ocean has developed an Occupational Health and Safety policy – a framework for maintaining a healthy and safe workplace.

Further, we have implemented an Incident and Improvement Proposal Reporting System where all improvement proposals, incidents, including near misses, are recorded, and monitored. A total of 215 incidents/improvement proposals were reported in 2019:

CATEGORY	NUMBER OF REGISTERED CASES
Cargo operations issues	34
Safety issues	33
Equipment issues	29
Fleet performance issues	28
Improvement proposals	27
Personal injuries	24*
Cargo documentation issues	16
Supplier issues	11
Environmental issues	6
Customer feedback or complaints	4
Internal issues	2
Fatality	1**

Serious incidents are followed up with a root cause analysis aiming to identify the factors both leading to the event and preventing it from reoccurring.

G2 Ocean has defined and measures its key performance indicators in order to monitor how effectively the organisation is achieving its Health and Safety objectives.

G2 Ocean’s Lost Time Incident Frequency Rate (LTIFR) was 1,3 in 2019\*\*\*.

G2 Ocean also works actively to prevent and follow up sick leave in the workplace. The total sickness leave for 2019 was 1,13 per cent.

\*23 Stevedores and 1 G2 Ocean employee

\*\*Stevedore

\*\*\*LTIFR= Number of lost time injuries in the reporting period x 1 000 000/ Total hours worked in the reporting period.

**8**

**Safety ambassadors**

In 2019, we appointed eight employees as Safety and Loss Prevention Representatives. They are empowered to promote and lead safety activities across the organisation.

**100**

**per cent**

All 383 employees completed basic Health & Safety Reporting Training in 2019.

**83**

**employees**

Completed extensive Health & Safety Reporting Training in 2019.

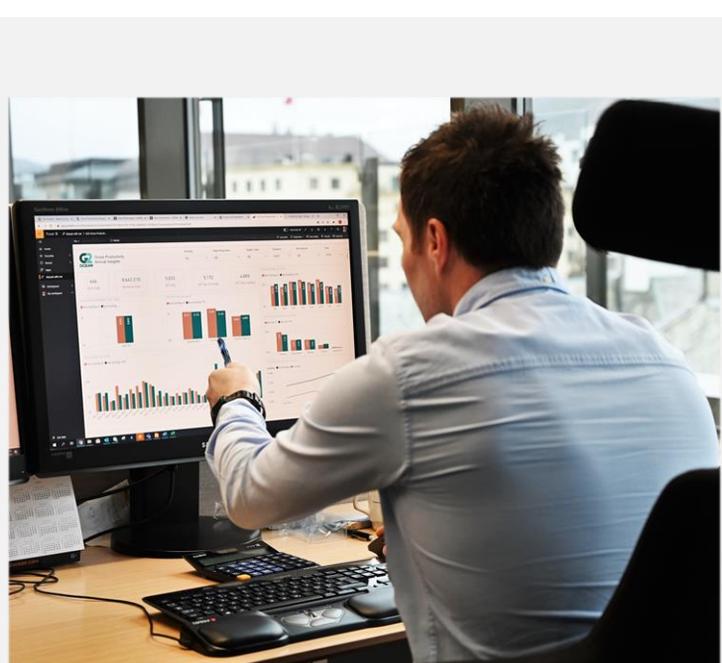
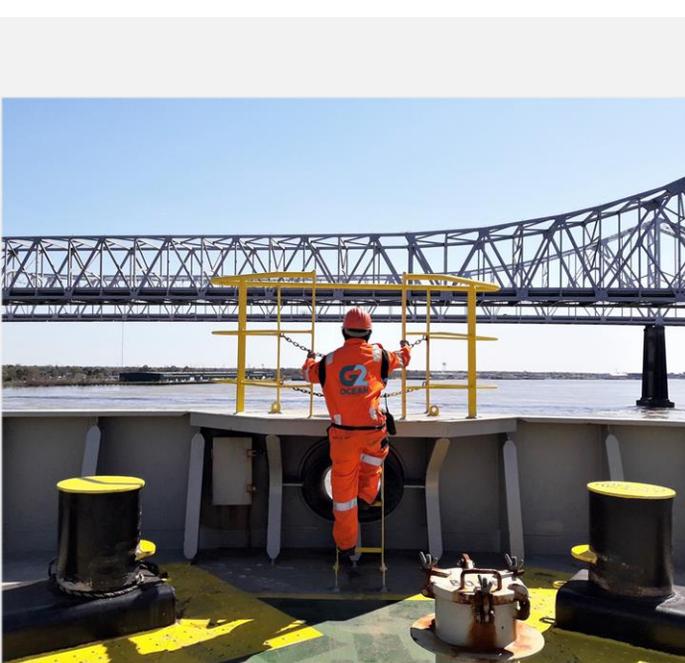
## Employee Involvement

At G2 Ocean, we work to continuously strengthen our safety culture through employee involvement.

