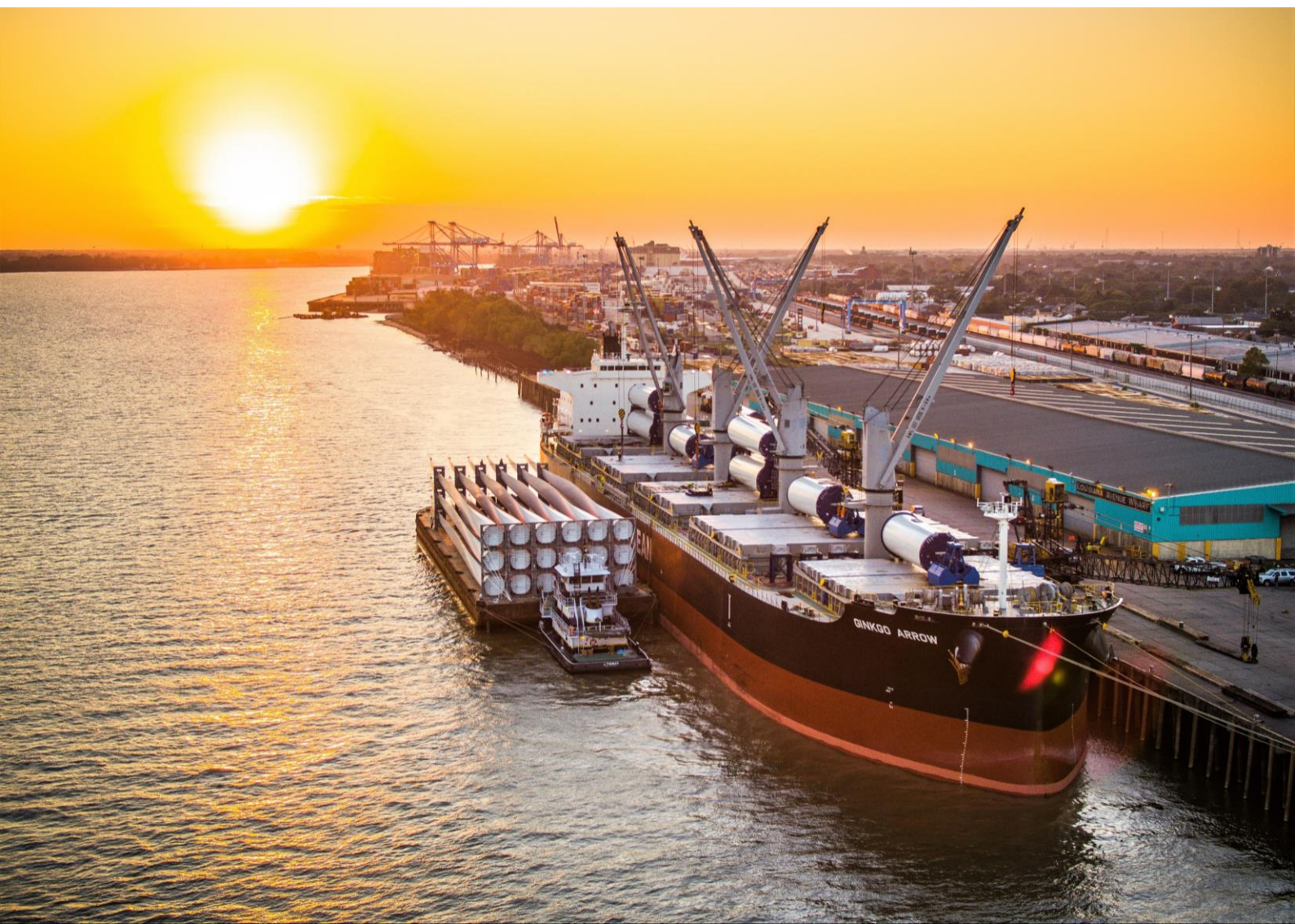




# Annual Report 2022










# About this report

This is the second combined Annual Report issued by G2 Ocean AS (G2 Ocean), including both sustainability and financial information. The report reflects how we work to create value in the short and long term for our customers, shareholders, employees, suppliers, and society at large, and how sustainability is integrated into our operations.

The data and information included in this report relate to all subsidiaries of G2 Ocean and cover the reporting period 1 January to 31 December 2022, unless stated otherwise.

## **Sustainability reporting**

The sustainability reporting of this document (Chapters 1 – 4) has been prepared in accordance with the Global Reporting Initiative's (GRI) Standards.

The information and data in this report related to our sustainability reporting have been assured by a third party. The quantitative information that has been subject to external assurance is identified by “”.

The GRI Index can be found in the Appendix.

## **Financial reporting**

The reporting of our Financial Accounts (Chapter 5) follows the accounting principles generally accepted in the United States of America (“USGAAP”). The Financial Accounts have been audited.

## **Board Approval**

The 2022 Annual Report has been approved by the Board of Directors. For more information about this report, please refer to page 117 of the Appendix.



# 2022

## in figures

**USD 2,129**  
million in gross revenue

**43.3%**  
revenue increase

G2 Ocean achieved a gross revenue of USD 2,129 million in 2022 – up 43.3% from 2021.



Cargo carried

**28,489,548** tons of cargo  
carried by G2 Ocean in 2022



Voyage days

**11.7%** increase in  
total voyage days



Health and Safety

**0** work-related injuries  
involving G2 Ocean staff



Bribery and Corruption

**0** bribery and corruption  
incidents



Diversity

**18%** female Directors  
- up 5 percentage points from 2021



Business Travel

**76%** reduction in  
air distance travelled in 3 years



Recycled Equipment

**209,805** web slings  
recycled – up 151.7% from 2021



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”

At G2 Ocean, we hold our customers at the core of all we do.

Over 2022, we deepened our collaboration with customers in areas such as emissions reductions, future trading patterns and vessel requirements.

Arthur English  
Chief Executive Officer  
G2 Ocean



G2 Ocean Executive Leadership Team.

From top left: Scott Krantzcke, Agnethe Brekke, Arthur English, SK Lim, Martha Røed, Phil Curran.

# Well-positioned for growth

In 2022, G2 Ocean celebrating 5 years of business growth and achievements. The company has enjoyed continued success since its launch in 2017, with an annual average revenue growth of 25.3% and an expanding operating environment.

2022 was a year of major accomplishments for G2 Ocean. We benefitted from significantly improved freight rates, and our engaged team managed to capitalise on the market situation to the fullest. With a revenue increase of 43.3% from the prior year, we look back on a year that has brought us our best financial results in G2 Ocean history and positioned the company and our owners for long-term growth.

Our supply chain remained under significant pressure throughout 2022 due to persistent capacity bottlenecks in ports caused by strains on port infrastructure and worker shortages, leading to longer turnaround times for our vessels. Despite these operational challenges, we succeeded in delivering greater value to our customers by increasing our voyage days and cargo volumes by 11.7% and 4.9%, respectively.

At G2 Ocean, we hold our customers at the core of all we do. Over 2022, we saw deepening collaboration with customers in areas such as emissions reductions, future trading patterns, and future vessel requirements.

G2 Ocean's employees have demonstrated enormous flexibility and determination to maintain our operations even in challenging times, and I am impressed and extremely thankful for all of their efforts.

## 5th Anniversary

2022 marked the 5th anniversary of G2 Ocean. Since the inauguration of our company in May 2017, we have been the world's largest shipping operator in the Open Hatch segment, and we aim to grow our business further. In 2022, we opened a new office in Dubai, United Arab Emirates, to better serve our customers in the Middle East, and we are working on many initiatives to further develop our company and our services. Our performance continues to be driven by the successful execution of our customer-focused strategy and by achieving operating efficiencies through a high focus on safety, a structured cross-functional collaboration concentrating on continuously improved performance and employee empowerment, and digitalisation.

## Net Zero by 2050

We recognise that our activities impact the environment, society, and the economy. G2 Ocean aims to be a leading company in driving sustainable development in the shipping industry. In 2022, we made important improvements to our sustainability efforts, and I hope you will be inspired by our progress which is included in this report. To underline our dedication to driving positive impact, we committed in 2022 to reduce our greenhouse gas emissions per transported unit by a minimum of 40%



by 2030 compared to 2008 levels. More importantly, we have set the ambition of becoming a net-zero company by 2050 and bringing zero-emission capable vessels into our fleet by 2030. We believe that achieving our climate targets will set us up for future success, yet we know that we cannot achieve these alone. We are committed to continuing to build on our long-term relationships with customers, suppliers, and industry partners to ensure we make collective progress toward reducing environmental impact.

#### Improved Safety Awareness

At G2 Ocean, ensuring the safety of everyone working in and for our company is our top priority. In 2022, none of our employees were injured in work-related injuries, and we had no fatalities in our operations. I am pleased to inform you that we saw a 66.3% improvement in the number of safety reports submitted in 2022 compared to the last period. This shows that our efforts to increase internal safety awareness have been effective, but we still need to

do better. In 2023, one of our main priorities is to reduce the number of stevedore injuries by continuing to raise safety awareness and collaborating with suppliers. We also aim to strengthen performance in other safety-related areas through a coordinated approach across the company and in collaboration with our shareholders, Gearbulk and the Grieg Maritime Group.

Looking ahead, our future performance depends on many factors and is subject to uncertainties such as macroeconomic factors, the war between Russia and Ukraine and Covid-19. Despite these uncertainties, I look to 2023 with optimism, and I remain confident in our company's ability to continue to deliver long-term value to our stakeholders.



Arthur English  
Chief Executive Officer  
G2 Ocean





## 2 About G2 Ocean

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# The Organisation

Number of employees and offices



Atlanta (Hub)

Bergen (HQ)

Dubai

Durban

Gothenburg

Houston

Livorno

Manila

Melbourne

Rio de Janeiro

Rotterdam

Santiago

Shanghai

Singapore (Hub)

Vancouver

324

employees

24

nationalities



# What we do

G2 Ocean is intent on 'Pioneering Sustainable Shipping Solutions'.

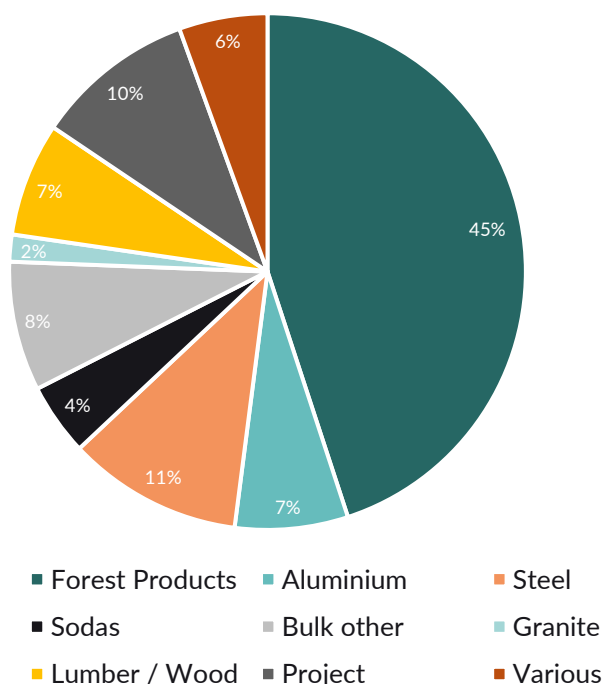
We are committed to creating long-term value for our customers, employees, owners, suppliers, and the global community. This commitment gives us direction and serves as a powerful tool for inspiration and motivation on our journey towards creating a sustainable and successful shipping company.

Founded as a joint venture in 2017 by the ship-owning companies Gearbulk Holding AG ("Gearbulk") and Grieg Shipholding AS, a subsidiary of Grieg Maritime Group ("Grieg"), G2 Ocean is today the world's largest ship operator within the open hatch segment and an expert in cargo handling, trade management and global port operations.

G2 Ocean operates a core fleet of 88 open hatch vessels. In addition to these, we chartered on average 38 vessels from third parties in 2022. We operate our vessels to transport the cargo of our customers to destinations all around the world. We serve a range of different industries, with significant exposure to the pulp, paper, and forestry sectors. In 2022, we had 44,737 voyage days, carried 28,489,548 tons of cargo and completed 3,551 port calls to 68 countries.

G2 Ocean is headquartered in Bergen, Norway. To support our customer needs, we have two hubs in Singapore and Atlanta, as well as 12 representative offices around the world. Established in December 2022, the newest addition to our office network is in Dubai, United Arab Emirates.

Percentage of cargo carried by revenue tons



# Our Strategy



We have defined five strategic areas which shape our focus across the business and help the organisation progress towards fulfilling our goals.

Our strategic focus areas provide the framework for our global business model and are integrated with the 7 United Nations (UN) Sustainable Development Goals (SDGs), which G2 Ocean adopted in 2019. Our contribution to the SDGs is outlined in detail on page 118 of the Appendix.

Our strategic plan is reviewed by the Board of Directors each year and revised for changes in our internal and external environment.

## 1. Customer in focus

We continuously focus on improving the customer experience and level of satisfaction by digitalising the customer journey, extending our service offerings, and delivering safe, reliable, efficient, and customised shipping services.

## 2. Take environmental action

We will accelerate the decarbonisation of our fleet and aim to become a net-zero emissions company by 2050. In addition, we are committed to reducing greenhouse gas emissions per transported unit by a minimum of 40% by 2030 from 2008 levels.

## 3. Grow our business

We will grow our unique G2 Ocean brand and expand our services in existing and new markets.

## 4. Innovate and Digitalise

We will support our growth through an effective, efficient, and sustainable business model based on digital technologies, automation and innovation.

## 5. Build a Performance Culture

We will continue developing our High-Performance culture, organisation, and employees' skillset whilst maintaining the highest health and safety standards across our operations.

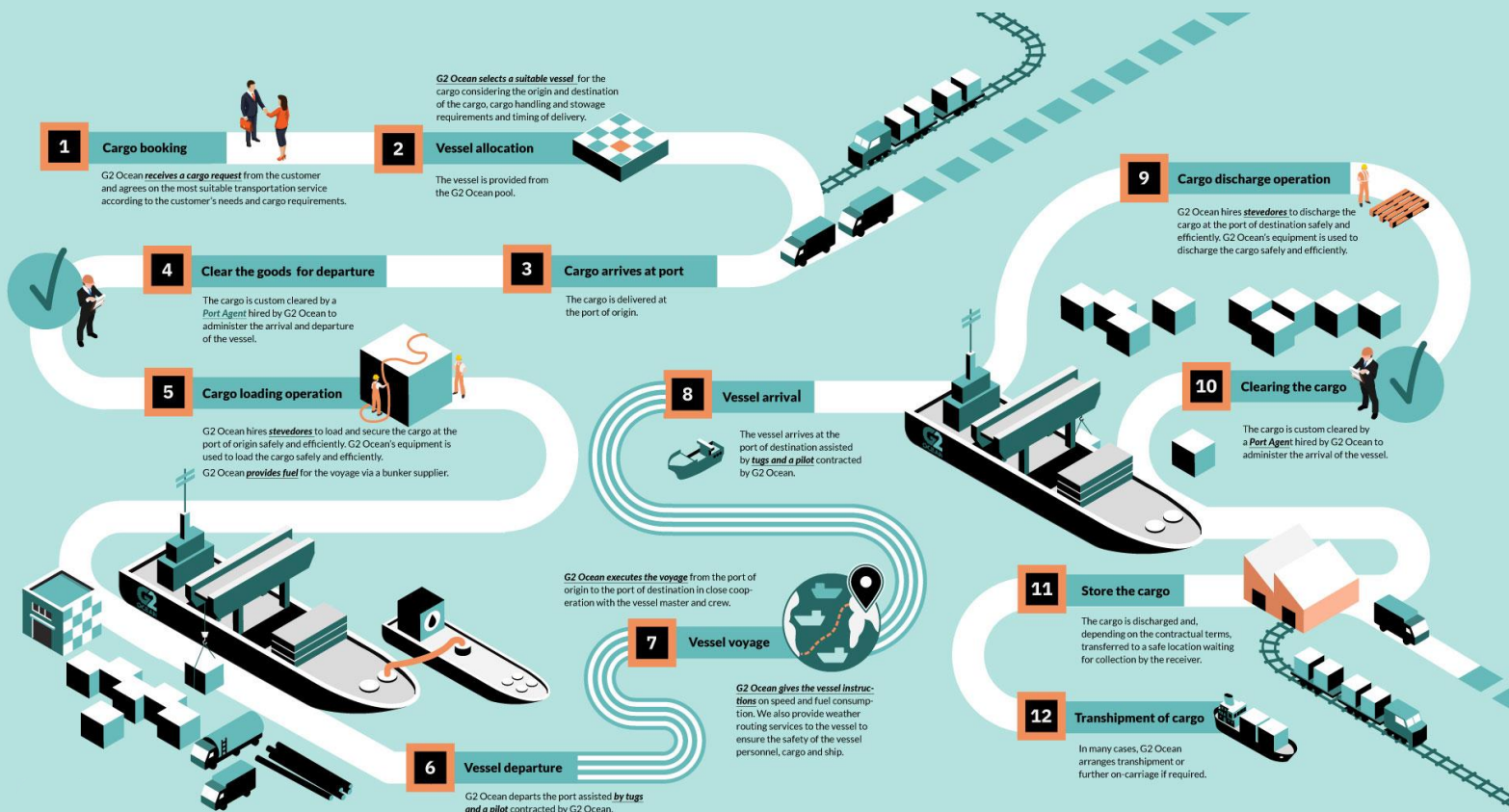


# Our Value Chain

The illustration below shows a typical cargo journey at G2 Ocean and explains the primary activities in our value chain.

At every step of our value chain, we work ethically and lawfully towards one shared aim – to provide our customers with safe, efficient, and reliable shipping services.

## A typical cargo journey at G2 Ocean:



# Our Governance

At G2 Ocean, we consider robust corporate governance as a fundamental element of long-term value creation for the benefit of employees, shareholders, customers, suppliers and other stakeholders.





To ensure good corporate governance, G2 Ocean has adopted governance documents that set out our business conduct principles. G2 Ocean also applies the Norwegian Code of Practice for Corporate Governance as far as practicable for a privately-owned company.

Through our governance, employees are accountable for their actions and behaviours. By empowering our employees to make decisions that contribute to organisational success, we create long-term value for our stakeholders.

### The G2 Ocean Board of Directors

The Board of Directors (Board) have the overall responsibility for G2 Ocean and determines its purpose and strategy.

As part of their responsibility to ensure good corporate governance, the Board approves G2 Ocean's strategies, policies, objectives, and sustainability ambitions. The Board is also responsible for internal control. Further, in accordance with G2 Ocean's Authority matrix, the Board is responsible for significant business decisions including the approval of business activity above a set threshold.

The shareholders have jointly agreed on specifically reserved matters which require approval above a certain threshold of the Directors nominated by respectively both Gearbulk and Grieg.

The Board recognise sustainability as a fundamental element of the business and is actively engaged in integrating Environmental, Social, and Governance (ESG) topics into G2 Ocean's strategy.

### Board Work

The Board has delegated authority to the Chief Executive Officer (CEO). The CEO heads the Leadership Team which jointly implements the Board's strategy and coordinates the activities of G2 Ocean to ensure a holistic approach.

The Board meets and communicates regularly with the CEO to ensure the continued successful development of G2 Ocean as a sustainable and profitable global shipping company.

At least annually, the Board reviews and evaluates the strategy which includes commercial, operational, digital, environmental and organisational objectives and ambitions.

The annual strategy update with the Board includes key topics relevant to G2 Ocean and its stakeholders. Enhancing the collective knowledge of the Board on relevant sustainability matters is among the focus areas of the annual strategy meeting.

Further, sustainability topics are being presented to the Board regularly, when appropriate, with the objective of enhancing collective knowledge, identify risks and opportunities.

Please refer to page 136 of the Appendix for more details about the G2 Ocean Board.

### The 2022 Board of Directors comprises:

#### Kristian Jebsen – Chair

Kristian Jebsen is the Chair of the Board. He was appointed to the Board in 2017. Jebsen is the CEO, Chairman and one of the owners of Gearbulk. Jebsen was born in 1954. He resides in Switzerland and holds Swiss citizenship.

#### Camilla Grieg – Vice Chair

Camilla Grieg was appointed to the Board in 2017. She is Chair of the board at Grieg Maritime Group and has many years of experience in shipping and the maritime industry. She is also on the Board of a number of the companies within the Grieg Group, Chair of the board at GC Rieber AS and leader of the election committee at DNB. She was born in 1964 and is a Norwegian citizen and resides in Norway.

#### Matt Duke – Board Member

Matt Duke was appointed to the Board of G2 Ocean in 2021. He is the Group CEO of Grieg Maritime Group and is Chair of the Board in several of the companies within the Grieg Group and is Vice Chair of the Board of the Bergen Shipowners association. He was born in 1975 and is a United Kingdom citizen and resides in Norway.

#### Hans Olav Lindal - Board Member

Hans Olav Lindal was appointed to the Board in 2017. He has been a partner in the Norwegian based law firm Thommessen AS since 1993 and serves as a Non-Executive director at the Board of several companies predominantly in the maritime sector. He was the President of the Norwegian Shipowners' Association and was a Board Member of International Chamber of Shipping (ICS) until 2018. Lindal was born in 1962 and is a Norwegian citizen who resides in Norway.

#### Hans Petter Aas - Board Member

Hans Petter Aas was appointed to the Board in 2017. He is Board member in Gearbulk and has previously been chairman and Board member of several quoted and privately held shipping companies. He was born in 1946 and is a Norwegian citizen who resides in Norway.

#### Rune Birkeland – Deputy member

Rune Birkeland was the CEO of G2 Ocean from 2017 to 2020. Thereafter, he was appointed as a Deputy member of the Board. Birkeland currently serves as a Director of Grieg Maritime Group and as a Board member in the Wergeland Group. Rune has an extensive experience in various types of business both in management positions and Board of Directors. He was born in 1955 and is a Norwegian citizen who resides in Norway.

#### Tadashi Imai – Deputy member

Tadashi Imai was appointed as a Deputy member of the Board in 2018. He serves as an executive Director in Gearbulk and has been working in the shipping industry for 45 years. He was born in 1955 and is a Japanese citizen and resides in Switzerland.



# Our Code of Business Ethics

The Code of Business Ethics, which is approved by the Board, expresses principles to follow in terms of business practices, relations with business partners, anti-corruption, confidentiality and more. The guidelines are available in our official working language: English.

Our Director Compliance, Risk and Business Process is responsible for ensuring that the Code is followed by all employees, as well as the Board, it also includes but is not limited to customers, suppliers, agents, stevedores, brokers, consultants, financial institutions, and other counterparties to which we provide or receive services from.

To help people apply the Code in our daily work, we have developed policies and procedures with more detailed guidance on compliance requirements. E-

learning for all employees on compliance is also mandatory.

Through this e-learning and webinars, all G2 Ocean staff are made aware of their responsibilities and how they should conduct themselves. This ensures that what is included in the code also has a positive bearing on how we as G2 Ocean develop and implement our business strategies, operational policies and procedures. Doing this also has a direct impact on how G2 Ocean works ethically with all its business relationships.

G2 Ocean does not tolerate any breaches of the Code or the law. Any misconduct should be reported and will have consequences for the employment relationship.

# Human Rights and Decent Work Conditions

G2 Ocean's Human Rights and Decent Work Conditions Policy has been approved by the Board. This Policy builds on our Code of Business Ethics and sets out our principles, standards, and commitment to complying with:

- The International Bill of Human Rights and other relevant human rights conventions
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The United Nations' Guiding Principles on Business and Human Rights
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

These include but are not limited to the human right to freedom of association; safe, healthy, and secure working conditions; collective bargaining and the human right of not being subject to forced labour, child labour or discrimination in respect of employment and occupation.

This Policy reflects our commitment to ensuring that all third parties performing work on behalf of, or when engaged in a business relationship with us, including but not limited to customers, suppliers, agents, stevedores, brokers, consultants, financial institutions, and other counterparties to which we provide or receive services from, are expected to apply similar effective policies to human rights and decent work conditions.

G2 Ocean personnel are responsible for ensuring that the principles of this Policy are implemented towards relevant third parties.

## Norwegian Transparency Act

The Norwegian Transparency Act came into force on 1<sup>st</sup> July 2022. The purpose of the Act is detailed in section 1 of the Act and states:

"The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions."

## Measures implemented in 2022

As a part of the implementation of the Human Rights and Decent Work Conditions Policy, which in doing so ensures compliance with the Norwegian Transparency Act, we have implemented measures aimed at ensuring compliance with the requirements of this Policy. These measures entail as a minimum the identification of risks of causing or contributing to adverse impacts on human rights and decent work conditions through G2 Ocean's own activities and address such impacts when they occur; the performance of adequate due diligence processes to prevent such risks from materialising; seeking to prevent or mitigate adverse impacts on human rights and decent work conditions that are directly linked to G2 Ocean's operations or contributed to by its business relationships, and; assess, monitor and report on its progress and performance.

Key actions that have been completed:

- Risk Assessment
- Update of our Supplier Code of Conduct and Customer Contracts to include Human Rights obligations for Suppliers and Customers
- Implementation of a Supplier Risk Management System that enables G2 Ocean to complete due diligence and screening of new suppliers
- Screening of Key Suppliers for any Human Rights issues

## Actions to be completed in 2023:

- Analysis of all suppliers based on spend and risk. Based on this analysis, G2 Ocean will complete a plan for high-risk suppliers to complete human rights assessments and actions.
- Embed Human Rights into Strategic Procurement Projects
- Further develop Customer Due Diligence Process
- Develop a procedure for internal and external reporting of Human Rights issues.

G2 Ocean received no requests for information in 2022 related to how we address potential and actual impacts on human rights and decent working conditions.



## Grievances

Grievances of our internal stakeholders, including the Board, leadership team and employees, are handled according to the national legislation applicable to the local office. The global and local employee handbooks contain descriptions of our local grievance mechanisms.

Our external stakeholders can raise grievances with their local G2 Ocean representative and we aim to give priority to handling and solving these requests. Further, external stakeholders can raise grievances and seek remedies by seeking legal guidance. Any reported grievances are followed up by the Leadership Team to ensure that firstly the grievance is replied to and investigated and secondly ensure that the grievance mechanism is working as desired, any issues are followed up with and, if required, processes and procedures are amended accordingly to ensure that such grievances do not re-occur if they are substantiated.

G2 Ocean is committed to establishing a structured digital system where grievances caused or contributed to by G2 Ocean can be remediated. We will also explore possibilities to participate in an existing non-judicial grievance mechanism operated by NGOs or civil society organisations, which encompasses human rights issues.

G2 Ocean has a whistleblowing policy to ensure that

illegal or unethical activities are reported, and reputational harm is avoided. We have implemented the whistleblowing system Navex Global to give employees and people outside our organisation a platform to report workplace concerns without revealing their identity. The platform should be used to report on issues such as:

- Criminal offences i.e., fraud, bribery, and corruption
- Harassment, bullying or discrimination of any kind
- Health and safety concerns
- Environmental damage
- Miscarriage of justice

G2 Ocean protects all who, in good faith and based on a reasonable belief, disclose concerns.

1 incident related to conflict of interest was reported through our whistleblowing system in 2022. The case was followed up and resolved internally. The whistleblowing notice was not found to be a breach of human rights.

There were zero significant instances of non-compliance with laws and regulations in 2022. No fines or non-monetary sanctions were incurred. We consider all instances related to human rights, the environment, health and safety and labour issues to be significant.



# 3 Our Stakeholders

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# Stakeholder Groups

As a global shipping company, G2 Ocean's activities influence a diverse group of stakeholders. At the same time, our stakeholders' perspectives and decisions impact the success of our business.

Understanding our stakeholders' needs and interests helps shape our strategy and puts us in a better position to meet their expectations. Therefore, we communicate closely with our stakeholders and value the opportunities we get to engage with them and discuss topics of relevance, identify needs, share knowledge, address critical issues, and build strong relationships.

Throughout 2022, we have engaged with numerous stakeholders, including customers, suppliers, non-governmental organisations, and regulators. Topics related to ESG are often the focus of our dialogues. We also analyse our stakeholders based on their influence on our company. This puts us in a better position to manage their expectations, helps us identify how to effectively engage with them and, more importantly, ensures shared value for both parties.

Our stakeholders are divided into four groups: Internal, Market, Society and Regulatory bodies.

## Internal

### Shareholders

G2 Ocean's shareholders, Gearbulk and Grieg are primary stakeholders and directly affect the company by deciding our strategic direction and priorities.

### Board of Directors

The Board of Directors are primary stakeholders. They have the overall responsibility of G2 Ocean and decide our strategic priorities and direction.

### Management and Employees

G2 Ocean's management and employees are primary stakeholders who directly affect and are directly and indirectly impacted by G2 Ocean's strategy, internal policies, and activities.

## Market

### Customers

G2 Ocean's customers are primary stakeholders who directly affect the company economically, and whose expectations guide G2 Ocean's strategic priorities.

### Suppliers

Suppliers are affected by G2 Ocean directly in financial terms, and indirectly by the company's focus on responsible business practices and resulting expectations on suppliers of ensuring a shared approach to the safe and sustainable delivery of services, and commitment to human rights and ethics in general.

## Non-governmental organisations and industry associations

Through its partnerships with non-governmental organisations and industry associations, G2 Ocean directly affects and is influenced by strategies, viewpoints, and actions related to safety, diversity, equality and inclusion, security, and anti-bribery and corruption, among others.

### Banks

Banks impact G2 Ocean's treasury activities related to cash management, payments, and availability of cash pool and credit facility to support the working capital. G2 Ocean influences the quality of its services through its established compliance policies and procedures as well as a transparent and close working relationship with the banks.

### Financial hedging counterparts

Financial hedging counterparts' impact on G2 Ocean's financial risk mitigation activities is related to the provision of credit lines for hedging of bunkers, freight forward agreements and foreign currencies. G2 Ocean influences the extent of service by being a competitive player.

### Insurers

Insurers impact G2 Ocean's risk management related to safety, security, and compliance by providing legal advice and financial coverage. G2 Ocean influences the quality of the insurers' loss prevention programs

by sharing experiences and knowledge.

## Society

### Public

Local communities are indirectly affected by G2 Ocean's activities through job creation, tax payments and environmental impact.

### Unions

Trade unions can influence the wages and working conditions of G2 Ocean's employees and workers in our value chain. Trade unions can also impact G2 Ocean's operations through labour strikes.

## Regulatory bodies

### Governments and the International Maritime Organisation (IMO)

Governments and IMO, directly and indirectly, impact G2 Ocean and its operating conditions through regulations.

### Port Authorities

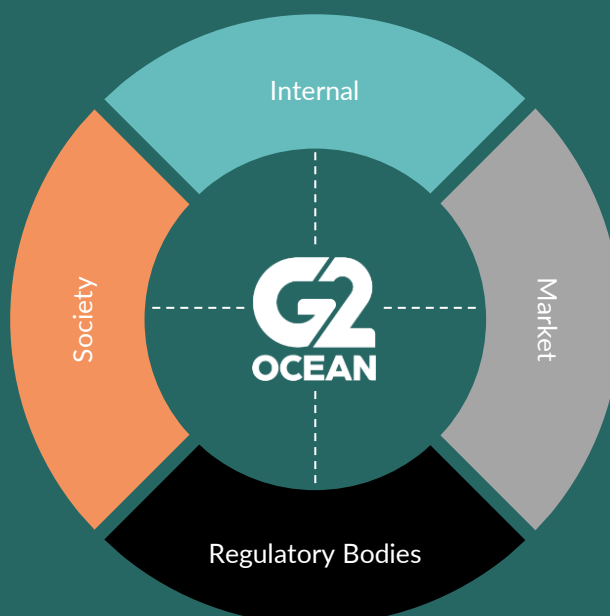
Port Authorities impact G2 Ocean's operations through local regulations and port infrastructure. G2 Ocean influences the port's finances through port fees and procedures through the company's focus on safety and responsible business practices.

## Internal

Shareholders  
Board of Directors  
Management  
Employees

## Society

Public  
Unions



## Market

Customers  
Suppliers  
NGOs and Industry Associations  
Banks  
Financial hedging counterparts  
Insurers

## Regulatory Bodies

Governments and IMO  
Port Authorities

# Stakeholder Dialogue

G2 Ocean involves stakeholders in the development of the company and integrates their input into our operations. An overview of how we interact and engage with our stakeholders is provided below.

## Key stakeholders

Stakeholder type	Key Dialogue Topics	Arena for dialogue
Shareholders	Results, prospects, knowledge sharing	Monthly Reports Meetings
Board of Directors	Organisational performance, ESG risks and opportunities, strategy, policies, procedures Strategy, objectives, and results.	Board of Directors Meetings Monthly Reports
Management and employees	Engagement, leadership, diversity, equity and inclusion, culture, training and education Safety, business ethics, cyber security, innovation, working conditions	Employee Engagement Surveys Intranet Webinars and Town Hall Meetings Performance Review Conversations
Customers	Operational efficiency, safety, customer satisfaction, service improvements, feedback, innovation, environmental protection	Customer surveys Industry events Meetings Dialogue/responding to inquiries Marketing activities Webinars
Suppliers	Safety, human rights, environmental protection, sustainability governance, transparency, policies and regulations, working conditions, anti-bribery and corruption.	Performance Review Meetings Industry events Tender processes Dialogue/responding to inquiries
Banks	Treasury and cash management, funding, results, sustainability, compliance, anti-money laundering and anti-bribery and corruption	Surveys Industry events Meetings/dialogue responding to inquiries Technical and administrative support service Marketing activities
Financial Hedging Counterparts	Hedging, trading lines, compliance	Industry events Meetings/dialogue responding to inquiries Marketing activities
Insurers	Loss prevention, legal protections, incident handling, compliance, sanctions	Daily dialogue in the context of legal and claims issues Bi-annual physical membership meetings
NGOs and Industry Associations	Diversity, equity, and inclusion Anti-bribery and corruption Environmental protection Cyber security	Industry events Meetings Dialogue in the context of partnerships
Public	Environmental impact, anti-bribery and corruption, labour regulations, social programs	Community fundraising and events, career days, plastic clean-up events
Unions	Labour rights Diversity, equity, and inclusion	Meetings Dialogue/responding to queries
Governments and IMO	Laws and regulations	Participation in policy discussions via industry bodies.
Port Authorities	Laws and regulations, berth rights, port infrastructure, health and safety	Port site visits Meetings



# Key Sustainability Memberships and Ratings

At G2 Ocean, we believe that strong partnerships at the global, regional, national, and local levels are essential to accelerate sustainable development in the shipping industry.



In 2022, G2 Ocean joined forces with 25 industry partners in establishing a new alliance for a diverse, equitable, and inclusive maritime industry – the All Aboard Alliance. Supported by the Global Maritime Forum, the Alliance provides a framework to help companies become more diverse, equitable, and inclusive. G2 Ocean is in the process of adopting this framework into its policies, procedures, and leadership practices. We also report on our efforts and progress every year.



G2 Ocean is a member of the ICC Commercial Crime Services - International Maritime Bureau (IMB), a non-profit making organisation fighting against all types of maritime crime and malpractice.

Through our membership, we exchange experience and knowledge related to various types of maritime crime and consider measures proposed by IMB when implementing internal strategies for maritime security.



In 2022, G2 Ocean improved by two points in the Sustainability Assessment by the sustainability rating platform EcoVadis and was awarded the Gold rating for the fourth consecutive year.

Only five per cent of the companies evaluated by EcoVadis met the qualifications for a Gold Rating and the score placed G2 Ocean in the top 3% of all companies assessed.



G2 Ocean is a member of BIMCO – the world's largest direct-membership organisation for shipowners, charterers, shipbrokers, and agents.

In partnership with other BIMCO members, we work to secure a level playing field for the global shipping industry by exchanging experiences and best practices, as well as promoting and securing global standards and environmental regulations for the maritime sector.

In addition to the above, we collaborate with several other organisations globally and participate in projects to manage risks and promote sustainability practices. Our contributions within the partnerships include

among others sharing information and knowledge, participating in research studies and trials, and providing training and financial support.



# Materiality Assessment

We strive to adhere to high industry standards and aim to improve our performance in all areas we positively or negatively impact.

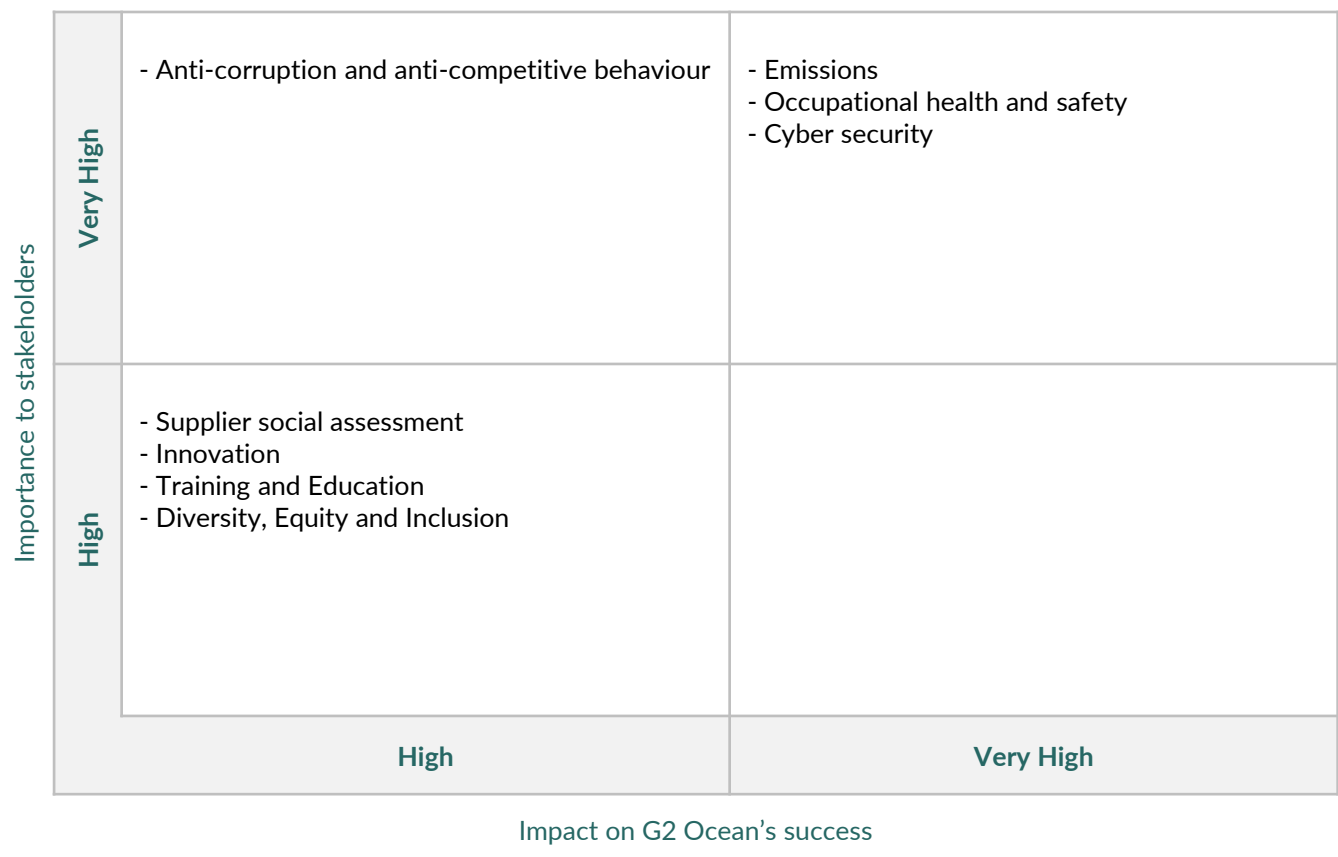
Within our five strategic focus areas – customer in focus, grow our business, take environmental action, innovate and digitalise, and build a performance culture, we have identified eight material impact topics with corresponding performance indicators and ambitions to measure our progress.

G2 Ocean conducted its first materiality analysis in 2019 which we updated in 2022. The updated materiality assessment is based on stakeholder dialogue and stakeholder surveys and was conducted by an internal ESG committee. The assessment involved identifying the key economic, environmental, and social impacts, both positive and negative, G2 Ocean has upon its stakeholders. The assessment

identified eight key areas of material impact which are presented in the below Materiality Matrix. These areas were identified by considering our value chain from the booking of cargo, and supply of vessels through to the delivery of cargo to customers. Each area has been assessed according to current and future stakeholder expectations as well as the operational and strategic impact on G2 Ocean. The relative importance of these eight areas varies between the different stakeholders.

The material topics have been approved by the Board of Directors and Leadership team and will be reviewed regularly to ensure their relevance.

**Materiality Matrix**





### Changes to material topics from 2021

As a result of our 2022 Materiality Analysis, 'Waste Management' is no longer defined as a material topic, the main reasons being:

- Although G2 Ocean disposes waste at hundreds of port locations all over the world, our influence on waste reception facilities' efforts to promote recycling is very limited.
- We have implemented a policy of using only approved reception facilities and we deliver waste in accordance with local rules and regulations. The potential for further improvement is limited.
- G2 Ocean activities generate a very small amount of waste oils and discarded batteries, which are managed at approved reception facilities.
- G2 Ocean does not generate any waste which is considered "hazardous" as defined by the Basel convention's definition of hazardous waste.
- Stakeholders put a relatively low emphasis on this topic compared to other ESG topics.
- A ban on single-use plastics remains in force for all offices. Office waste is segregated and recycled according to local regulations. Further potential for improvements for office waste is limited.

'Emissions' is defined as a material topic for G2 Ocean, meaning that this environmental aspect of waste will continue to be managed and part of our sustainability reporting.