All employees have received training related to identifying incidents, unsafe working practices, hazards, and risks. They are also responsible for reporting and investigating incidents, as well as

suggesting and implementing corrective actions.

By giving our employees ownership and responsibility to identify and solve problems as well as suggest improvements, we aim to enhance our safety awareness and commit to improved health and safety practices.



## Supplier Involvement

When doing business with us, contractors and suppliers are expected to contribute to a safe and healthy workplace.

G2 Ocean's General Contract Terms and Conditions and Supplier's and Code of Conduct sets out the general standards across our supply chain.

## Learning and Development

The success of G2 Ocean relies on the quality of our people and the work they all do.

Investing in the professional development of our employees enables them to perform at their best, which in turn contributes to creating positive development across the organisation and in communities we operate in.



### 2019 Training and Development Events:

We offered several learning and development opportunities for employees at all levels in the organisation in 2019:

- 50 per cent of our employees attended the High-Performance Culture Training Program. It is designed to improve job performance, team collaboration and efficiency.
- All employees performed mandatory compliance training for topics such as Code of Business Ethics and Anti-bribery and Corruption.
- Six university graduates from Norway, Brazil, and China in the age of 24 to 27 were enrolled in our 18-month long Graduate Development Program.
- Three employees participated in a talent program at the International Institute for Management Development (IMD) in Lausanne, Switzerland. The program aims to develop aspiring G2 Ocean leaders.
- All employees completed mid- and end-year performance and career development reviews with their direct line manager.

## Equal Opportunities

As an international company, we place a strong emphasis on diversity and inclusion, and we are always aiming to leverage the perspectives and opinions sourced from different cultures, backgrounds, and experiences.

We are committed to providing equal opportunities for all employees. We have a zero-tolerance policy for workplace harassment and do not accept any form of discrimination.



### Fair Compensation

At G2 Ocean, we strive to have competitive salaries. To ensure this, all our positions are evaluated according to the [Hays Salary Guide](#). All our salaries are above the local minimum wage.

Our permanent employees are provided with insurance benefits according to local standards. We also provide life insurance, health care insurance and disability insurances in countries where this is applicable.

G2 Ocean encourages both female and male employees to take out their parental leave.



### Freedom of Association

Our Code of Business Ethics states that all G2 Ocean employees have the right to freedom of association and are treated with respect and dignity. We keep a close dialogue and active cooperation with the employee representatives in the Working Environment Committee.

13 per cent of our employees belong to a trade union.



### Whistleblowing

G2 Ocean has established an external channel for whistleblowing with Expolink. It is a secure system that allows the whistleblower to remain anonymous when reporting concerns or suspicions of any illegal or unethical behaviour regarding our business. We protect all employees who, in good faith and based on a reasonable belief, disclose concerns.

The number of whistle-blowing cases in 2019: 1

# 7. Appendix



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**Our Governance and Stakeholders**

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**About this Report**

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**GRI Index**

# Our Governance and Stakeholders

## Our Shareholders

G2 Ocean was launched in 2017 and is a joint venture of two of the world’s largest open hatch ship owning companies; Gearbulk Holding AG (“Gearbulk”) and Grieg Star Group AS (“Grieg Star”).



## The Board of Directors

The Board of Directors have the overall responsibility of G2 Ocean and determines the purpose and strategy of the Company.

The Board has delegated authority to the Chief Executive Officer. From January 2020 Arthur English replaced Rune Birkeland as Chief Executive Officer. The Chief Executive Officer heads the Executive Management Team which jointly implement the Board’s strategy and coordinates the activities of G2 Ocean to ensure a holistic approach.

The Board meets regularly in Bergen and works closely with the management team to make G2 Ocean a sustainable and profitable global shipping company.