## 4 Material Topics

32	1. Reducing our Emissions
42	2. Health and Safety
48	3. Supplier Social Assessment
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61	6. Innovate and Digitalise
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71	8. Cyber Security



# Reporting on material topics

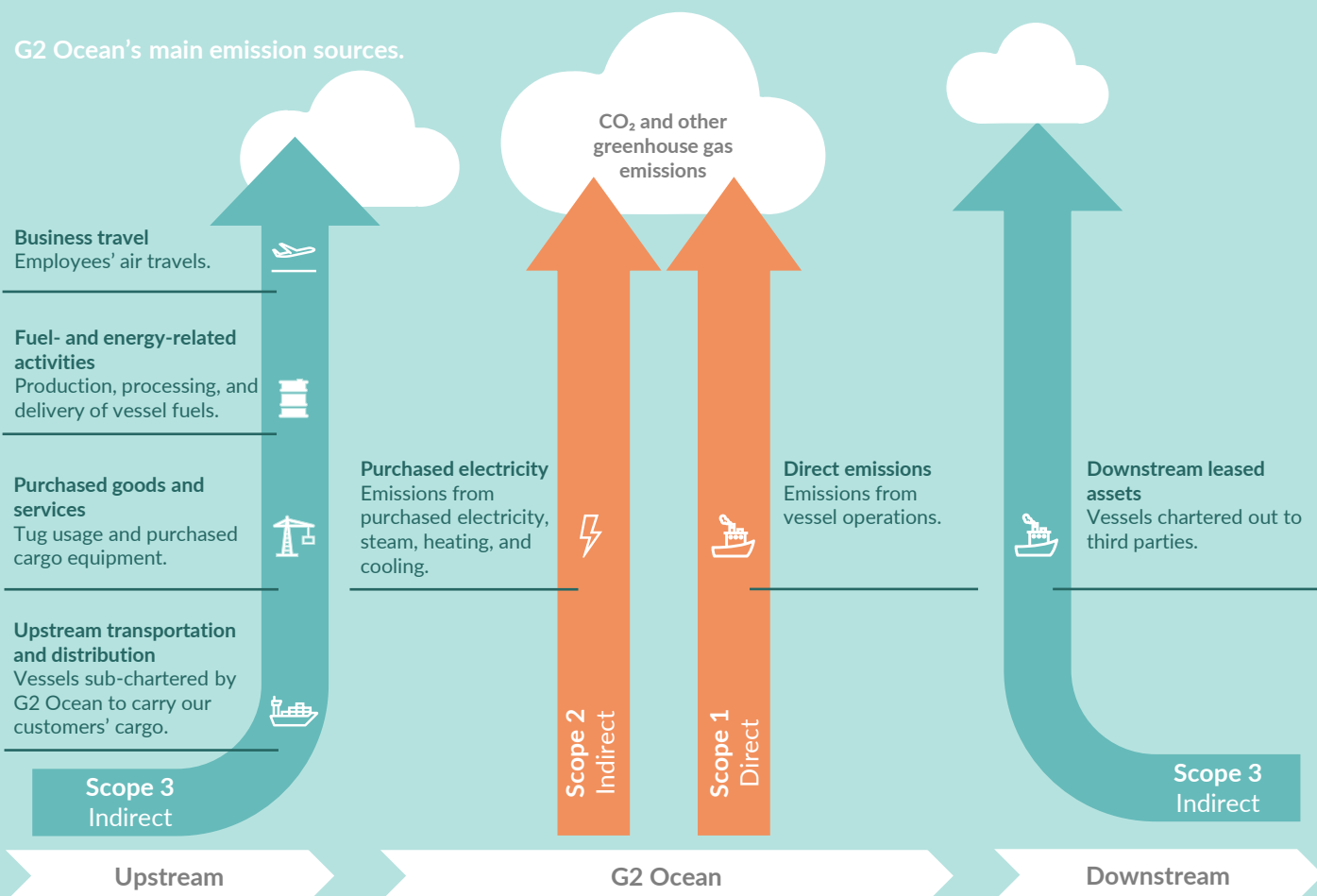
G2 Ocean's material topics and their relevance to our company are described in greater detail in the next chapter. Within each material topic, we explain our positive and negative impact, what we do to manage our impact, as well as our company's performance and priorities for the future.



# 4.1. Reducing our Emissions

As a global shipping company, G2 Ocean's business activities have both direct and indirect environmental impacts. Our main environmental impacts are illustrated below and are identified using the 'Corporate Accounting and Reporting Standard' by the Greenhouse Gas Protocol Initiative (GHG Protocol).

To mitigate our carbon footprint, environmental precautions are considered throughout our value chain.



## Our Impact

### Scope 1

Most of the emissions across our value chain are direct emissions, also called Scope 1 emissions, and derive from the vessels we operate to transport the cargo of our customers. These vessels are propelled using heavy fuel oil and marine gas oil and produce Carbon Dioxide (CO<sub>2</sub>), Sulphur Oxides (SO<sub>x</sub>), and Nitrogen Oxides (NO<sub>x</sub>) emissions. In addition, small amounts of Methane (CH<sub>4</sub>) and Nitrous Oxide (N<sub>2</sub>O) are released.

CO<sub>2</sub> is considered a primary driver of climate change, and reducing it is one of the world's most pressing challenges. NO<sub>x</sub> and SO<sub>x</sub> are not defined as greenhouse gases but have negative impacts on air quality, habitats, and human health.

Even though shipping is considered to be one of the most energy-efficient modes of mass transport, the volume of CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>x</sub> emitted from the industry is significant. Our Scope 1 emissions account for at least 77% of our greenhouse gas emissions, making them the largest source of emissions across our value chain. G2 Ocean, therefore, considers assessing and measuring Scope 1 emissions as a significant emissions reduction opportunity.

### Scope 2

Our Scope 2 emissions cover indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by G2 Ocean.

The energy is consumed at our worldwide offices and our cargo equipment workshop in Rotterdam and is required to maintain our business activity level.

Our Scope 2 emissions account for 0.005% of our greenhouse gas emissions, making them our smallest source of emissions.

### Scope 3

#### Business travel

G2 Ocean has offices in 15 locations around the world and business air travel between offices, as well as to ports and customers is necessary to carry out our operations.

#### Purchased goods and services

Emissions from tug services, as well as equipment and consumables used to support our operations, are

according to the GHG Protocol defined as our Scope 3 emission sources from purchased goods and services.

A breakdown of purchased goods and services in 2022 is provided on page 40.

#### Fuel and Energy-related activities

G2 Ocean's Scope 3 emissions include indirect emissions that occur in our value chain, the main being so-called well-to-tank emissions derived from the production, processing, and delivery of vessel fuels.

#### Upstream transportation

To carry our customers' cargo, G2 Ocean occasionally sub-charters capacity on other vessels. This is defined by the shipping industry as "Relet transportation".

Our emissions from relet transportation are considered our Scope 3 emissions from upstream transportation, as this is a service acquired by G2 Ocean. The emissions are weighted based on G2 Ocean's share of the total cargo onboard.

#### Downstream leased assets

G2 Ocean occasionally leases out vessels to other companies, for short- or longer periods. The fuel emissions from these vessels are considered our Scope 3 emissions from downstream leased assets.



Climate change is one of the greatest and most important challenges of our time, and we are committed to do our part to reduce our environmental footprint.

Arthur English  
Chief Executive Officer, G2 Ocean

## What we do

### Net-zero by 2050

In 2022, G2 Ocean committed to becoming a net-zero emissions company by 2050 and to bringing in zero-emission capable vessels by 2030. In line with the strategy of the International Maritime Organization (IMO), G2 Ocean is also committed to reducing greenhouse gas emissions per transported unit by a minimum of 40% by 2030 from 2008 levels.

G2 Ocean has not defined specific ambitions for the reduction of NOx and SOx emissions, but we are committed to following regulations by IMO that targets these emissions. New limitations on the sulphur content of fuel oil have significantly lowered our SOx emissions in recent years.

As part of our commitment to becoming a net-zero emissions company, we are looking at every opportunity to improve our environmental performance. Below are some examples of initiatives currently implemented.

#### Optimising voyage energy efficiency

As part of our efforts to improve fuel efficiency, we conduct regular hull inspections and propeller polishing operations. The propeller transmits power by converting rotational motion into thrust and, when operating most efficiently, will generate the least amount of turbulence. Unmaintained propellers can negatively affect the speed, power, energy efficiency and condition of our vessels, hence the propeller condition is critical to a fuel-efficient operation. G2 Ocean completed 154 propeller polishing operations in 2022.

To help monitor vessel performance, G2 Ocean has implemented numerous business intelligence dashboard that provides information about the current condition of the vessel, estimates the vessel's expected daily fuel consumption, and highlights the optimal vessel speed. This information helps us make informed decisions for more efficient and environmentally friendly vessel operations.

G2 Ocean also applies new technologies to help improve vessel performance. As an example, we are testing the use of robotic technology to clean the vessel hull. The hull maintenance robot enables cleaning of the hull while the vessel is in transit and contributes to lower emissions through increased hull cleaning frequency.

#### Testing alternative fuels

As part of our efforts to decarbonise our fleet, we perform various tests and analyses of alternative fuels on our vessels.

#### Biofuel

In early 2022, we successfully completed our very first trial using biofuel made of waste residue to power our 46,500 deadweight tonnage general cargo

vessel, Star Istind, on her voyage from Europe to North America. The trial was performed in collaboration with one of our key customers.

Using the remaining biofuel after the completed voyage, we also did a trial with blended fuel, consisting of approximately 15% biofuel and 85% residual fuel. The ship's main engine operated as normal with this blend and marked an important step on G2 Ocean's decarbonisation journey.

#### Ammonia

We have also joined efforts with eleven other industry partners to study whether green ammonia can power vessels on transatlantic voyages. Ammonia has a key role to play in enabling industries to decarbonise, and this study considers not only the technical solutions available but also fuel availability, safety, financing and regulatory requirements. We are proud to be part of this project and look forward to sharing our findings in 2023.

#### Business Travel

G2 Ocean aims to reduce its scope 3 emissions related to business travel by air. Our travel policy states that all business travel must be essential, and subject to management approval. Video meetings should always be considered an alternative to air travel. To track emissions from air travel, all bookings shall be made via the online portal of our global travel service provider. The travel policy requires employees to choose economy or premium economy class for long-haul flights. Travels in these ticket classes have lower emissions than business class travels.

#### Carbon offsetting

In the short term, we see carbon offsetting as making an important contribution to the climate challenge. Offsets will however play a minimal role in achieving our operated emissions reductions. We will purchase offsets equivalent to our emissions from purchased electricity (scope 2) and business travels (scope 3) via our carbon offset partner Chooose who only uses credits verified according to high standards.

G2 Ocean also provides customers with the opportunity to offset the emissions of their shipments via our digital carbon offset program. To date, none of our customers have purchased carbon credits to offset their emissions.





The Star Istind arrives safely at Port of Houston, Texas, marking the successful completion of G2 Ocean's first trial using biofuel on a transatlantic voyage.



## Our Performance:

At G2 Ocean, we have calculated our carbon footprint since 2018 and report the results annually.

### Methodology and boundaries

G2 Ocean applies the principle of “operational control” in accordance with the GHG Protocol to consolidate the Scope 1, 2 and 3 emissions from our operations. As such, G2 Ocean accounts for 100% of the greenhouse gas emissions from the operations over which we have control. In our emission reporting, control is defined in the operational term, not financial.

For our vessel emissions (Scope 1), the emission figures include every vessel which carries cargo for G2 Ocean, including vessels chartered by G2 Ocean for



short- or long-term periods (Time Charter Vessels). Vessels chartered out from our fleet to third parties are not included, as these vessels fall outside of our operational control.

In this report, the greenhouse gases related to scopes 1, 2 and 3 have been converted into carbon dioxide equivalents (CO<sub>2</sub>e). All figures listed as CO<sub>2</sub>e in the report are in metric tonnes.

In 2022, G2 Ocean's greenhouse gas emissions totalled 2,736,341 tons of CO<sub>2</sub>e.

Reporting definitions, assumptions, formulas, and calculations for our Scope 1, 2 and 3 emissions are described in detail on pages 120 – 124 of the Appendix.

## Climate Accounts

G2 Ocean's greenhouse gas emissions	 Tonnes of CO <sub>2</sub> e emitted 2022	% change from base year*	Tonnes of CO <sub>2</sub> e emitted 2021
Scope 1 emissions	2,114,849.74	14.11%	2,019,296
Scope 2 emissions (location based)	135	N/A	N/A
Scope 3 emissions			
Category 1: Purchased goods and services	Data not available		
Category 3: Fuel and energy related activities	475,583	N/A	N/A
Category 4: Upstream transportation and distribution	19,317	N/A	N/A
Category 6: Business travel	414	N/A	N/A
Category 13: Downstream leased assets	110,420	N/A	N/A
<b>Total emissions</b>	<b>2,720,718.74</b>		
<b>Scope 2 emissions (market based) </b>	<b>176</b>		

\* 2018 is the base year for scope 1 emissions (1,853,329 CO<sub>2</sub>e). 2022 is the base year for Scope 2 and 3.

## Scope 1 emissions

### Carbon Dioxide Emissions (CO<sub>2</sub>)

G2 Ocean's CO<sub>2</sub> emissions are strongly related to market activity. Due to high shipping demand in 2022, G2 Ocean's activities increased substantially. From 2021, our total number of voyage days and sailed distance increased by 14% and 7.9%, respectively. As a result, our CO<sub>2</sub> emissions are the highest reported in five years with 2,101,660 metric tons of CO<sub>2</sub> emitted in 2022.

While absolute figures for emissions are important, our overall objective is to maximise the transport work from each CO<sub>2</sub> emitted. Therefore, we use carbon intensity as our primary metric for measuring our performance. This is reflected by the Environmental Efficiency Operational Index (EEOI) and gives a fair comparison year on year, even with changes in fleet activity. The EEOI also reflects our voyage energy efficiency efforts, as both emission reduction and efficiency gains will improve the score.

In 2022, we set a target to improve our EEOI performance by 3% compared to 2021. As a result of our increased shipping activity, we were unable to meet this target and our EEOI in 2022 totalled 10.63 tons of CO<sub>2</sub> per million-ton miles – an increase of

6.1% (10.02) in one year. The increase is mainly due to vessels being forced to idle for long periods in ports as a result of congestion caused by the Covid-19 pandemic. The market was also favourable, which caused higher vessel speed and thereby increased fuel consumption.

### Development Transport Work

Due to the strong market, G2 Ocean's vessels had more distance and steaming days in 2022 compared to 2021, but the transport work was marginally less. A significant reason for this is an increase in breakbulk cargo such as windmill blades, which is big in volume but small in weight.


### Biogenic emissions

G2 Ocean used biofuel derived from sustainable feedstock to power our vessels for the first time in 2022. The carbon factor was credited as being 0 in reporting to IMO and EU due to the sustainable feedstock, but the tank-to-wake emission factor shows the actual emissions from the vessels.

### Other Scope 1 emission sources


Our Rotterdam workshop consumed 3,386 m<sup>3</sup> of natural gas, used for heating.

### Development Transport Work


Year	Distance [nm]	Steaming days	Transport Work [million ton*nm]	 EEOI [ton CO <sub>2</sub> per transport work]
2018*	6,289,676	23,610	179,993	10.16
2019	5,690,629	21,955	157,307	10.89
2020	6,121,078	23,186	172,490	10.14
2021	6,377,205	23,725	200,685	10.02
2022	6,882,054	27,052	197,676	10.63

\* G2 Ocean's baseline year is 2018 as it was our first full year of operation and thereby formed our first complete data set.

### Development CO<sub>2</sub> emissions

Year	Consumption HFO/VLSFO [mt]	Consumption MGO [mt]	Total fuel consumption [mt]	CO <sub>2</sub> emissions [mt]	 Global Warming Impact CO <sub>2</sub> e [mt] Include contributions from CH <sub>4</sub> and N <sub>2</sub> O
2018	532,440	53,055	585,495	1,828,327	1,853,329
2019	482,017	65,930	547,947	1,712,567	1,735,533
2020	497,807	61,346	559,153	1,749,031	1,770,640
2021	571,743	65,498	637,241	2,011,572	2,019,296
2022	595,722	71,586	667,308	2,101,660	2,114,843

### Biogenic emissions

Year	Consumption biofuel [mt]	 CO <sub>2</sub> e emissions [mt]
2022	380	1,077

### Other Scope 1 emissions

Year	Consumption natural gas [m <sup>3</sup> ]	Conversion factor [kg CO <sub>2</sub> e per m <sup>3</sup> ]	 CO <sub>2</sub> e emissions [mt]
2022	3,386	1.99	6.74



## Other vessel emissions

### Sulphur Oxides Emissions

G2 Ocean's SOx emissions were greatly reduced from 2020, when IMO introduced the global 0.5% sulphur cap for marine fuel, down from 3.5% previously. Since then, the variations have been caused by natural fluctuations in fuel compositions, as well as the changes in fuel consumption and the completed transport work.


### Nitrogen Oxides Emissions

G2 Ocean uses a simplified method for calculating NOx, using a conversion factor between fuel consumption and NOx emissions. This means that the emissions will be proportional to fuel consumption and the completed transport work.


As a vessel charterer, we do not have details on the

NOx tier for each engine in our vessels. A detailed calculation would likely yield a lower emission, as the simplified method is considered conservative.

### Sulphur Oxides Emissions

Year	Average sulphur content [%] HFO/VLSFO	Average sulphur content [%] MGO	 SOx emitted [mt]	SOx per transport work [kg/mill t*nm]
2018	2.40	0.06	25,621	142.3
2019	2.03	0.07	19,662	125.0
2020	0.45	0.07	4,566	26.5
2021	0.45	0.07	5,237	26.1
2022	0.46	0.06	5,567	28.2

### Nitrogen Oxides Emissions

Year	 Nox emitted [mt]	Nox per transport work [kg/mill t*nm]
2018	56,159	312.0
2019	52,094	331.2
2020	53,328	309.2
2021	60,902	303.5
2022	63,441	320.9


## Scope 2 emissions

Our indirect emissions from the consumption of purchased energy for heating, cooling, lighting, and gas are shown in the table below. In total, our offices have consumed 545,458 kWh of electricity.

Certified “green” electricity is utilised by our office in Gothenburg. In all locations, we are tenants of office spaces and we have limited influence on the choice of energy suppliers.

We are using 2022 as our base year for our scope 2 emission reporting as this is the first year all office locations are included in our scope 2 emission reporting and the first time we only use one conversion factor source for calculating location-based emissions – the United Nations Framework Convention on Climate Change.

## Scope 2 emissions

Year	Market-based [t CO <sub>2</sub> e]	Location-based [t CO <sub>2</sub> e]
	Purposefully chosen contractual instruments for 'green energy'	Local grid average
2022 	176	135

## Scope 3 Emissions

### Business Travels

Our scope 3 emissions from business travels were 413.6 CO<sub>2</sub> e (t) in 2022. The total kilometres our employees travelled by air increased by 314% compared to 2021 due to increased travel activity after Covid-19 travel restrictions were lifted. G2 Ocean is committed to reducing air travel-related CO<sub>2</sub> emissions compared with 2019. Remote working and less travel, due to Covid-19, added significantly to the achievement of this target, with the air kilometres travelled in 2022 being 24% of what it was in the pre-covid year of 2019.

### Purchased goods and services

The emissions from the purchased services and goods listed in the table below have been identified as significant to G2 Ocean due to its significant greenhouse gas reduction opportunities.

#### Tugs

As illustrated in our value chain on page 15, tugs are hired to ensure a safe vessel arrival and departure at the port. In some ports, the use of tugs is mandatory. As part of our commitment to reducing emissions, we aim to lower our use of tugs used per port call. The target for 2023 is 3.1 tugs per port call.

#### Equipment and Consumables

Equipment such as lifting gear and cargo securing equipment are purchased to support G2 Ocean's

cargo loading and discharging operations. Our equipment has a lifecycle carbon footprint, from the extraction of raw materials used in the production phase to the disposal phase when the equipment can no longer be used, due to safety and quality requirements. The same applies to consumables, which for G2 Ocean are materials made of metals, wood, rubber, and polyester used on single voyages for lashing and securing of cargo. All materials used in our operations are primary raw materials which can be recycled when they are no longer in use.

#### Emission reporting

As of today, reliable emission factors for the tug services, equipment, and consumables products we purchase are not available, which prevents us from calculating the emissions.

We have updated our contract template to include a requirement that we expect suppliers to engage in the development of emission conversion factors for their services and products, to enable sustainable procurement and accurate reporting across the value chain in the future.

### Purchased goods and services

Category		2021		2022		% change
	Kg per unit	Quantity	Kg	Quantity	Kg	
<b>Purchased goods (equipment)</b>						
Rubber bags	14	8,600	120,400	6,300	88,200	- 27%
Webbing slings	2.6	448,499	1,166,097	385,525	1,002,365	- 14%
Poly airbags	4	2,920	11,680	13,660	54,640	368%
Lashing chain	20	28,650	573,000	46,200	924,000	61%
Lashing tensioners	5.55	20,400	113,220	38,275	212,426	88%
Wire slings	3	122,500	367,500	53,500	160,500	- 56%
Shipping container	2,500	294	735	172	430	- 41%
Poly boards	11.5	3,000	34,500	0	0	- 100%
<b>Purchased services</b>						
Tug service in ports		8,446	-	6,860	-	- 19%



## Fuel- and energy-related emissions

In 2022, we initiated the first climate accounting related to the production, processing, and delivery of vessel fuels (well-to-tank emissions) which totalled 475,583 tonnes of CO<sub>2</sub>.

### Upstream transportation and distribution (Relet)

G2 Ocean's share of emissions from vessels sub-chartered by the company to carry its customers' cargo totalled 19,317 tonnes CO<sub>2</sub>e in 2022. This was our first year of reporting emissions related to relet transportation, and the emissions are calculated as "well to wake".

### Downstream leased assets


G2 Ocean occasionally leases out vessels to other companies, for a limited period. The emissions related to fuel consumption from these vessels are included in our scope 3 emissions.

## Future priorities:

To reduce emissions and reach our environmental targets, G2 Ocean will pursue the following initiatives in the years to come:

- Work with vessel owners to improve the energy efficiency of vessels
- Work closely with ports and terminals to reduce idling time
- Set minimum requirements for time-chartered vessels


## Fuel-and energy-related emissions

Fuel grade	Fuel consumption 2022 [tonnes]	Conversion factor [Total kg CO <sub>2</sub> e per ton]	 Scope 3 emissions [tonnes CO <sub>2</sub> e]
HFO	595,722	709.08	422,414
MGO	71,586	740.70	53,023
Biofuel	380	384.86	146
Total Scope 3 emissions related to fuel:			475,583

## Emissions from upstream transportation (Relet)

Year	Consumption MGO [mt]	Consumption HFO/VLSFO [mt]	Total consumption [mt]	 Scope 3 emissions [tonnes CO <sub>2</sub> e]
2022	1,020	3,941	4,961	19,317

## Emissions from downstream leased assets

Year	Consumption MGO [mt]	Consumption HFO/VLSFO [mt]	Total consumption [mt]	 Scope 3 emissions [tonnes CO <sub>2</sub> e]
2022	2,718	25,739	28,456	110,420

## 4.2. Health and Safety

At G2 Ocean, the safety of our people, and the integrity of our operations, is our top priority. We believe that all accidents related to people, the environment, cargo, and assets can be prevented.



## Our impact

G2 Ocean's cargo operations in ports involve the use of cranes and the movement of heavy units. While the cargo units are loaded or unloaded, uneven surfaces and heights may emerge within the cargo holds of the vessel. Manual labour and the presence of personnel are required for hooking, lashing, and securing cargo units, and for monitoring purposes. These factors create a potentially hazardous work environment, an assumption supported by accident statistics. Slips, trips, falls and crush injuries are the most common types of injuries occurring during cargo operations. Potentially there could be fatalities from falling objects or fall incidents during crane operations.

G2 Ocean's employees, except for port captains who represent 9.6% of our workforce, work in offices and are not directly exposed to the health and safety risks of our cargo operations. Our port captains, however, are subjected to different health and safety risks, as their presence in ports and on vessels is required to fulfil their role of monitoring and supervising our cargo operations.

G2 Ocean also collaborates closely with people who are not employed by the company, but who are engaged by us to assist our cargo operations. This includes stevedores, who are hired to load and discharge the cargo at the port, and the vessel crew who supervises the cargo during the voyage. G2 Ocean influences the working methods of stevedores and crew by giving instructions for safe and efficient cargo operations. Local labour laws and our suppliers' work procedures may limit our influence in some ports.

As illustrated in the table below, both stevedores and crew are exposed to critical health and safety risks as part of the work they do for us. Out of the two, stevedores are most exposed to health and safety risks during cargo operations. Their main occupation is cargo handling in ports, while this is a minor part of the crew's daily work. The crew's role is to *monitor* the cargo operations conducted by the stevedores, and to monitor the cargo condition during the sea passage.

## What we do

### Safety Commitment

At G2 Ocean, we consider a safe and healthy work environment to be a human right. In 2022, we committed to the ILO Declaration on Fundamental Principles and Rights at Work. Based on a strong determination to provide a safe and healthy work environment for our employees and business partners, G2 Ocean has also made a formal commitment to target zero injuries. As part of our commitment to safety, we have implemented several initiatives to enhance our performance:

### Health and safety management system

At G2 Ocean, we work systematically to manage and reduce health and safety risks. To achieve our ambition of zero work-related injuries, we have implemented a Health and Safety Management System that applies to all employees and third-party suppliers involved in all cargo operations controlled by us. The system is developed in accordance with ISO requirements but is not certified by an external party. The system consists of our Occupational Health and Safety policy including staff responsibilities, health, and safety objectives and KPIs, as well as procedures for hazard identification, risk management, audits, and reviews. Internal audits are conducted according to the G2 Ocean Audit Program. Our offices in Bergen, Atlanta and Singapore, are audited annually, while the remaining are audited every second year. The health and safety of G2 Ocean employees, vessels and cargo operations are key topics of the audit agenda. Further, the system contains an incident reporting and analysis tool and health and safety training.

As part of our Health and Safety Management system, we capture lessons learned and share them with employees and crew. Safety moments are regularly held at the start of company meetings, to promote safety awareness.

Stakeholder at risk	Health and Safety Risk
Port Captain, Stevedores, Vessel Crew	Handling of cargo during loading and discharging operations in port
Vessel Crew	Shifting cargo during the voyages, potentially affecting vessel stability
Port Captain, Stevedores, Vessel Crew	Chemical properties of cargo - the potential release of flammable or toxic vapours or liquids
Vessel Crew	Physical properties of cargo, including potential liquefaction of bulk cargo affecting vessel stability



## Safety Behaviours

To strengthen G2 Ocean's safety performance, we have implemented a set of shared safety behaviours across the organisation: the 5 Safety I's. Developed by the maritime consultancy company Green Jakobsen, the safety behaviours aim to guide employees in their daily work and give G2 Ocean a common language to discuss safety issues.

- **Insight:** Seek and share insights to work towards zero harm.
- **Intervene:** Create a trusting workplace where we can intervene when necessary.
- **Influence:** Show strong team spirit and positively influence each other.
- **Innovate:** Strive to be innovative in all safety matters.
- **Integrate:** Integrate safety in all aspects of our behaviour and work processes.

The Safety I's applies to all G2 Ocean employees, and it is our ambition that our safety culture shall be characterized by these behaviours.

## Intervention Authority

In 2022, G2 Ocean introduced the Intervention Authority initiative to encourage employees to become more involved in strengthening our safety culture.

The Intervention Authority is a power given to

employees, at any level, to step in and stop ongoing activities that are considered unsafe for one or more persons, assets, or the work environment.

Intervention is promoted as a desired behaviour, and it is communicated regularly that employees who exercise their right to stop unsafe acts will have management support and not suffer any negative consequences. If an individual does believe they are retaliated against for taking a stance on a safety issue, the whistleblowing policy covers concerns related to health and safety. This reporting mechanism enables employees to confidentially address issues, outside the regular reporting and communication channels.

## Life-Saving Rules

To provide employees guidance for working safely, G2 Ocean introduced 10 Life-Saving Rules to the organisation in 2022. The Life-Saving Rules are a set of guidelines to inform employees on shore and at sea of the measures they need to take to keep themselves and others safe at work.

The Life-Saving Rules target activities most likely to lead to fatal injuries and highlight the life-saving actions employees can take to protect themselves and others from these risks.

The Life-Saving Rules are a daily tool available for everyone working at G2 Ocean and are implemented to help employees identify risks before an operation. All employees are required to follow the Life-Saving Rules.

## G2 Ocean's Life Saving Rules



1. Wear PPE



2. Identify danger zones



3. No Alcohol, No drugs



4. Never walk under a suspended load



5. Isolate Energy Sources



6. Prevent slips, trips and falls



7. Obtain Confined Space Entry Permit



8. Stay safe when performing hot work



9. Obtain authorisation



10. Respect the Smoke-Free Zone

## Health and safety training

Health and safety training is part of G2 Ocean's onboarding process and is mandatory for all employees. Additional training is provided according to role and responsibilities, and external training providers are used as required to improve competence on subjects such as safety culture and risk management. We also arrange regular and online training sessions on operational safety for seafarers to educate them on safe cargo operations.

All safety training provided by G2 Ocean is free of charge. The training program is subject to an annual review.

## Stakeholder engagement:

Engaging with stakeholders is critical in achieving our vision of zero incidents. As part of our stakeholder outreach efforts, we have identified key stakeholder groups that play an important role in ensuring a safe work environment. This includes G2 Ocean employees, customers, vessel owners and their crews, stevedoring companies, and ports. We work actively to develop and maintain good relationships with our stakeholders, understanding and addressing their issues and concerns, as well as engaging them in our safety efforts. Insights from all our stakeholders enable us to take proactive measures to reduce risk and improve performance.

## G2 Ocean Safety Bulletin

The G2 Ocean Safety Bulletin was introduced in June 2022 and is distributed every month to stevedore companies around the world.

By being transparent about our safety incidents and sharing lessons learned, we aim to reduce the number of incidents and personal injuries in our industry.

## Employee involvement

Employee involvement is key to further developing and enhancing our safety culture. All employees are strongly encouraged to report issues related to health and safety, and everyone has access to our digital reporting system.

To increase safety awareness and influence behaviour change, G2 Ocean has appointed several Safety Ambassadors to serve as safety leaders in the organisation. Health and Safety Committees have also been established in various offices, in line with local legislation.

## Employee Well-being Initiatives

At G2 Ocean, we prioritise the well-being of our employees. We conduct annual surveys to monitor the well-being of our employees and implement corrective measures where necessary. Several employees travel regularly, and our guidelines for health and safety during travel are addressed in our Travel Policy.

To improve the well-being of our employees and

prevent sick leave, we provide our staff with various healthcare benefits. The types of benefits and scope may vary from office to office but generally include:

- Access to a local Occupational Health Service
- Annual or biannual health check
- Medical insurance
- Eye exam

G2 Ocean also partly or fully compensate employees' gym memberships. Exercise greatly reduces stress and keeps employees healthier. Employees on sick leave are followed up by our HR department, according to local regulations.

Further, to raise health awareness, we arrange both local and global wellness campaigns. As an example, we invited all employees to participate in our internal 7-week step count challenge in 2022. The campaign aimed at promoting healthy habits and improving engagement among employees. In total, 197 employees joined the challenge and walked a total of 87,552,120 steps, equivalent to 65,664 km.



Ensuring the health and safety of everyone working in and for G2 Ocean is our first priority. We believe all incidents can be prevented.

Phil Curran  
Managing Director Operations  
G2 Ocean

## Our Performance

### Internal incident reporting

We are pleased to see a positive development in incidents being reported to G2 Ocean – an increase of 66% from 2021 to 2022. This shows that our efforts to enhance internal safety awareness have been effective.

We are also satisfied that no G2 Ocean employees were injured in work-related incidents in 2022.

### Stevedore injuries

Most of the reported injuries occur during “hands-on” work tasks completed by stevedores in ports, such as hooking, lashing, and securing of cargo. The three most common incident types resulting in injuries are slip and trip, fall and crushing/hit by an object. A significant share of the incident occurs while stevedores walk on uneven surfaces inside the cargo hold, or when climbing ladders. We experienced one high-consequence incident in 2022 – a slip and fall which occurred during vessel cargo operations.

G2 Ocean recognises the need to continue raising safety awareness among stevedores. In 2022, we experienced an increase of 16 stevedore injuries from 2021, which is too many compare to our target. At the same time, we are cautious in drawing conclusions based on this figure alone. We observe that some geographical areas with a high activity level report a limited number of injuries, and we are aware that reporting practices of minor injuries vary from area to

area. Not all such cases are reported to G2 Ocean representatives.

While the number of stevedore injuries is a concern, we are also mindful of the potential consequence of incidents. We have experienced near-misses and incidents with minor consequences, which could have had more severe outcomes under slightly different circumstances.

We will continue our drive to increase both proactive safety reporting and reporting of incidents resulting in injuries.

### Sickness rate

The total sickness rate, calculated as the percentage of G2 Ocean’s employees’ sick leave days registered against the total number of working days, was 1.1% in 2022, compared to 1.4% in 2021. Sick leaves related to Covid-19 decreased after the first quarter of 2022, which can explain the slight reduction in the sickness rate compared to 2021.

### Future priorities:

- Conduct internal risk management training
- Develop a deeper collaboration on safety in strategic ports
- Work closely with Grieg and Gearbulk to further strengthen the companies’ safety cultures

**Proactive Safety Reports** (include near misses, non-conformities, suggestions for improvement and audit findings)

	2020	2021	2022
Pro-active Safety Reports	253	184	306

### Development in reported injuries

Injury category	2020		2021		2022	
	G2 Ocean	Stevedoring companies	G2 Ocean	Stevedoring companies	G2 Ocean	Stevedoring companies
Fatalities	0	0	0	0	0	0
High-consequence injuries	0	-	0	-	0	1
Recordable injuries (excl. first aid cases)	0	40	0	24	0	40
Rate of fatalities*	0	-	0	-	0	-
Rate of high-consequence injuries	0	-	0	-	0	N/A
Rate of recordable work-related injuries	0	-	0	-	0	N/A

We use the GRI definitions to categorise injuries according to severity level. The number of actual incidents within each category are based on the available information obtained by internal and external parties. Data privacy requirements may in some cases restrict our ability to accurately assess the consequences of incidents.







# 4.3. Supplier Social Assessment

We rely on a large number of small, large, local and global suppliers to ensure safe, efficient and timely shipping operations.

Through our strategy, we are committed to operating our supply chain with a high focus on sustainability and circularity. Environmental and ethical aspects are taken into consideration throughout our value chain, from the booking of cargo to delivery at the port of destination.

## Our Impact

By purchasing the services and products of our suppliers, G2 Ocean affects its suppliers directly in financial terms, and consequently, local communities are indirectly impacted by our activities through job creation and tax payments.

At G2 Ocean, we set high ethical and environmental requirements for both ourselves and our suppliers. All our suppliers must commit to our Supplier Code of Conduct, and it is expected that applicable laws and regulations are adhered to. The Code of Conduct is based on the United Nations Global Compact Guiding Principles and specifies our fundamental ethical standards for business operations. The Code of Conduct was updated in 2022 to ensure compliance with the Norwegian Transparency Act which is further explained on page 19.

All new suppliers assessed in our Third-Party Risk Management system must acknowledge our Code of Conduct. By committing to our policies and procedures, our suppliers are indirectly affected by G2 Ocean's focus on responsible business practices and resulting expectations on suppliers of ensuring a shared approach to the safe and sustainable delivery

of services, and commitment to human rights and ethics in general.

## What we do

### Risk Management

To cope with potential risks, all new suppliers must go through a risk evaluation before providing their services to us. The evaluation is completed in our new Supplier Risk Management System, which was implemented in 2022.

All new suppliers are assessed in the following areas:

- Human rights and decent working conditions
- Health and safety
- Anti-corruption and anti-bribery
- Environmental requirements

Our Supplier Risk Management System also includes a Sanctions Screening tool. Implemented in 2019, and later included in the Supplier Risk Management System, this tool helps us minimise business risk and maintain compliance with international laws and regulations by identifying sanctioned parties.

## Category Management

To ensure consistency, continuous improvements, and a holistic view of our supply chain we introduced a category management approach to procurement in 2022. Our supply base is categorised into 8 main categories:

1. Bunkers
2. Stevedores
3. Equipment
4. Consumables
5. Agents
6. Ports
7. Towage and Pilots
8. Indirect (IT, office lease, consultants, etc)

Category Management will be key in our efforts towards gaining a deeper understanding of the different risks connected to the products and services we buy. This will also enable us to implement tailored mitigating actions towards environmental and human rights challenges for the individual product or service group.

### Due Diligence assessment of potentially negative social and environmental impacts

G2 Ocean has a risk-based approach to supplier management, assuring us that our supply chains are sustainable and robust. As a part of our Human Rights and Decent Work Conditions Policy, implemented in 2021, we launched a human rights due diligence process based on the OECD Due Diligence Guidance for responsible business conduct. Through this process, G2 Ocean assesses social and environmental risks in our own business and value chain.

In 2022, we have continued to develop this process and identified four main supplier categories with high-risk of actual and potential negative social and environmental impact, or strategically important areas where we can exercise a strong influence. For each of these categories, we have implemented an action plan for 2022 and forward.

#### Bunkers

The fuel of our bunker suppliers is strategically important to G2 Ocean, as it is directly linked to our core operations. Within the bunkers' value chain, we have identified social and environmental risks. Bunker supplies are made by G2 Ocean all around the world, depending upon need, cost, and trading patterns. In 2022, supplies were made in 102 ports in 32 different countries, and our suppliers are mostly global suppliers or sellers.

The Supply side of the Bunker Market is complex, with many stakeholders, from State Oil Companies

down to independent resellers. No suppliers have total control of the process from Crude Production at the Well to final delivery to the Vessel. Most of the base oil is purchased from Trading Companies and is imported into the main Bunker Supply Hubs, here it will be mixed or blended with other products to provide fuel to meet the required Specifications and may change ownership many times. This complexity is a challenge for the industry and G2 Ocean. We are actively looking for best practices and continuously working to mitigate environmental and social risks as well.

#### Our approach for 2022 and forward

G2 Ocean has long-lasting relationships with most of our bunker's suppliers, and many of these suppliers are larger global companies with deep knowledge about the full value chain. These main suppliers will be key in our future actions in this supply category, and in 2023 we will start to collaborate with our main suppliers to identify risks and corresponding mitigating actions to these risks. In 2023 we will conduct a country risk assessment on human rights and send out our supplier assessments and questionnaires to all bunker suppliers in high-risk countries. The assessment will be followed up with a detailed action plan based on the results of the assessments.

#### Stevedores

Stevedores are an integrated part of our operations as they support us with the loading and discharging of cargo at the ports. A Stevedore can either be a direct supplier to G2 Ocean or our customer, depending on agreed freight terms. Cargo loading and discharging operations are seen as one of the highest health and safety risks of our operations, which we outline in more detail on page 43.

We operate worldwide and many stevedore companies are local companies connected to one port or terminal at a port.

We have identified the following human rights risk in this category:

- Decent work conditions
- Freedom of association
- Forced labour
- Child labour
- Discrimination
- Collective bargaining

### Our approach for 2022 and forward

During 2022, our focus on improvements in this area has been anchored in our Safety Commitment and corresponding health and safety management system which also includes all cargo operations. We have started sending out monthly safety bulletins, reaching 35 different stevedoring companies and over 100 recipients globally. Further, during 2022, we have updated our Stevedore contract templates, including updated commitments on safety requirements, reporting and joint collaborations.

In 2023, we will continue to implement these changes when contracts are up for renewal. We will also follow up on already updated agreements with the development of a practical guide for collaborations on safety between G2 Ocean operations and the relevant stevedores at the ports.

A country risk assessment for this supplier category will be conducted. Based on the assessment we will send out supplier questionnaire to all stevedoring companies in high-risk countries.

We believe that fundamental improvements connected to decent work conditions and other human rights risks in this category can only truly be achieved through collaborations within the shipping industry. We are currently searching for an industry body to collaborate with to set focus on this very important topic. Our goal is to start such a collaboration in 2023.

### **Equipment and Consumables**

During the loading, discharging and carriage of cargo, G2 Ocean uses a wide range of cargo handling, lifting, and securing equipment. Typically, these items are constructed from metals, plastics, or rubber. Timber materials are also frequently used to secure cargo in the holds. The maintenance of machinery creates waste such as hydraulic oils.

Each year, some of our inventory is retired from service due to age or damage. Sources of waste in our core operations include:

- Synthetic lifting slings
- Rubber and polypropylene dunnage bags
- End-of-life lifting equipment and weight-spread materials
- Hydraulic and lubricating oils from machinery
- Polyurethane safety netting
- Timber dunnage materials

### Our approach for 2022 and forward

Recycling and reuse of equipment and consumables in our operations are important activities in this category, and we have implemented many different actions to mitigate our environmental impact:

- Waste oils collected and sent to licensed disposal facilities

- Steel items separated and sent for recycling
- Rubber dunnage bags collected and sent to a licensed “energy from waste” facility
- Avoid the general use of single-use webbing slings
- Plastic materials collected, segregated by type, and sent for recycling
- Timber waste collected and sent to licensed waste receivers

Going forward, we will continue to work on minimising our environmental impact and contribute to a circular value chain on equipment, and we will:

- Re-establish sling recycling facility in China - has been closed due to local Covid restrictions
- Establish a sling recycling option in the USA
- Further develop sling recycling options in Europe
- Develop new recycling options for polypropylene airbags
- Investigate and develop alternatives to timber dunnage

### **Agents**

Port agents act for and on behalf of G2 Ocean towards authorities and suppliers in the ports. This supplier group consist of global and regional suppliers covering several countries and ports.

We have identified the following human rights risk in this category:

- Decent work conditions
- Freedom of association
- Forced labour
- Child labour
- Discrimination
- Collective bargaining

The agent is important to G2 Ocean as they coordinate operations and have relationships with local suppliers and therefore, they can influence those suppliers. As well as direct Human Rights risks, they can also influence our suppliers, where applicable, on human rights, environmental and safety risks.

### Our approach for 2022 and forward

G2 Ocean has long-lasting relationships with several of our larger agents. These larger agents will be key in our future actions in this supply category, and in 2023 we will start to collaborate with these agents to identify risks and corresponding mitigating actions to these risks. We will conduct a country risk assessment on human rights and send out our supplier assessments and questionnaires to all agents in high-risk countries. The assessment will be followed up with a detailed action plan based on the results of the assessments.



## Our Performance

In 2022, G2 Ocean used 1,332 suppliers globally, where 360 were acquired during the year. 80 suppliers have been screened by our Supplier Risk Management system using social and environmental criteria, which accounts for 22% of all new suppliers in 2022.

637 companies, including customers and suppliers, were screened for unlawful practices or sanctions in 2022. Out of the total companies screened, one was associated with sanctions, and as a result, G2 Ocean did not do business with this company.

### Equipment recycling

A total of 209,805 web slings have been recycled by G2 Ocean in the past five years. 118,800 of them were processed in 2022 – an increase of 151.7% in one year. G2 Ocean had kept a large quantity of web slings in storage in waiting for a reliable partner to help handle and recycle them. A solution came in place in 2022, which explains the sharp increase in recycled web slings.

Of the total web slings recycled, 22,800 pieces (68,664 kg) were recycled into raw material and 96,000 web slings (200,000 kg) were converted into artificial dunnage.