The 2019 Board of Directors comprises:

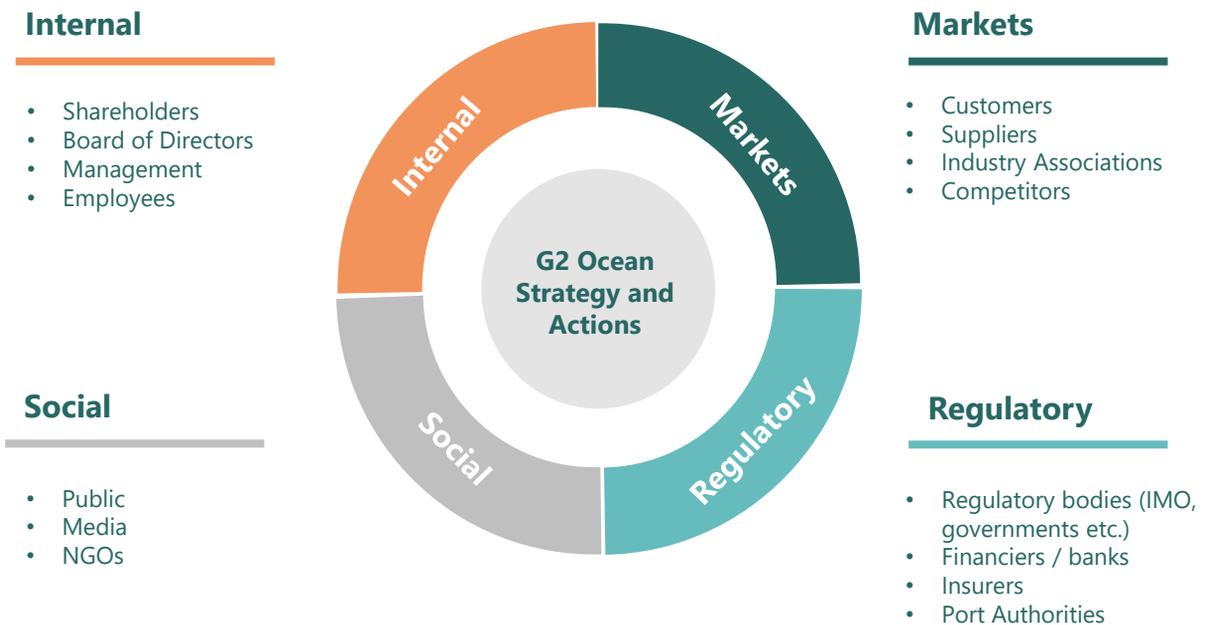
Kristian Jepsen	Executive Chair
Elisabeth Grieg	Vice Chair
Camilla Grieg	Director
Hans Olav Lindal	Director
Hans Petter Aas	Director
Kai Grøtterud	Deputy
Tadashi Imai	Deputy

## Our Key Stakeholders

A stakeholder is a group, organisation, member, or system who affects or can be affected by the actions of an organisation.

G2 Ocean has various stakeholders and communicates with them via phone or email, physical and virtual meetings, annual reports, communication in the media, announcements, joint projects, partnership agreements, websites etc.

Close communication with stakeholders is important to build loyal relationships. In new projects or processes, we analyse our stakeholders based on their influence on our company. This helps us to identify how to engage them more effectively and, more importantly, ensures shared value for both parties.





# About this Report

## This is G2 Ocean's first published Sustainability report.

To ensure a balanced and reasonable representation of our contributions towards the goal of sustainable development, this report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core Option. The GRI Context Index is located at the end of the report.

The data and information included in this report are related to all subsidiaries in G2 Ocean. The related activities occurred between January 1, 2019, and December 31, 2019, unless stated otherwise.

To ensure transparency and accountability of our sustainability performance and impacts – whether positive or negative – and allow stakeholders to follow and compare yearly progress, G2 Ocean will issue annual Sustainability reports.

For more information about the report, please contact Director Legal and Compliance Cecilie Koch Hatlebrekke at [Cecilie.hatlebrekke@g2ocean.com](mailto:Cecilie.hatlebrekke@g2ocean.com).

“

*Based on the results presented in this report, we will set ambitious targets to improve our performance.*

**Arthur English**  
CEO, G2 Ocean

”

# GRI Index

This report has been prepared in accordance with the GRI Standards: Core option

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102-49	Changes in reporting	N/A. This is the first Sustainability Report published by G2 Ocean
102-50	Reporting period	40
102-51	Date of most recent report	N/A. This is the first Sustainability Report published by G2 Ocean
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102-53	Contact point for questions regarding the report	40
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