The web sling project has inspired G2 Ocean to find ways to dispose of other types of equipment, such as airbags, dunnage bags and containers. In 2022, 4,665 rubber and polypropylene airbags were recycled. This represents a decrease of 22.8% from 2021, mainly due to high container freight rates and complications loading items in China which forced us to pause the

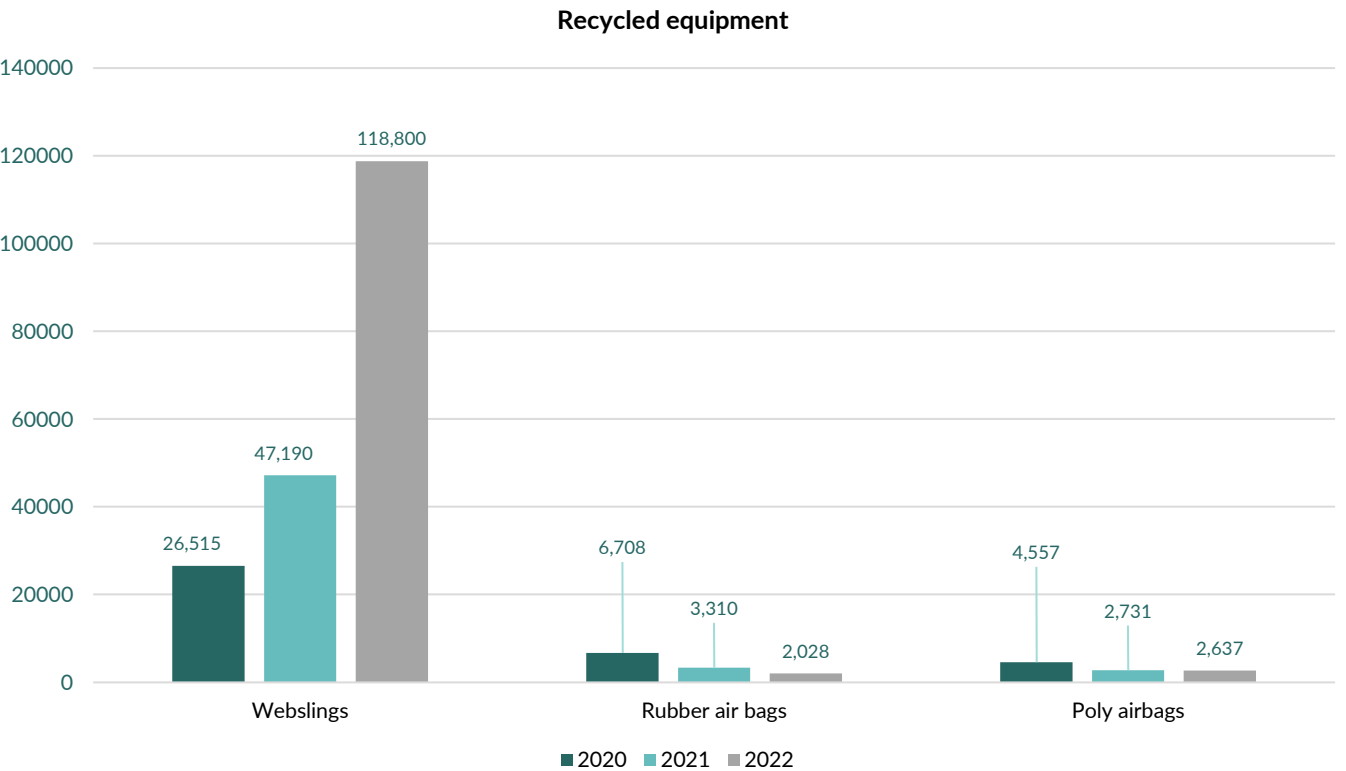
transportation of used airbags from the Far East for disposal in Europe. We expect the number of recycled airbags to rise in 2023 as freight rates fall and China eases Covid-19 restrictions.

147 metric tons of steel equipment were sent to our recycling facility.

## Future Priorities

To follow up the new category management approach to procurement and ensure the right priority in our efforts towards a sustainable value chain, G2 Ocean will implement a spend analytics system in 2023. This will be an important tool for us to get a holistic picture of our entire supply base, and to ensure full visibility.

Based on the spend analytics system, we will establish cross-functional category teams for our main procurement categories and develop specific category strategies based on an overall due diligence assessment connected to spending, criticality for the business, and social and environmental impacts. These category strategies will in the future also include tailored supplier relationship management processes, based on an overall developed supplier segmentation. In addition to this, our procurement team will receive training on sustainable procurement, and we will develop an overall sustainable procurement policy for G2 Ocean.





## Supplier Social Assessment – Performance in 2022

Key performance indicator	2022 result
Percentage of new suppliers screened using social criteria	22%
Number of suppliers assessed for social impacts	80
Number of suppliers identified as having significant actual and potential negative social impacts	0
Number of suppliers identified with significant actual and potential negative social impacts identified in the supply chain	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why	0
Percentage of new suppliers that were screened using environmental criteria	22%
Number of suppliers assessed for environmental impacts	80
Number of suppliers identified as having significant actual and potential negative environmental impacts	0
Significant actual and potential negative environmental impacts identified in the supply chain	0
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	0
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	0





# 4.4. Training and education

At G2 Ocean, we invest in the ongoing development of our employees through various upskilling, reskilling, and continuous learning initiatives.

Helping our employees to continuously grow professionally is a key strategic priority for G2 Ocean which not only adds value to them individually but also to our customers and overall business.

## Our Impact

By providing employees with relevant and consistent training and development opportunities, as well as continuous feedback on their performance, we contribute to the well-being and satisfaction of our employees as well as to the continuous development of their careers. Training and development open opportunities for career advancement and promotion. At the same time, we recognise that changes in job roles and tasks may lead to increased stress, frustration, and uncertainty for impacted employees, which we try to mitigate by providing close support during the transition period.

Investing in the training and development of our employees has a profound impact on our organisational performance. Helping our people be excellent in their roles, enable us to deliver superior value to our customers which consequently contributes to growing our company and improving our revenue. It also leaves us better equipped to succeed in a rapidly changing shipping environment.

In addition, training and development create stability for G2 Ocean, and indirectly our owners, as our company becomes more appealing to prospective talents and keeps our current employees invested in continuing their employment.

## What we do

### Living our Behavioural Principles

Guided by our Behavioural Principles, we are enabling our global organisation to work as a high-performing team and, thereby, creating long-term value for our stakeholders.

Developed in 2019, these five guiding principles reflect desired conduct and values for all members of our organisation. We continuously work to inspire our employees to adopt our Behavioural Principles. This involves introducing and emphasizing our behavioural principles to new employees in onboarding processes, communicating our behaviours through storytelling, and evaluating employees' conduct against our behaviours as part of our annual performance review processes.

### High-Performance Team Program

Since establishing our High Performing Team Program in 2018, we have worked strategically to develop a high-performance culture where employees feel empowered to take responsibility, freely contribute with new ideas, share feedback, and collaborate with others to enhance performance.

As part of our High Performing Teams Program, we develop annual training plans to help employees continuously grow professionally. The training plan applies to all employees in G2 Ocean, including the leadership team, and consists of four different training



categories:

- 1. Onboarding Training:** Ensures new employees are prepared to contribute early and effectively in a new role
- 2. Up-to-Speed Training:** Engages employees on the latest developments within key strategic areas
- 3. Knowledge Boost Training:** Teaches employees new skills/transfer skills between colleagues
- 4. Toolbox upgrade:** Teaches employees how to use relevant tools and systems

In preparing the Annual Training Plan, employees are invited to share ideas for relevant training sessions. The Leadership team decides on the final training activities for the year after considering the company's strategic priorities and the input received. Certain activities may be mandatory.

To allow the organisation to gain new industry knowledge, G2 Ocean also offers its employees the opportunity to take external courses at the Institute of Chartered Shipbrokers.

#### Employee engagement survey

To measure the organisation's level of engagement and satisfaction, G2 Ocean conducts annual surveys. The survey, which is 100% confidential, provides important insight into the employees' attitudes and thoughts about the working environment and opportunities for learning and development. Key

survey findings and required actions identified are always communicated to the employees.

#### Annual Employee Performance Review Processes

G2 Ocean runs three company-wide Performance Review Processes annually to measure and improve the performance of employees: the Objective-setting Process, Mid-Year Review and Year-End Review. All employees start each year by setting individual objectives that are aligned with the corporate strategy, as well as the objectives of their manager and team. To review performance, managers and employees meet one-on-one twice a year for a formal evaluation where feedback related to progress, employee conduct, and career development is given.

Through these initiatives, we aim to build an open company culture where feedback is shared, and concerns are raised without fear of reprisals. All performance review processes are facilitated through our digital HR platform in which all employees and managers have access. This platform also serves as a helpful tool for succession planning and talent development.

#### Transition Assistance Program

To facilitate continued employability and the management of terminations, G2 Ocean provides Transition Assistance Programs for employees who are involuntarily separated from the company. This Program does not apply to retiring employees.

### G2 Ocean's Behavioural Principles



#### Customer oriented

We are commercially aware and focused on improving our service and creating value for our customers.



#### Collaborate

We share information and connect with colleagues globally. We support each other's performance, give honest feedback and address issues directly.



#### Take action

We take responsibility and action for the objectives we set for ourselves, our team and our company. We celebrate our achievements and share our successes.



#### Demonstrate integrity

We conduct our work to high ethical standards. We respect and comply with all applicable laws, regulations and standards.



#### Open

We are open to new ideas and share our thoughts. We are willing to change the way we work and adjust for the future. We learn from mistakes and ask questions to improve. We are brave and share lessons learnt.

## Our Performance

### Training

In 2022, G2 Ocean employees have on average undertaken 14.4 hours of training through the activities provided in our internal Annual Training Program. 🌱

5 employees have used the opportunity to take industry courses at the Institute of Chartered Shipbrokers.

### Employee engagement survey results

78% of the organisation participated in our 2022 Employee Engagement Survey, which found that 91% feel proud to work at G2 Ocean. 88% feel empowered to take ownership and lead at work, and when asked if the employee has a clear understanding of personal development needs, 84% of the respondents either 'Strongly Agreed' or 'Agreed'. This indicates that our continued focus on training and development is valued and beneficial to our employees.

The survey also identified room for improvement in G2 Ocean's use of employee skills; although most of the respondents agree that the company makes "the best use of employees' skills", 8% of the respondents 'Disagreed' or 'Strongly disagreed' with this statement. 89% believe their "job role gives sufficient challenges", with a further 11% stating that they 'Disagree' (4%) or 'Strongly disagree' (1%) with this statement.

Local action plans will be implemented in 2023 to address identified challenges and opportunities.

### Performance Review Processes 🌱

In 2022, all G2 Ocean employees participated in our Performance Review Processes which cover conversations on career development.

## Future Priorities

- Developing our employees' skillsets for the future will remain a primary focus in 2023.
- Encouraging a high-performance culture by adopting the principle of 'being the CEO of your own role', actively developing our employees' skillset for the future and ensuring optimal collaboration with colleagues.
- Committing to adopting new technology and systems.
- Constructively challenge existing working practices and propose/secure improvements.



# 4.5. Anti-Corruption and Anti-Competitive Behaviour

According to the United Nations, USD 1 trillion is paid in bribes globally every year while an estimated USD 2.6 trillion is stolen annually through corruption – a sum equivalent to more than 5% of the global GDP.

While many industries are considered to have a level of corruption or bribery associated with it, the transport and storage industry is tied second as the industry where the most bribes are paid.

## Our Impact

G2 Ocean completes business in areas of the world where there are high levels of corruption. High-risk countries may have local officials that could be considerably underpaid and where corruption is routine, the temptation to pay bribes to those local officials to “facilitate” or “expedite” the import and export of cargo may be very high. Shipping is a global business, with several stakeholders and jurisdictions involved in any shipment. Examples of risks that have been highlighted include:

- Under-invoicing
- Bribes paid to gain contracts
- Illicit payments to marine surveyors
- Illicit payments/facilitation payments to customs officers
- Illegal purchase of letters of credit

One of G2 Ocean's key strategic objectives is to grow its business, and this includes working in developing markets. This brings with it some increased risks as some of these markets have higher rates of bribery and corruption.

At G2 Ocean, we acknowledge that people involved in our operations may be exposed to bribery and

corruption risks. Through our preventive measures, we work alone and together with other industry partners to not only mitigate these risks but to prevent bribery and corruption in any shape or form.

## What we do

Combatting bribery and corruption is a challenging task which requires collective efforts. An overview of our preventive work is included in this section.

### Empowering employees

To empower employees with a clear and in-depth understanding of all aspects of bribery and corruption, G2 Ocean has launched a companywide eLearning course. This training is mandatory for all employees.

In 2022, we also completed a webinar for all G2 Ocean employees to mark International Anti-Corruption Day. This webinar gave examples of bribery, explained how cases of bribery and corruption are dealt with and promoted G2 Oceans [Anti-bribery and Corruption policy](#).

### Policies

All G2 Ocean employees and people working in or on behalf of our company are required to adhere to our anti-bribery and corruption policy, as well as our anti-trust policy and manual. This is detailed in our e-learn-



learning course and during the webinar training and aims to ensure that all staff are fully aware of the importance of adhering to the policy and therefore not taking part in any corruptive or anti-trust activities.

As part of the Supplier Risk Management System, all new suppliers are advised of G2 Ocean's ABC policies and asked to confirm their commitment by completing an online questionnaire.

### Employee education

At G2 Ocean, we educate our employees about corruption and bribery through training courses, workshops, and information campaigns to ensure that they are fully aware of the negative impact they can have if they were to participate in any corrupt activities.

### Maritime Anti-Corruption Network

G2 Ocean has been a member of the Maritime Anti-Corruption Network (MACN) since 2017. Together with 181 member organisations, we work towards the vision of a maritime industry free of corruption.

### Reporting

We report on bribery- and corruption-related cases both internally and to MACN. This enables us to investigate cases, implement corrective actions to prevent future incidents, and learn from experiences. Reporting to the MACN enables members to learn from each other to potentially avoid similar incidents across the industry.

MACN has collected over 53,000 incident reports of corrupt demands locally. MACN uses this data to analyse trends in the frequency of incidents, allowing MACN to target Collective Action efforts and engage with governments. It has been a successful method to facilitate constructive dialogue in meetings with governments and other stakeholders.

### Risk assessments

We are performing regular risk assessments to identify the level of corruption in our operations and business activities. This enables G2 Ocean to target efforts in these areas and ensure compliance with our policies and procedures and in so doing aims to ensure we do not enter into any corrupt activities.

### Screening of Suppliers and Customers

At G2 Ocean, suppliers and Customers are screened to ensure that they are not sanctioned. In 2022, G2 Ocean implemented a Supplier Risk Management System where all new suppliers are screened, not only for sanctions but also for any ABC issues. If any issues are found and substantiated, we will not do business with that company.

### Collaboration

G2 Ocean collaborates with our owners, Gearbulk and Grieg, in a joint Compliance Forum. Here we work together and share competencies with the aim of

improving our actions in stopping corruption.

In 2022 we also implemented the G2 Ocean Compliance Group whose mandate is:

- To ensure that G2 Ocean has a coordinated approach to manage its Compliance Risk.
- In so doing, ensure that G2 Ocean is aware of all Compliance responsibilities and what needs to be implemented to comply with relevant legislation and any other requirements.

The Group includes representatives from Insurance, Legal and Claims, Finance and QHSE and is chaired by the Director of Compliance, Risk and Business Process.

Focus areas of the Group include:

- Recent Incidents/Issues
- Sanctions
- Transparency Act
- 3rd Party Management
- Anti-bribery and Corruption
- Anti-Trust

## Our Performance


### Bribery and Corruption incidents

As in 2021, we reported zero bribery and corruption incidents in 2022.

### Anti-bribery and Anti-Corruption training

205 employees, 63.3% of the total (excluding secondment), participated in our Anti-Bribery and Anti-Corruption training in 2022.

### Collaborations and communication

In 2022, 64 new suppliers received our ABC policy via our Supplier Risk Management System. This was 4.9% of the 1,332 suppliers used during 2022 and 18% of all new suppliers. A breakdown of the suppliers who received our ABC policy, by supplier type and country, is shown on the following page. 

The Compliance Forum met three times in 2022.

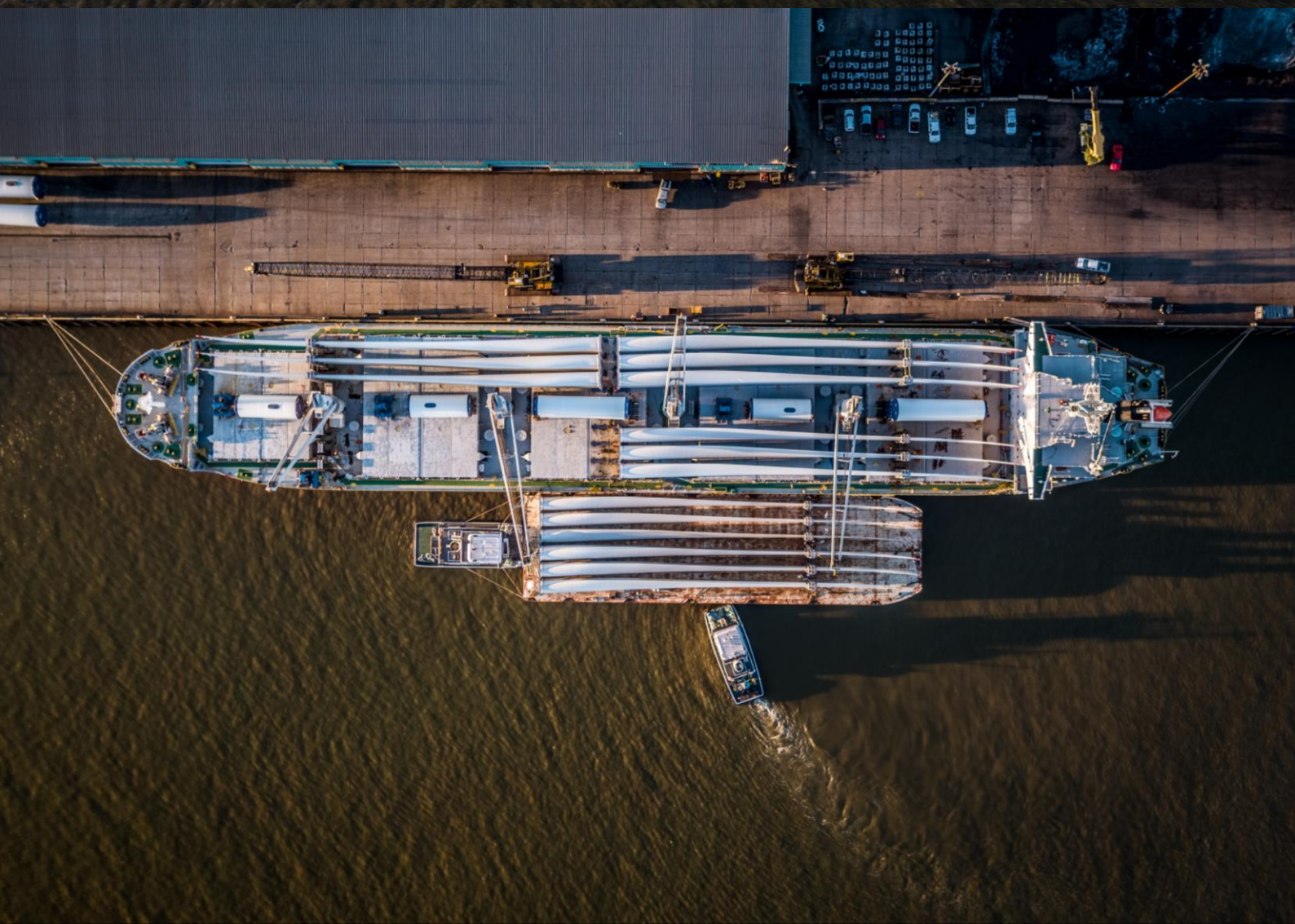
We will continue to train and communicate the importance of our actions during 2023.

## Distribution of ABC Policy by supplier type and country

Type of supplier / Country	Count of Type
<b>Advertising Agency</b>	1
Norway	1
<b>Bank</b>	1
Sweden	1
<b>Brokers</b>	1
Singapore	1
<b>Bunker</b>	1
Italy	1
<b>Cargo Owners</b>	1
Canada	1
<b>Charts and Publications</b>	1
Singapore	1
<b>Consultants</b>	6
Brazil	1
Norway	5
<b>Cyber Security</b>	1
France	1
<b>Education</b>	1
United Kingdom	1
<b>Electrical</b>	1
United States	1
<b>Equipment</b>	16
Belgium	2
Brazil	1
Germany	2
Italy	2
Netherlands	3
Spain	1
United Kingdom	1
United States	4
<b>Financial</b>	1
United Kingdom	1
<b>Hedging</b>	1
Ireland	1
<b>Hotel</b>	1
Norway	1
<b>Insurance</b>	2
China	1
United Kingdom	1
<b>IT</b>	6
Chile	1
Norway	3

Type of supplier / Country	Count of type
Singapore	1
United States	1
<b>Legal</b>	3
Brazil	2
Norway	1
<b>Office</b>	1
United Kingdom	1
<b>Office Equipment</b>	1
Singapore	1
<b>Port Agents</b>	7
Bahrain	1
Brazil	2
France	1
India	1
Singapore	1
Thailand	1
<b>Port Captain</b>	1
Belgium	1
<b>Repair</b>	1
United States	1
<b>Survey</b>	1
Turkey	1
<b>Towage</b>	1
Canada	1
<b>Training</b>	1
Norway	1
<b>Trucking</b>	1
Italy	1
<b>Underwater</b>	2
China	1
South Korea	1
<b>Vessel Owners</b>	2
Singapore	2
<b>Grand Total</b>	64



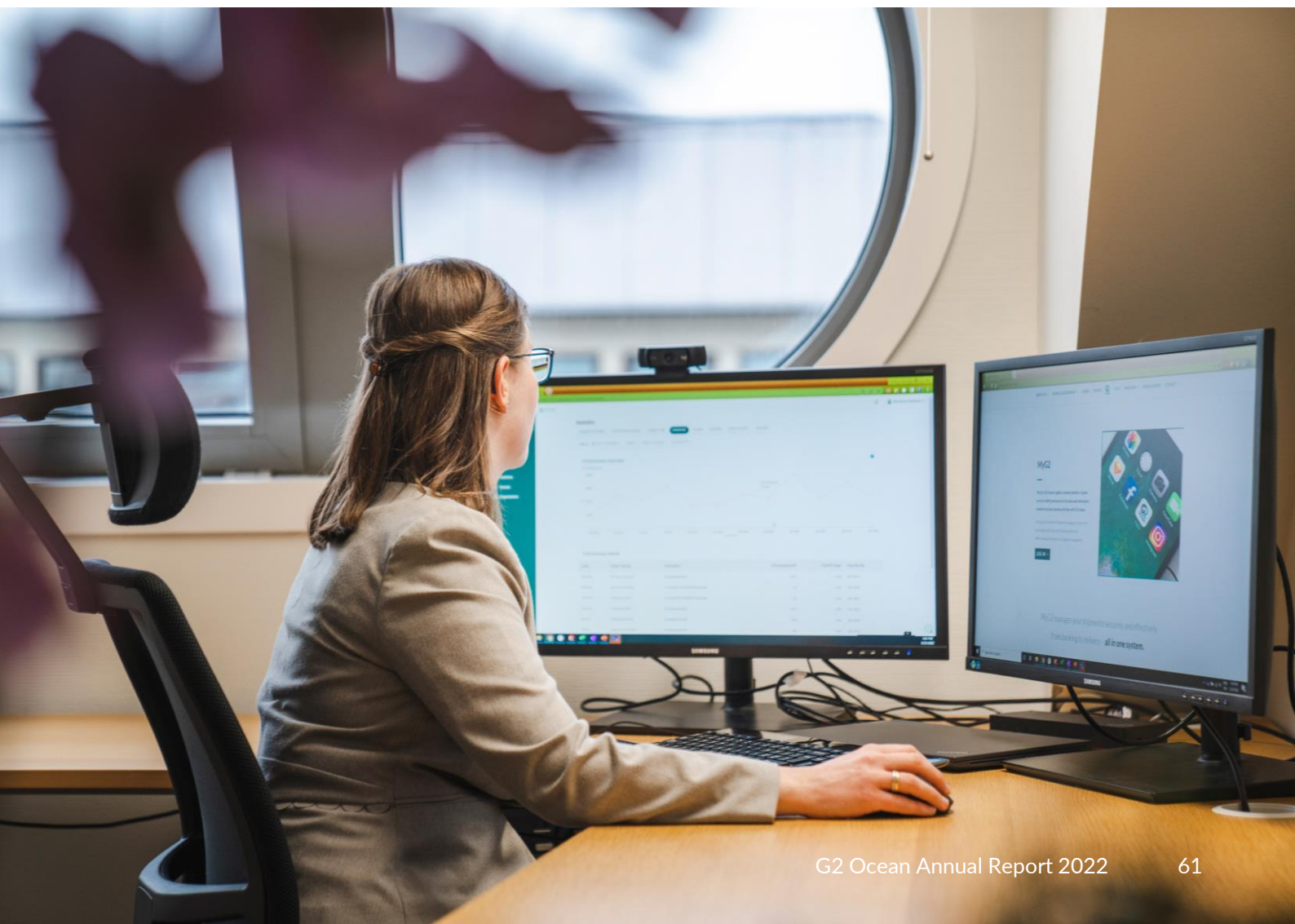




## 4.6. Innovate and Digitalise

Our ambition is to be a frontrunner in developing innovative shipping solutions. At G2 Ocean, innovation is broadly defined and encompasses both the creation of something new and improving something for the better.

In our work with innovation, we focus on creating value through better service offerings, improved efficiency and preparing the organisation for the future needs of our customers, employees, partners, and shareholders.



## Our Impact

At G2 Ocean, we embrace an innovation mindset and as we believe it contributes to making our company better suited to meet our stakeholders' current and future needs. Digitalisation is among the most important innovation and improvement efforts we undertake. By digitalising our business processes and applying digital technology to our day-to-day business, we are increasing the efficiency of our organisation and allowing employees to spend more time on value-added work, resulting in improved service quality and operational performance.

Our digital customer platform MyG2 is an example of how innovation has played a key role in our company's development and improved performance. By sharing information and data with our customers, MyG2 helps us provide better and more efficient services, in addition to helping customers improve the effectiveness of their logistics management. MyG2 also improves internal efficiency in G2 Ocean, enabling us to focus on value-adding activities for our customers. By creating MyG2 and investing in the continuous development of this platform, we are constantly introducing novelty to our existing services, enabling us to differentiate ourselves from our competition, which can lead to higher market share and consequently increased revenues.

The development of digital processes and the exploration of digital technologies for automating repetitive tasks and workflows has gained increased attention at G2 Ocean in recent years. This will allow us to free our employees' time by removing bottlenecks from existing workflows, leading to more focus on value-adding tasks, more engagement, and higher productivity. Digitalising and automating processes also eliminate the risk of human error, thereby ensuring that workflows are executed accurately and consistently. We hope that these efficiencies will translate into a better overall experience for our customers.

At G2 Ocean, our environmental performance is a central part of our strategy and can be considered a major innovation because of the changes this will imply in our business. We work to understand and mitigate the negative impacts of our operations through various measures, including testing alternative fuels on our vessels to reduce carbon emissions and implementing business intelligence solutions to empower our teams when assessing what environmental impact we make. More details about these efforts can be found on page 34.

Finally, by collaborating with customers and partners to introduce new solutions to the shipping industry, our efforts contribute to more transparent, reliable, and sustainable value chains.

## What We Do

In G2 Ocean, Innovation and Digitalisation are one of the five pillars of our long-term strategy. Our 4 Digital

Focus Areas are developed to describe how we will work with digitalisation and innovation in G2 Ocean and what we aim to achieve; Leaner and Cleaner Processes, Digitalised Customer Journey, Better Decision Support and Employee Engagement.

### Leaner and Cleaner Processes

In 2022, we have taken important steps towards becoming a more efficient organisation. These efforts have enabled us to focus on activities that provide greater value to our stakeholders.

### New Voyage Management System

As part of G2 Ocean's strategy to optimise internal processes and systems, we implemented a new voyage management system in 2022. The new system aims to increase customer value through simplified work processes, improved system efficiency and data security. By transitioning to a new voyage management system, we are providing the company with the insights and analytics needed to stay both current and competitive, make informed decisions and better manage chartering, operations, financials, and risks.

### Digitalising and Automating Contract Management

In 2022, we took steps to understand the potential and prove the value of automation and digitalisation.

We have worked on a project with a third-party partner to digitalise and automate the internal approval of contracts and the sign-off process. The project was considered a huge success as it enables our team to simplify the submission of contracts, streamline the contract approval process and automate the signing and storage of contracts. This saves time and simplifies the efforts of our team, which is why we now believe even more strongly in the potential of such improvements.

### Digitalised Customer Journey

In 2020, we took an important step in our digitalisation journey when we launched our digital customer platform, MyG2. This was a major step towards improving the service offering to our customers, centralizing information in one system and giving our customers full visibility, live updates and information related to their shipments with G2 Ocean.

In 2022, we have continued the development of MyG2, resulting in several important upgrades and useful features for our customers. One example is the launch of our Carbon Offsetting Program which enables our customers to digitally offset their shipping emissions by choosing to fund one or multiple trusted climate projects through our G2 Ocean's internationally recognized carbon offsetting partner [Chooose](#). The introduction of our carbon offset program is a step for G2 Ocean toward its ambitious targets of becoming a net-zero emissions company by 2050 and offering customers net-zero transport options by 2022.

## Better Decision Support

In the past four years, Business Intelligence has become an increasingly important part of our business. In 2022, we developed 9 new Business Intelligence dashboards to support our teams in making informed decisions.

## Employee Engagement

In 2022, we further developed our cross-functional innovation team to help drive innovation and bring ideas together from various departments and geographical locations. To achieve our ambition of digitalising our processes and applying digital technologies to make better business decisions, we are working actively with technology adoption and innovation culture to ensure that new solutions are being used to their full potential and to understand where training and guidance are needed.

## Our Performance

In G2 Ocean, we measure the performance of our innovation and digitalisation efforts quantitatively by the number of initiatives initiated or closed. However, the real value of these initiatives is hard to measure, namely the improved process quality and time saved from repetitive manual work, waiting, rework, and other non-value-added activities.

Our long-term efforts aim to streamline processes to ensure quality input and output and ensure we have an efficient and motivated organisation that delivers the best service to our customers. All the initiatives

we undertake are rooted in our strategic commitments and are qualified to help us in the right direction, although the size and achieved result from each project differ. The effectiveness of these projects is measured by whether we are achieving what we have outlined in the Digital Focus Areas and our strategy.

The table below summarises our main achievements in 2022 and shows a slight increase in the number of initiated and completed innovation projects compared to the previous reporting period.

## Future Priorities

In 2023, we will continue to improve work efficiency by prioritising projects and initiatives that will help digitalise and automate our work processes.

To improve our customer service, we will implement a Customer Relationship Management system. We will also look at opportunities for further improving the scheduling of our vessels and voyages.

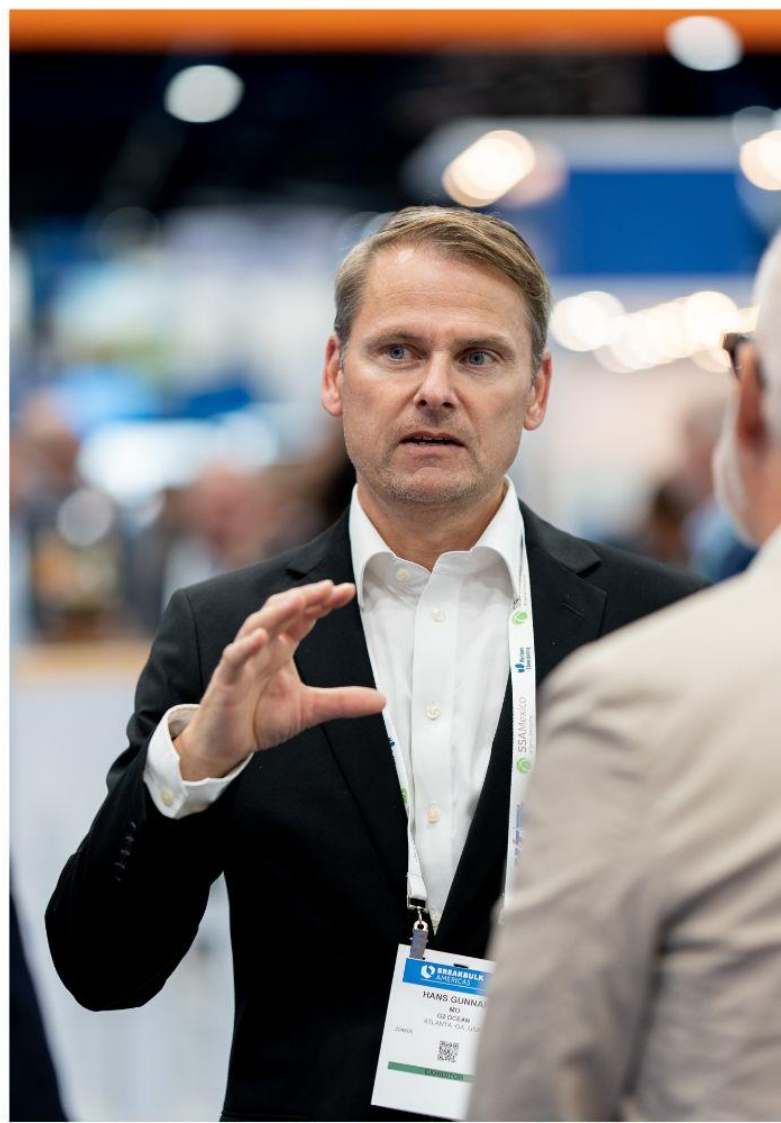
To deliver on our climate ambitions, we will continue to prioritise initiatives that can help decarbonise our fleet.

Lastly, we will focus on the proper adoption of already implemented tools and systems to ensure that we capture the full potential of these services.

## Development Innovation Initiatives

	2021	2022
Number of Innovation projects initiated	12	20
Number of Innovation projects implemented/completed	13	18
Number of Innovation joint projects	12	15
Number of Business Intelligence projects implemented	7	9
Number of bookings submitted via MyG2	0	0
Number of digitalized processes implemented	-	2





# 4.7. Diversity, equity and Inclusion

At G2 Ocean, we place a strong emphasis on creating a diverse and inclusive work environment in which employees are valued and where they feel they can be themselves.

We believe that a diverse workforce, in terms of for example gender, age, nationalities, and professional background, gives us an advantage in how we conduct our business, and enables us to recruit from a vast pool of talent.

## Our Impact

We are proud to have a diverse organisation and encourage all teams to leverage their diversity to drive performance, by listening to the ideas and perspectives of others, giving honest feedback, and encouraging openness. At the same time, we expect all G2 Ocean employees to respect diversity and contribute to building an inclusive work environment.

Since the commencement of our business in 2017, we have been committed to providing equal opportunities for our employees and to securing employment solely based on experience, skills, and other non-subjective factors. In doing so, we aim to establish trust amongst our stakeholders, increase employee engagement, reduce employee turnover, and drive a respectful and high-performing organisation.

Together with our commitment to diversity and equity, we work to provide an inclusive, safe, supportive, and respectful working environment where all individuals feel equally valued and can realise their full potential. We have a zero-tolerance policy for workplace harassment and are committed to maintaining a workplace that is free from discrimination or harassment based on race, sex, colour, national or social origin, religion, age, or

disability.

Our commitment to diversity, equity and inclusion is further elaborated in G2 Ocean's Behavioural Principles, [Equal Opportunity Policy](#), and Code of Business Ethics.

”

We are committed to paving the way for a diverse, equitable and inclusive maritime industry.

Martha Røed  
Managing Director Organisational Development  
G2 Ocean



## What We Do

### Fair Employment

At G2 Ocean, we are committed to ensuring fair working conditions and making sure that our employees are recruited, selected, promoted, and trained based on their qualifications, performance, and abilities needed for the work to be performed. This commitment is rooted in our Equal Opportunity Policy and Code of Business Ethics.

100% of our employees have written terms of their employment, and all permanent employees receive insurance benefits according to local standards. We also provide life, health care, and disability insurance in countries where this is applicable. G2 Ocean encourages both female and male employees to take out their parental leave.

### Fair Compensation

At G2 Ocean, we strive to have competitive salaries. To ensure this, all our positions are evaluated according to the Korn Ferry Salary Guide where positions are graded based on the level of knowledge, skills, and accountability within a specific role. We also use benchmark data, research, and our network to ensure the use of objective criteria for compensation. All employees are paid above the local minimum wage.

### Freedom of association

As rooted in our Code of Business Ethics, G2 Ocean

respects and recognises our employees' freedom of association, and the right to engage in collective bargaining. 10% of our employees are organised in labour unions. For our offices where employees are not covered by collective bargaining agreements, the company does not determine working conditions and terms of employment based on collective bargaining. Collective bargaining agreements are not very common in our industry, and we use market information and the applicable law to determine working conditions and terms of employment.

### Diversity, Equity, and Inclusion (DEI) Survey

Since 2020, G2 Ocean has conducted annual internal surveys to measure employees' perspectives on diversity, equity, and inclusion. The survey is 100% confidential and covers demographic data, salary, bonus, benefits, training, development, and promotion, as well as diversity and inclusion. The survey is an effective tool to monitor our DEI performance, identify areas for improvement, and examine the effectiveness of implemented initiatives.

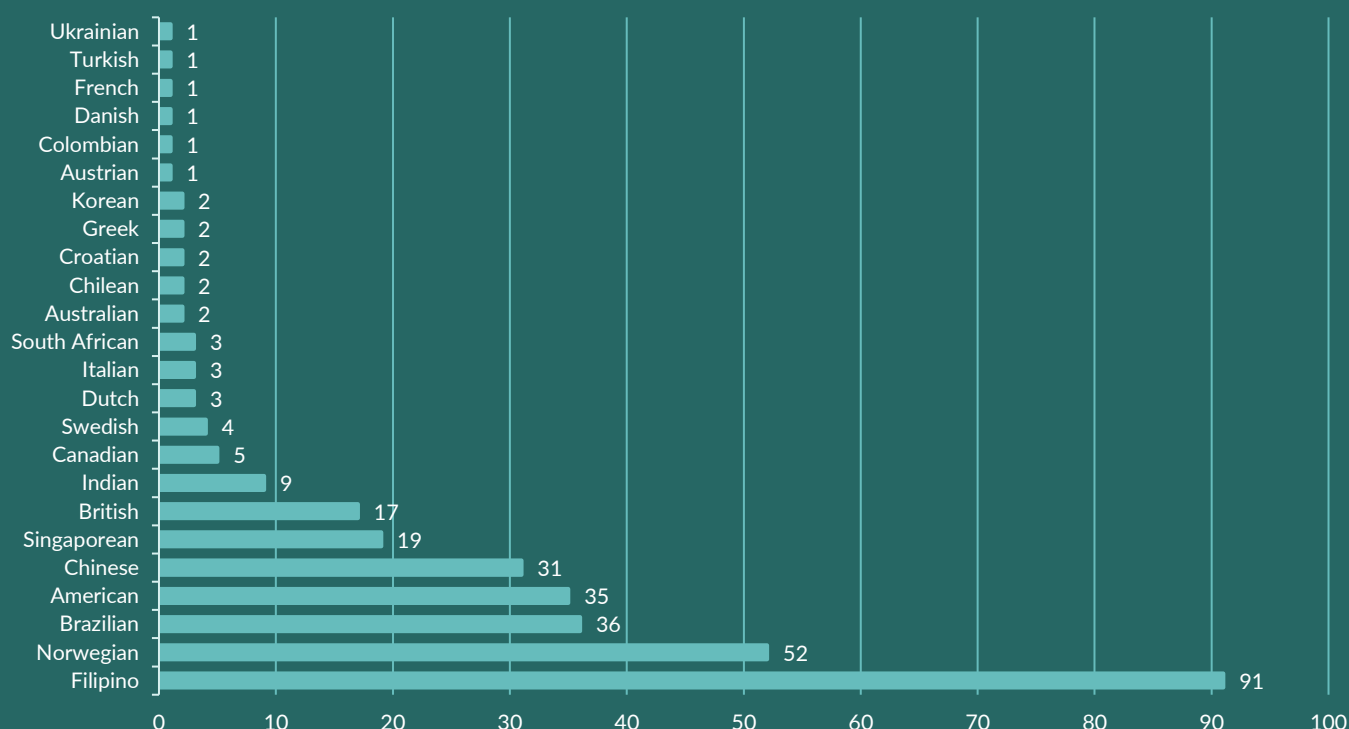
### Industry cooperations

To help pave the way for a diverse, equitable and inclusive maritime industry, G2 Ocean is an active member of two non-profit organisations: the Diversity Study Group and the All Aboard Alliance. In these forums, we share knowledge, experiences, data, and progress related to DEI. Through the collaboration and actions of the member organisations, we aim to create meaningful change in the industry.





## Employees by primary citizenship



## Our Performance\*

G2 Ocean's workforce was reduced by three employees (-0.9%) in 2022. To date, 322 employees (95.6%) are permanently hired, two are temporarily hired and 14 are working on a secondment basis. In addition, G2 Ocean had 13 consultants in 2022 to support the company with IT-related subjects and Project Management.

Of the total workforce, excluding consultants, 335 (99%) are working full-time while 3 (1%) are part-time workers based in Canada, Vancouver, and Norway. 42% of new hires in 2022 were female, compared to 32% in 2021.

Our employees represent 24 different nationalities. Of our total workforce, excluding the Board of Directors and seconded employees, 64% are in the age group 30-50 years, while 22% are over 50 years.

Our workforce consist of 210 (62.3%) men and 128 (37.7%) women. The Board consist of 14% female, while 33% of our Leadership Team members are female. G2 Ocean has an ambition of reaching 50% female employees and 40% female Directors. The latter group increased to 18% females in 2022.

In 2022, 42% of our new hires were female, compared to 32% in 2021. We are proud to have attracted more

females to the shipping industry and pleased to see that more women are choosing Shipping as their career path.

Gender equality is a key priority for G2 Ocean, and we will continue to focus on the attraction and retention of women to equalise the gender balance at all levels of the organisation for the benefit of our company and society.

\*All figures and reports for chapter 4.7 Diversity, equity and inclusion are based on headcount reporting from our internal HR system at end of 2022 (31.12.22).

## Gender balance by employee category

	2021			2022		
	Men	Women	Total	Men	Women	Total
<b>Total workforce</b> (excl. Board of Directors & secondment)	205 (63%)	122 (37%)	327 (100%)	202 (62%)	122 (38%)	324 (100%)
<b>Board of Directors</b>	6 (86%)	1 (14%)	7 (100%)	6 (86%)	1 (14%)	7 (100%)
<b>Leadership Team</b>	4 (67%)	2 (33%)	6 (100%)	4 (67%)	2 (33%)	6 (100%)
<b>Directors and VPs</b>	-	-	-	28 (80%)	7 (20%)	35 (100%)
<b>Manager, Senior Professionals</b>	-	-	-	66 (67%)	32 (33%)	98 (100%)
<b>Professionals</b>	-	-	-	104 (56%)	81 (44%)	185 (100%)

## Gender balance by region

	2021			2022		
	Men	Women	Total	Men	Women	Total
<b>Africa</b>	3	-	3	3	1	4
<b>Asia</b>	74	78	152	79	75	154
<b>Europe</b>	65	23	88	51	26	77
<b>South America</b>	36	16	52	28	15	43
<b>North America</b>	34	12	46	45	11	56
<b>Oceania</b>	4	2	6	4	-	4
<b>Total</b>	216	131	347	210	128	338

## Gender balance by employee contract type

	2022		
	Men	Women	Total
<b>Total workforce, full-time employees</b> (excl. secondment)	201 (63%)	120 (37%)	321 (100%)
<b>Total workforce, part-time employees</b> (excl. secondment)	1 (33%)	2 (67%)	3 (100%)
<b>Temporary hires</b> (excl. secondment)	1 (50%)	1 (50%)	2 (100%)
<b>Secondment</b>	8 (57%)	6 (43%)	14 (100%)

## Employee contract type by region

Location	2021				2022			
	Permanent	Temporary	Secondm.	Total	Permanent	Temporary	Secondm.	Total
<b>Africa</b>	3	-	-	3	4	-	-	4
<b>Asia</b>	150	1	1	152	153	1	-	154
<b>Europe</b>	81	3	4	88	74	1	2	77
<b>South America</b>	38	-	14	52	31	-	12	43
<b>North America</b>	46	-	-	46	56	-	-	56
<b>Oceania</b>	6	-	-	6	4	-	-	4
<b>Total</b>	324	4	19	347	322	2	14	338

## Age distribution by employee category

	2021			2022		
	<30	30-50	> 50	<30	30-50	> 50
<b>Total workforce</b> (excl. Board of Directors & secondment)	- (12%)	- (65%)	- (23%)	44 (14%)	209 (64%)	71 (22%)
<b>Board of Directors</b>	- (0%)	1 (14%)	6 (86%)	- (0%)	1 (14%)	6 (86%)
<b>Leadership Team</b>	- (0%)	2 (33%)	4 (67%)	- (0%)	2 (33%)	4 (67%)
<b>Directors and VPs</b>	-	-	-	0 (0%)	19 (54%)	16 (46%)
<b>Manager, Senior Professionals</b>	-	-	-	7 (7%)	59 (60%)	32 (33%)
<b>Professionals</b>	-	-	-	37 (20%)	129 (70%)	19 (10%)

## Salary distribution

The below table shows the gender difference in salary in our significant locations of operations - Headquarters in Bergen, Norway, and Hub Offices in Singapore and Atlanta, Georgia, United States. Only full-time employees are included in the table.

The total salary includes the basic annual salary of the employees for 2022 and the bonus earned in 2021. The average number of employees per employee job level is used to calculate the gender difference in salary.

For Norway, the gender difference in salary is disclosed on three job levels. This is done only on two job levels for Singapore and the United States to protect the identity of the employees as the number of female employees within the categories 'Director' and 'Managing Director' is nil in these locations. In addition, the role of Vice President and Chief Financial Officer does not exist in Singapore and Atlanta.

G2 Ocean strives to have competitive salaries and make salary adjustments where deviations between genders have been identified.

## Salary distribution by employee category in significant locations of operations (HQ and Hub Offices)

	2022				
	% of female	% of male	% pay female	% pay male	% pay gap
<b>Norway</b>					
Professional	42.9%	57.1%	95.7%	100.0%	-4.3%
Manager, Senior Professional	32.0%	68.0%	100.9%	100.0%	0.9%
Director, Vice President, Managing Director, Chief Financial Officer	35.3%	64.7%	101.9%	100.0%	1.9%
<b>Singapore</b>					
Professional	55.6%	44.4%	79.4%	100.0%	-20.6%
Manager, Senior Professional	38.1%	61.9%	96.5%	100.0%	-3.5%
Director, Vice President, Managing Director, Chief Financial Officer	0.0%	100%	-	-	-
<b>United States</b>					
Professional	20.8%	79.2%	86.6%	100.0%	-13.4%
Manager, Senior Professional	23.5%	76.5%	93.0%	100.0%	-7.0%
Director, Vice President, Managing Director, Chief Financial Officer	0.0%	100%	-	-	-



## Employee Turnover

G2 Ocean hired 50 new employees in 2022. 42% of new hires in 2022 were female, compared to 32% in 2021.

The number of employees leaving the company totalled 48 in 2022. 17 of the employees leaving the company had a length of service of fewer than 3 years. This brings the turnover within employees with 1-3 years length of service to 35% of the employee exits. 46% of employee exits were women and 54% were men.

Results from our exit interviews show that 'new job opportunity' is the most frequently reported reason for leaving the company.

## Future Priorities

To continue strengthening our diversity, equity and inclusion efforts, our key priorities going forward will be to:

- Promote a culture of non-discrimination and non-harassment
- Educate managers in conducting unbiased recruitment processes
- Educate employees on workplace diversity
- Increase the number of females in our organisation
- Through our membership in the All Aboard Alliance, contribute to defining a set of maritime-specific leadership diversity indicators.

### New employee hires

Gender	Age Groups	Africa	Asia	Europe	South America	North America	Oceania	Total
Female	Under 30	-	5	2	-	-	-	7
Female	30 – 50	1	7	3	1	2	-	14
Female	Over 50	-	-	-	-	-	-	-
Total female		1	12	5	1	2	-	21
Male	Under 30	-	5	4	1	3	-	13
Male	30 – 50	1	8	-	1	5	-	15
Male	Over 50	-	-	-	1	-	-	1
Total male		1	13	4	3	8	-	29
Total								50

### Employee exits

Gender	Age Groups	Africa	Asia	Europe	South America	North America	Oceania	Total
Female	Under 30	-	6	1	-	-	-	7
Female	30 – 50	-	9	1	-	3	-	13
Female	Over 50	-	-	1	-	1	1	3
Total female		-	16	3	-	4	-	23
Male	Under 30	-	-	1	1	-	-	2
Male	30 – 50	-	6	5	2	3	-	16
Male	Over 50	-	3	4	1	-	-	8
Total male		-	9	10	4	3	-	25
Total								48

## 4.8. Cyber Security

Protecting our organisation from data breaches and cyberattacks has become increasingly important in the past few years due to the greater level of digitalisation of work processes across the company and the growing threat of cyberattacks. With the increasing reliance on technology and the internet, it is becoming easier for hackers and cybercriminals to gain access to sensitive information and disrupt systems. The challenge of addressing cyber threats lies in the constantly evolving nature of these threats and the difficulty in detecting and preventing them.





## Our Impact

G2 Ocean, in partnership with our owners, recognises the danger that cyber threats pose to the shipping industry and has implemented several security measures to protect against cyberattacks. By continuously investing in security controls, G2 Ocean not only reduces its risk of exposure to cyber threats but also ensures that customers are provided with a more reliable and secure service. By proactively identifying and addressing potential vulnerabilities in our systems, we can minimise disruptions to our operations and ensure that our customers can rely on us to deliver their cargo on time and without interruption.

At G2 Ocean, we also believe in supporting our partners and customers in mitigating cyber risk. If we detect a cyber risk originating from a customer or partner, we will inform them of the issue and work together to address it. By taking a collaborative approach, we can minimise the impact of cyberattacks and ensure the security of all stakeholders involved.

G2 Ocean receives and shares cyber threat intelligence information with several security entities across the Maritime and Shipping sector, such as the

Norwegian Maritime Cyber Resilience Centre, in addition to well-known national and global organisations. Threat intelligence information relevant to our business is evaluated and used to improve detection and reduce cyber risk. G2 Ocean is part of various initiatives and regularly participates in cyber security forums to share knowledge and learn about the threats against our industry.

## What we do

### Cyber Security Plans, Policies and Procedures

G2 Ocean has developed cyber security plans, policies, and procedures for a number of relevant threats, making the IT security team able to quickly respond to incidents. The company's internal Acceptable Use Policy was implemented in 2021 and outlines rules to follow when using the company's systems and devices such as company-issued computers and mobile phones. The Policy aims to ensure a properly maintained network, minimize the risk of corruption, and protect G2 Ocean from cyberattacks. The Policy applies to all employees, including members of the Board of Directors, agents, and temporary staff. The Policy is regularly reviewed and updated to ensure it remains effective and relevant to current practices.



## Cyber Incident Response Exercises

To stay prepared for IT emergencies, G2 Ocean aims to conduct annual cyber security exercises with the company's Cyber Security Emergency Response Team. The exercise is based on a prepared scenario that reflects real cyber threats and allows G2 Ocean to verify Business Continuity plans and identify needs for improvement in relevant processes related to keeping the business running during outages of critical IT systems.

## Cyber Security Training

To stay familiar with current threats, social engineering and phishing techniques, G2 Ocean implemented a gamified cyber security training platform in 2021 that sends regular simulated phishing tests to employees and provides them with quick, in-the-moment security awareness training. The gamified platform is used actively by our employees. The high frequency of phishing simulations and training gives the IT security team a better understanding and visibility of the actual knowledge gaps in the company.

## Cyber Security Awareness Month

In October every year, G2 Ocean marks Cyber Security Awareness Month to increase employees' knowledge of cyber security threats, and thereby strengthen cyber resilience in the organisation. Throughout the month of October, articles, tips, and activities are provided to the employees to promote

and raise awareness of cyber security.

## Our performance

One year after implementing our gamified cyber security training platform, 89.0% of G2 Ocean's employees have been onboarded to the platform and are actively using it (user). By continuing to make training a priority and motivating employees to engage in the platform, we are aiming to reach 100% active participation.

As part of our cyber security training, we monitor the percentage of total users failing to detect simulated phishing tests (fail rate). The average fail rate for users that have received 10 simulations is about 6.0%, but when users have received 30 emails the average fail rate is 3.5%. Training users to react to phishing emails by reporting them has resulted in a greater number of reports on real phishing emails, enabling our IT Security Team to act on the real threats and make adjustments to email security filters.

## Cyber Security Performance

Key Performance Indicator	2022
Percentage of employees actively participating in gamified phishing training (onboarding rate)	89.0%
Average fail rate for employees receiving 30 simulated phishing emails	3.5%

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# Directors Report

## Our Organisation

G2 Ocean AS ("Company" or "G2 Ocean") is the world's largest shipping company within the open hatch segment, operating a core fleet of 88 open hatch vessels and 1 conventional bulk vessel as of December 31, 2022. In addition, 38 vessels have, on average, been chartered from third parties on short-term contracts during 2022.

The Company is a joint venture between two of the world's leading open hatch shipowning companies, Gearbulk Holding AG ("Gearbulk") and Grieg Shipholding AS, a subsidiary of Grieg Maritime Group ("Grieg"). The Company is jointly controlled by Gearbulk and Grieg, with Gearbulk owning 65% and Grieg owning 35%.

G2 Ocean does not own vessels on its own but operates vessels owned or chartered by Gearbulk and Grieg Maritime Group, as well as vessels chartered from third parties on short-term time charters. The Company combines the global resources and expertise of Grieg and Gearbulk to operate the joint fleet of open hatch and semi-open hatch vessels.

G2 Ocean AS is a company registered in Norway. The headquarters of G2 Ocean is located in Bergen, Norway, with regional hubs located in Atlanta and Singapore. G2 Ocean currently employs 324 employees and has 15 offices around the world.

## Business Segment

G2 Ocean is a commercial and customer-oriented shipping joint venture operating worldwide within the Open Hatch and Conventional Dry Bulk segments.

### Open Hatch Segment

G2 Ocean's open hatch activities offer its customers a broad parcel cargo carrier concept, transporting a

variety of different cargoes which involves complex handling and loading operations. This requires a diversified fleet, flexible sailing patterns and a highly competent organization.

The Company's conventional dry bulk operations have consisted of on average 5 bulk vessels in 2022.

## Annual Accounts

### Results, earnings and operations

The dry bulk sector experienced a strong shipping market for the majority of the year with freight rates significantly above the levels of recent years.

G2 Ocean's gross revenue of USD 2 129.5 million (2021: USD 1 485.3 million) consists mainly of freight income whereof USD 2 087.0 million (2021: USD 1 400.0 million) in the Open Hatch segment and USD 42 million (2021: USD 85.3 million) in the Conventional Bulk segment.

The voyage-related expenses amounted to USD 848.2 million (2021: USD 692.6 million) and the time charter rental expenses amounted to USD 353.1 million (2021: USD 181.3 million).

The income from operations before pool distribution amounted to USD 857.9 million (2021: USD 553.9 million). This resulted in a pool distribution to the Pool participants of USD 851.6 million (2021: USD 548.7 million).






The net earnings per vessel per day in 2022 in the Open Hatch segment increased by 77.3% compared to 2021, while the net earnings per vessel is 40.6% higher in 2022 compared to 2021 in the Conventional Bulk segment, driven by the firm shipping market rebound with increasing freight rates.

G2 Ocean's Income before income tax was USD 4.6 million (2021: USD 3.6 million). The Net income result for 2022 was USD 3.3 million (2021: USD 3.1 million).

### Balance, financial situation and cash flow

The Company's book equity was USD 30.5 million (2021: USD 30.2 million) at year-end, whereof USD 28.1 million (2021: USD 28.1 million) was injected capital. By the end of 2021, the equity ratio was 11.0% (2021: 13.5%).

By the end of 2022, the Company had total assets of USD 276.9 million (2021: USD 223.7 million), with current assets accounting for USD 208.0 million (2021: USD 180.4 million).

Our Core fleet		Gearbulk	Grieg	Total
 Handysize		1	-	1
 Handymax		12	14	26
 Supramax		15	17	32
 Ultramax		17	-	17
 Panamax		12	-	12
	<b>Total</b>	<b>57</b>	<b>31</b>	<b>88</b>



Based on net positive cash flows from operations of USD 29.3 million (2021: positive by USD 9.0 million), a net negative cash flow from investments of USD 6.6 million (2021: USD 7.0 million) and a net negative cash flow of USD 19.1 million (2021: negative by USD 2.4 million) from financing activities, the Group's net change in liquid funds in 2022 was positive by USD 3.3 million (2021: negative by USD 1.0 million). Liquidity in the form of bank deposits, cash and undrawn credit facility at year-end totalled USD 38.2 million (2021: USD 14.8 million).

## Working Environment and Occupational Health

The Board considers the conditions related to the working environment and health in G2 Ocean to be good. The management works closely together with the employee representatives in monitoring and improving the overall working environment. At year-end, G2 Ocean had 324 employees whereof 65 were employed in Norway and 259 abroad.

### Health, environment and safety

The safety of our people, and the integrity of our operations, are important and it has been a priority in G2 Ocean to improve and focus on safety in 2022.

As a result, a number of initiatives and actions have been implemented throughout the year. One of these initiatives is the establishment of a set of shared safety behaviours across the organization: the 5 Safety I's which aim to guide employees in their daily work and give the company a common language and safety culture to discuss safety issues with the overall objective to strengthen the safety performance in G2 Ocean.

At G2 Ocean, the well-being of the employees is being prioritised and various healthcare benefits are offered alongside encouragement and facilitation of participation in physical activities for its personnel to keep healthy. The records show no personnel injuries for G2 Ocean employees in 2022.

The 2022 general sick leave for the global organisation was 1.1% and 3.3% for the Norwegian-based employees.

## Equal opportunities

At G2 Ocean, 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.

G2 Ocean is working systematically to promote equality and prevent discrimination on the basis of, for example, gender, pregnancy, leave in connection with childbirth, ethnicity, religion, disability or sexual orientation.

The gender equality statement as required by the Equality and Anti-Discrimination Act in Norway is disclosed in the 2022 Annual Report which is

available on [www.g2ocean.com](http://www.g2ocean.com).

At year-end 2022, the total workforce in the G2 Ocean Group reflected a distribution between the genders of 38% women and 62% men and for the Norwegian part of the Group, the distribution between the genders was 34% women and 66% men. For executive management, the gender distribution was 33% women and 67% men.

### Total Workforce



### Executive Leadership Team



At year-end 2022, the Company's Board of Directors consisted of one woman and six men, including two deputy board members.

## External Environment

As a global shipping company, G2 Ocean's business activities have both a direct and indirect impact on the environment. Our main environmental impacts are linked to the emissions derived from the transportation of cargo, purchased products and services, energy use, business travel and waste generation, also defined as our Scope 1, 2 and 3 emissions.

Scope 1 emissions cover the emissions from the vessels in our shipping operations including Carbon Dioxide,- Nitrogen Oxide,- and Sulphur Oxide emissions.

Scope 2 emissions cover indirect emissions from the consumption of purchased energy for heating, cooling, lighting and gas by G2 Ocean.

Scope 3 emissions include all other indirect emissions that occur in our value chain such as emissions related to well-to-tank emissions, purchased goods and services, tugs, business travel and downstream leased assets.

In 2022, G2 Ocean committed to becoming a net-zero emissions company by 2050 and to bringing in zero-emission capable vessels by 2030. In line with the strategy of the International Maritime Organization (IMO), G2 Ocean is also committed to reducing greenhouse gas emissions per transported unit by a minimum of 40% by 2030 from 2008 levels.

G2 Ocean has also adopted the following UN Sustainable Development Goals as part of its long-term strategy: (8) Decent work and economic growth, (9) Industry, innovation and infrastructure, (12) Responsible consumption and production, (13) Climate action, (14) Life below water, and (16) Peace, justice and strong institutions.

## Ethics, Integrity and Transparency

The G2 Ocean Code of Business Ethics sets out the governance principles for G2 Ocean. G2 Ocean has defined nine ethical principles to which it will adhere.

Any form of bribery or corruption is unacceptable to G2 Ocean. To cooperate with like-minded industry companies to promote compliance with anti-corruption laws, G2 Ocean has been a member of the Maritime Anti-Corruption Network ("MACN") since 2017. G2 Ocean has a whistleblowing policy in place which allows anonymous reporting of suspicion of non-compliance either to an external supplier or internally.

## Corporate Social Responsibility

G2 Ocean's vision is "Pioneering Sustainable Shipping Solutions". The long-term strategy for 2020 – 2024 focuses on providing a positive contribution to G2 Ocean's customers, suppliers, employees, owners, society and the environment.

G2 Ocean takes its Corporate Social Responsibility ("CSR") seriously and continuously works to ensure that all activities are handled responsibly. Our actions and business practices are always grounded in the G2 Ocean vision, our Behavioral Principles and the UN Sustainable Development Goals. G2 Ocean aspires to be recognised for its responsibility, honesty and high integrity in all markets and services

## Risk

Managing risk is important for value creation and an integrated part of the Company's management and governing model. G2 Ocean's key risk factors related to market operations, safety, financial management, cyber security, compliance and regulatory framework.

With the increasing reliance on technology and the internet, the risk of cyber threats is constantly evolving. Protecting our organisation from data breaches and cyberattacks has accordingly become increasingly important in the past few years due to the greater level of digitalization of work processes across the company and the growing threat of cyberattacks. In order to minimize the cyber security risk a number of measures and actions are being taken to stay prepared and counter any cyber threats.

G2 Ocean's financial and market risk is mainly composed of risks related to the development of freight rates, bunker prices and currency rates. In order to reduce these risks, G2 Ocean is undertaking hedging activities by use of financial instruments to ensure the risk is at a reasonable level and in accordance with the strategy.

The earnings in the open hatch segment are to a large extent related to cargo contracts, and as this shipping activity is of an industrial character, it implies that revenues are less volatile than in the spot market and that changing market conditions generally have a delayed effect on the results.

G2 Ocean assumes counterparty risk in all parts of its business. Issues related to credit risk as well as sanction regulations are frequently controlled and considered part of the daily business. G2 Ocean has a sanction screening tool which regularly screens counterparties against applicable sanction lists.

During 2022, G2 Ocean implemented a new Supplier Risk Management System where all new suppliers are screened for sanctions and Anti-Bribery Corruption issues. In case any issues are identified and substantiated, we will not do business with the supplier.

## Corporate Governance

To ensure a sound practice when it comes to the division of tasks and roles between the administration, the Board of Directors and the General Meeting, the Norwegian Code of Practice for Corporate Governance is applied as far as practicable for a privately-owned company.

G2 Ocean has a Director & Officers insurance providing financial protection for the Board of Directors and the CEO up to a certain threshold and providing financial protection for G2 Ocean from reimbursement costs to indemnify Board of Directors and the CEO for their losses, as well as from defense costs associated with lawsuits and investigations.

## The Market

In 2022, the maritime sector was again managing wide-ranging disruption from global events including the onset of the Ukraine conflict, continued impacts from the pandemic, a slowing world economy and inflation.

After a Covid-19 "rebound" in 2021, the dry bulk shipping market that G2 Ocean operates within remained firm for the majority of 2022.

The global seaborne trade stalled at 12 billion metric tons, reaching the same levels as in 2021.

For 2023, the global growth is forecasted to be 2.65% by the IMF following a series of downgrades through 2022. A glimmer of economic optimism is coming from preliminary data suggesting that the inflationary pressures were gently easing at the end of 2022. This suggests that prices will see less of a steep climb into 2023 and Central Banks could start slowing the pace of their interest rate hikes.

### Bulk

For Bulk, the rates generally eased back in 2022 amid pressure on demand and easing congestion, with average bulk carrier earnings falling 24% year on year. The rates were generally more resilient in the segment with smaller ship sizes where rate levels remained fairly "healthy" for much of the year.

Recent demand headwinds appear likely to persist into 2023, as deteriorating global macroeconomics conditions may limit imports in key regions, especially

for minor bulks, whilst uncertainty around the outlook for the Chinese property sector and Covid-19 impacts makes the 2023 outlook for key dry bulk segments less clear.

Supply growth appears to set slow in 2023, with the orderbook at a 30-year low of about 7% of the fleet capacity. High slippage levels on newbuild deliveries and an increase in demolition numbers (due to softer market conditions and as new environmental regulations come into force) are expected to mitigate the fleet growth in 2023. It is expected that this will lead to a relatively balanced market in 2023, but with economic recovery and dry bulk demand expansion to grow more in the second half of the year than the first.

### Containers

The container sector began the year at record levels (with freight and charter rates peaking at around 5-6 times compared to the start of 2020 levels) but experienced a sharp correction in the second half of the year as trade volumes and congestion unwound. The market conditions are generally expected to soften further into 2023, with rates expected to continue to move towards and potentially below typical historical average levels. The strong supply expansion is likely to increase the pressure.

### Pulp

World demand for paper-grade market pulp is estimated to have reached 70 million tons in 2022, up 2.6% or 1.8 million tons from 2021 but still below its 2020 level. At 24.6 million tons, China's pulp demand was 1.6% lower than in 2021.

Global bleached chemical pulp shipments are expected to have grown by around 0.3 million tons (+0.4%) in 2022, following a contraction of -1.7 million tons in 2021. The weak performance over the past two years is largely the result of supply-side constraints which have led to declining in global

consumer stocks of almost 2 million tons since Q4 2020 and drove prices to record highs over the summer. Global bleached chemical pulp shipments are forecast to grow by 1.9 million tons in 2023 as prices deflate, supply increases and consumers restock. However, global paper and board production are likely to remain weak due to the slowing macro-economy.

### Steel

The global crude steel production fell 4.2% in 2022 to 1.9 billion tons. Except for India and Iran, the world's top 10 steel producers saw a decline in output last year. The world's number one steel producer, China, saw a 2.1% decline in its figures of 1.0 billion tons while India, the number two producer, rose 5.5% to 124.7 million tons last year.

### 2023 expectations

In summary, G2 Ocean remain optimistic for the shipping market in 2023. 2023 has started off with a slow down for the shipping market, however with the prospect of China to revive post-Covid-19, G2 Ocean remain optimistic for the shipping market in 2023.

### Going Concern

The Board of Directors confirms that the annual accounts have been prepared on the basis of the going concern assumption and that this assumption is valid. The consideration is based on the group's financial position and expectations of future earnings. The Board believes that the submitted annual accounts give a correct picture of the results, cash flows and economic situation. No events have taken place after the balance sheet date, which significantly would affect the accounts.

The Board of Directors are grateful for the effort and the results achieved by all employees throughout 2022.

Bergen, March 15, 2023

The Board of Directors of

G2 Ocean AS



Kristian Jebsen  
Chair



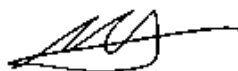
Camilla Grieg  
Vice Chair



Hans Petter Aas  
Board Member



Arthur English  
CEO



Matthew Robert Cagienard Duke  
Board Member



Hans Olav Lindal  
Board Member



# Consolidated Financial Statements

## Consolidated Statements of Income

For the period (USD 1 000)	Note	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
<b>Total revenues</b>	3,4	<b>2 129 450</b>	<b>1 485 293</b>
<b>Operating expenses</b>			
Voyage related	4,5	848 248	692 586
Time charter rental	6,7	353 119	181 263
Depreciation and amortization	16,17	6 409	5 918
Selling, general & administrative	7,8,9	63 780	51 663
<b>Income from operations before pool distribution</b>		<b>857 894</b>	<b>553 863</b>
Pool distribution to Pool Participants	10	851 574	548 676
<b>Income from operations</b>		<b>6 320</b>	<b>5 187</b>
<b>Non-operating income / (expenses):</b>			
Interest income / (expense)		(540)	(542)
Other income and expenses, net	11	(1 200)	(1 095)
<b>Income before income taxes</b>		<b>4 580</b>	<b>3 550</b>
Income tax expense	12	1 315	488
<b>Net income</b>		<b>3 265</b>	<b>3 062</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Consolidated Statement of Comprehensive Income

For the period (USD 1 000)	Note	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
<b>Comprehensive Income / (Loss)</b>			
Net income		3 265	3 062
<b>Other Comprehensive Income / (Loss)</b>			
Net change in the fair value of cash flow hedges	13	(2 887)	(2 320)
Translation adjustment		(104)	(357)
Other		(37)	58
<b>Comprehensive Income / (Loss) for the period</b>		<b>237</b>	<b>443</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Consolidated Balance Sheet

Assets as per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents	24	8 367	5 045
Trade receivables (net)	10, 21	85 611	82 028
Related parties receivables	10	10 015	10 157
Accrued voyage revenue	22	23 227	17 125
Inventories	20	72 994	61 289
Prepaid expenses		4 501	1 795
Other current assets	14,15,19	3 264	2 990
<b>Total current assets</b>		<b>207 979</b>	<b>180 429</b>
<i>Non-current assets</i>			
Property, plant and equipment	17	24 903	24 604
Right-of-use assets	7	24 993	
Goodwill	16	17 773	17 772
Other non-current assets	23	1 328	911
<b>Total non-current assets</b>		<b>68 957</b>	<b>43 287</b>
<b>Total assets</b>		<b>276 936</b>	<b>223 716</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Consolidated Balance Sheet

Liabilities and Shareholder's Equity as per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>			
<i>Current liabilities</i>			
Bank overdraft	29	20 202	15 230
Trade payable		39 628	17 388
Related parties payable	10	4 687	4 708
Lease, liability, current	7	21 453	
Accrued liabilities	30	61 973	53 645
Deferred voyage revenue	22	78 541	85 726
Other current payables	14,15,31	9 904	7 207
<b>Total current liabilities</b>		<b>236 388</b>	<b>183 904</b>
<i>Non-current liabilities</i>			
Related parties payable	10	3 000	6 000
Lease liability, non-current	7	4 059	
Other non-current liabilities	27,28	3 036	3 596
<b>Total non-current liabilities</b>		<b>10 095</b>	<b>9 596</b>
<b>Total liabilities</b>		<b>246 483</b>	<b>193 500</b>
<i>Shareholder's equity</i>			
Share capital; par value NOK 1 421: issued and outstanding 84 360 shares	25,26	14 471	14 471
Additional paid-in capital	26	13 652	13 652
Retained earnings		5 788	2 523
Accumulated other comprehensive income/ (loss)	13	(3 458)	(430)
<b>Total equity</b>		<b>30 453</b>	<b>30 216</b>
<b>Total liabilities and shareholder's equity</b>		<b>276 936</b>	<b>223 716</b>

The accompanying notes form an integral part of these consolidated financial statements.



Bergen, March 15, 2023

The Board of Directors of

**G2 Ocean AS**



**Kristian Jebsen**

Chair



**Camilla Grieg**

Vice Chair



**Hans Petter Aas**

Board Member



**Arthur English**

CEO



**Matthew Robert Cagienard**

**Duke**

Board Member



**Hans Olav Lindal**

Board Member

### Consolidated Statement of Changes in Shareholder's Equity

For the period Jan 1 – Dec 31, 2022 (USD 1 000)	Number (Share capital)	Amount (\$) (Share capital)	Additional paid in capital (\$)	Retained earnings (\$)	Accumulat ed Other Comprehe nsive Income (Loss) (\$)	Total Shareholde r's Equity (\$)
<b>Balance at Jan 1, 2022</b>	<b>84 360</b>	<b>14 471</b>	<b>13 652</b>	<b>2 523</b>	<b>(430)</b>	<b>30 216</b>
Net change in fair value of cash flow hedges	-	-	-	-	(2 887)	(2 887)
Translation adjustment	-	-	-	-	(104)	(104)
Net income	-	-	-	3 265	-	3 265
Other	-	-	-	-	(37)	(37)
<b>Balance at Dec 31, 2022</b>	<b>84 360</b>	<b>14 471</b>	<b>13 652</b>	<b>5 788</b>	<b>(3 458)</b>	<b>30 453</b>

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	Number (Share capital)	Amount (\$) (Share capital)	Additional paid in capital (\$)	Retained earnings (\$)	Accumulat ed Other Comprehe nsive Income (Loss) (\$)	Total Shareholde r's Equity (\$)
<b>Balance at Jan 1, 2021</b>	<b>84 360</b>	<b>14 471</b>	<b>13 652</b>	<b>(539)</b>	<b>2 188</b>	<b>29 772</b>
Net change in fair value of cash flow hedges	-	-	-	-	(2 320)	(2 320)
Translation adjustment	-	-	-	-	(356)	(356)
Net income	-	-	-	3 062	-	3 062
Other	-	-	-	-	58	58
<b>Balance at Dec 31, 2021</b>	<b>84 360</b>	<b>14 471</b>	<b>13 652</b>	<b>2 523</b>	<b>(430)</b>	<b>30 216</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Consolidated Statement of Cash Flow

Cash flows as per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
<b>Cash flows from operating activities</b>			
Net income		3 265	3 062
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Depreciation and amortization	16,17	6 409	5 918
Non-cash lease expense	7	20 604	-
Net (gains) losses from disposals	17	84	(293)
Financial cost		964	617
<b>Changes in operating assets and liabilities</b>			
Trades receivable	21	(3 638)	(23 091)
Inventories	20	(11 705)	(20 158)
Prepaid expenses and other assets		(3 099)	3 893
Accrued voyage revenue	22	(6 102)	(3 839)
Deferred voyage revenue	22	(7 185)	30 842
Accrued liabilities	30	8 322	18 558
Trade payable		22 240	7 220
Payments to and from related parties	10	150	(7 134)
Other payables		(881)	(2 540)
Other, net		9	(4 077)
<b>Net cash provided / (used) by operating activities</b>		<b>29 437</b>	<b>8 978</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	17	(6 918)	(7 401)
Disposal of fixed assets	17	141	394
<b>Net cash provided / (used) by investing activities</b>		<b>(6 777)</b>	<b>(7 007)</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank overdraft facility	29	4 972	1 194
Repayment of loans to related parties	10	(3 000)	(3 000)
Payment of lease liabilities	7	(20 094)	
Payment of finance costs		(964)	(617)
<b>Net cash provided / (used) by financing activities</b>		<b>(19 086)</b>	<b>(2 423)</b>
Net increase / (decrease) in cash and cash equivalents		3 575	(452)
Effect of exchange rate changes on the cash in the year		(253)	(503)
Cash and cash equivalents at the beginning of the year	24	5 045	6 000
<b>Cash and cash equivalents at the end of the year</b>		<b>8 367</b>	<b>5 045</b>
<b>Supplementary disclosure</b>			
Taxes paid		346	702
Interest paid		964	617
Interest received		424	75

The accompanying notes form an integral part of these consolidated financial statements.



# Consolidated Financial Statements - Notes

## Note 1: Description of the Business

These are the consolidated financial statements of G2 Ocean AS ("Company" or "G2 Ocean") and its subsidiaries. Investments in companies in which the we control, or directly or indirectly hold more than 50% of the voting control of, are consolidated in the financial statements. Investments in entities which the we do not control, but are considered to exert significant influence, generally by owning more than 20% but less than 50% of the voting shares, are accounted for under the equity method

G2 Ocean is a leading dry bulk carrier of forest and other unitized products. The Company is a joint venture of two of the world's leading breakbulk and bulk shipping companies and combines the owners' global resources and expertise to operate the combined fleet of open hatch, semi open hatch and conventional bulk vessels. As of December 31, 2022, G2 Ocean operates a core fleet of 88 open hatch vessels and 1 conventional bulk vessels. In addition, on average 38 vessels has been chartered from third parties on short-term contracts during 2022. The network of worldwide offices provides a strong presence on every continent and is best placed to serve the customer's needs locally and globally.

G2 Ocean operates a fleet of open hatch gantry crane and jib crane vessels with box-shaped holds to maximize stowage and minimize cargo handling. The core fleet of 88 vessels, mainly of similar design, provides flexibility to interchange vessels for quick scheduling response. The onboard cranes lifting up to 70 ton and provide freedom to load and discharge efficiently anywhere, whether quayside facilities are equipped, or not.

## Note 2: Summary of significant accounting principles

### 2.1 Basis of presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("USGAAP").

### 2.2 Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are identified under either the voting interest model, where the Company exercises control through owning the majority of the voting interests in the entity, or the variable interest model, where the Company has been identified as the primary beneficiary of the risks and rewards associated with a variable interest entity.

All intercompany balances and transactions have been eliminated.

### 2.3 Use of estimates

Preparation of financial statements in accordance with USGAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 2.4 Changes in accounting principles

On January 1, 2022, G2 Ocean adopted ASC 842 Leases which revises the accounting for leases. G2 Ocean adopted the new accounting standard using the modified retrospective transition approach, which allowed us to recognize a cumulative effect adjustment to the opening balance of accumulated deficit in the period of adoption rather than restate our comparative prior year periods.

Under the new lease standard, lessees are required to recognize a right-of-use asset and a lease liability for substantially all leases. The new lease standard requires lessees to classify most leases as either financing or operating using principles similar to previous lease accounting.

The consolidated statement of income recognition is similar to previous lease accounting and is based on lease classification.

As a lessee, we currently have two major categories of leases chartered-in vessels and office and car leases. The adoption of the new accounting standard resulted in the recognition of operating lease right-of-use assets of USD 14.4 million and related lease liabilities for operating leases of USD 14.4 million in Total Assets and Total Liabilities, respectively. Upon adoption of ASC 842, the right-of-use asset for operating leases was based on the lease liability.

In connection with the adoption of ASC 842, we elected the package of practical expedients for all our leases that permits us not to (i) reassess whether any

expired or existing contracts are or contain leases; (ii) reassess the lease classification for any expired or existing leases and (iii) reassess initial direct costs for any existing leases. Additionally, we elected not to use the practical expedient of hindsight in determining the lease term and the practical expedient pertaining to land easements as it is not applicable to us.

Prior to January 1, 2022, we recognized lease expense in accordance with ASC 840, however, because both ASC 842 and ASC 840 generally recognize operating lease expenses on a straight-line basis over the term of the lease arrangement, there were no material differences between the timing and amount of lease expenses recognized under the two accounting methodologies during 2022 and 2021. Further, we have not applied the practical expedient allowed under the transition guidance of ASC 842 to not separate the lease and non-lease components related to a lease contract for charter-in of vessels and to account for them instead as a single lease component for the purposes of the recognition and measurement requirements of ASC 842. For chartered-in vessels, we have presented USD 6.6 million of the non-lease component, or service element, as part of time charter rental expenses, the same classification as in 2021.

We have also elected as an accounting policy not to apply the provisions of ASC 842 to short term leases (i.e., leases with an original term of 12-months or less). As a result, we recognize the lease payments in the consolidated statement of income on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The accounting policy election for short-term leases is made by class of underlying asset to which the right of use relates.

The effect on G2 Ocean's Consolidated balance sheet of the new leasing principle:

## Note 2: Summary of significant accounting policies

Assets as per (USD 1 000)	Dec 31, 2021 Actuals	ASC 842 Impact	Jan 1, 2022 Revised
Total current assets	180 429	-	180 429
Total non-current assets <sup>1</sup>	43 287	14 395	57 682
Total assets	223 716	14 395	238 111
Liabilities and Shareholder's Equity as per (USD 1 000)	Dec 31, 2021 Actuals	ASC 842 Impact	Jan 1, 2022 Revised
Total current liabilities <sup>2</sup>	183 904	6 339	190 243
Total non-current liabilities <sup>2</sup>	9 596	8 065	17 652
Total equity	30 216	-	30 216
Total liabilities and shareholder's equity	223 716	14 395	238 111

<sup>1</sup> Right-of-use assets: As of December 31, 2021, the net present value of future lease payments less operating expenses is USD 14.4 million, of which USD 10.7 million is relating to a Time Chartered vessel and USD 3.7 million relating to office and car lease. The right-of-use asset is presented in a separate line in the balance sheet, commencing from January 1, 2022.

<sup>2</sup> The total lease liability of USD 14.4 million represents the net present value of the lease payments not paid on January 1, 2022, whereof USD 6.3 million shall be paid within 12 months. The lease liabilities is presented in separate lines in the balance sheet, commencing from January 1, 2022.

On January 1, 2022, G2 Ocean adopted the Accounting Standards Update No. 2017-04 Intangibles-Goodwill and Other with the objective to simplify the subsequent measurement of goodwill. The accounting update provides guidance to simplify the subsequent measurement of goodwill, whereupon Step two was eliminated from the goodwill impairment test, which required a hypothetical purchase price allocation. The adoption of this accounting standard has not had any material impact on our consolidated financial statements.

## 2.5 Revenue and Voyage Related Expenses Recognition

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which G2 Ocean expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

### 2.5.1 Freight revenue

G2 Ocean recognizes revenue from rendering of transportation services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. G2 Ocean has decided that every voyage consist of a single performance obligation of transporting the cargo within a specific time period. Therefore, the performance obligation is met evenly as the voyage progresses and the freight revenue is recognized over time from load port to discharge port by measuring the progress towards complete fulfillment of the performance obligation(s) under the contract. Number of days sailed from load port compared to total estimated days until discharge port is used as a measure progress. The method applied is the one that most faithfully depicts our progress towards complete satisfaction of the performance obligation.

### 2.5.2 Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception or when changes in circumstances occur and is recognized as revenue if it is highly probable that there will not be a significant reversal of revenue in a future period. The Company is estimating demurrage revenue as a variable consideration when delays occur and the vessel is prevented from loading or discharging cargo within the stipulated laytime. The variable consideration based on contracted price terms and estimated excess time taken to discharge or load are being recognized as part of the freight service revenue over time for the remaining voyage (from the delay occurs to the discharge port).

### 2.5.3 Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

A trade receivable represents the Company's right to an amount of consideration that is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfills the performance obligation(s) under the contract.

### 2.5.4 Cost to obtain a contract

G2 Ocean has elected to apply the optional practical expedient for costs to obtain a contract, e.g. voyage costs and broker commissions, which allows the Company to immediately expense such costs when the related revenue is expected to be recognized within one year.

## 2.6 Depreciation

Depreciation is charged on a straight-line basis, using rates calculated to write off the cost of property, plant and equipment to its estimated residual value over the periods described in the below table.

Item	Period
Machinery & equipment	Up to 12 years
Cars, furniture & fixtures	Up to 5 years
IT equipment & software	Up to 5 years

On retirement or disposal of property, plant and equipment the difference between any proceeds received and the net book value of the respective asset is recognized as a gain or loss in the Statement of Income.

Leasehold improvements are depreciated over the period of the lease.



## 2.7 Foreign Currency

The Company's functional and reporting currency is the US Dollar. Assets and liabilities denominated in foreign currencies are translated to US Dollars using the rates of exchange at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated into US Dollars using the exchange rate on the date of the transaction. Exchange gains and losses on settlement or translation are included in Net income / (loss).

Assets and liabilities of foreign subsidiaries, whose functional currency is not the US Dollar, are translated using the rates of exchange at the balance sheet date. Revenues and expenses of foreign subsidiaries are translated at average exchange rates prevailing during the year. Exchange gains and losses arising from the translation of foreign subsidiaries are reported as a separate component of Other Comprehensive Income / (Loss) as a translation adjustment.

The cash flows from derivative instruments, which are accounted for as hedges of forecasted foreign currency denominated transactions, are classified in the statement of cash flows in a manner consistent with the underlying nature of the hedged transactions. Foreign currency transaction gains or losses are reported in other income and expense in the Consolidated statement of Income.

## 2.8 Cash and Cash equivalents

All highly liquid investments with an original maturity of three months or less when purchased are considered cash equivalents.

## 2.9 Loans and receivables

Trade receivables, other receivables and long term receivables are presented net of allowances for doubtful balances. If trade accounts receivable become uncollectible, they are charged as an operating expense. Losses from uncollectible receivables are accrued when collection of the invoiced revenues is not assured. We make a judgment with regards to whether or not this should be recognized as income and if collection is not reasonably assured, no revenue will be recognized until cash has been received. These conditions are considered in relation to individual receivables or in relation to groups of similar types of receivables.

## 2.10 Inventories

Inventories are recorded at the lower of cost and net realizable value with cost determined using the first-in-first-out ("FIFO") method.

## 2.11 Property, Plant and Equipment

Property, plant and equipment is recorded at historic cost, less accumulated depreciation and any impairment. Property, plant and equipment includes capitalized Information Technology ("IT") system costs. Where an asset is constructed over an extended period and the Company is responsible for funding the construction, interest is capitalized into the cost of the asset.

The Company performs impairment reviews when there is a triggering event and to supplement this the company performs reviews annually. These reviews are based upon comparisons between book values and estimated market values and projections of anticipated future cash flows. The projections of anticipated future cash flows are derived from approved budgets and medium-term forecasts. Thereafter, cash flows are adjusted by long term global growth rates considered applicable to the Company's revenues and costs. An impairment loss is recognized only if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposal of the asset. That assessment is based on the carrying amount of the asset at the date it is tested for recoverability, whether in use or under development. An impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

## 2.12 Intangible Assets

Internally generated intangible assets are not carried in the Company's balance sheet.

## 2.13 Goodwill and impairment of goodwill

Goodwill arising from a business combination, being the value of purchase consideration in excess of amounts allocable to identifiable assets and liabilities is not amortized and is subject to annual review for impairment or more frequently should indications of impairment arise. For purposes of performing the impairment test of goodwill, we have established that the Company has two reporting units: Open-hatch and Bulk.

Impairment of goodwill in excess of amounts allocable to identifiable assets and liabilities is determined using a one-step approach, based on a comparison of the fair value of the reporting unit to the book value of its net assets; if the fair value of the reporting unit is lower than the book value of its net assets, then an impairment loss is recognized for the difference. We estimate the fair value of the Company based on a discounted cash flow analysis.

The Company has selected December 31 as its annual goodwill impairment testing date. Goodwill is tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

#### 2.14 Operating leases

Our operating leases relate to vessels, offices, cars and equipment under leasing agreements that do not meet the criteria to be classified as finance leases. We recognize on the balance sheet the right to use those assets and a corresponding liability in respect of all material lease contracts with a duration, or lease term, in excess of 12-months.

The discount rate used for calculating the cost of the operating leases is the incremental cost of borrowing.

For the Company's charter-in vessel contracts, a non-lease component, or service element has been determined which is reported under time charter rental expenses. G2 Ocean makes significant judgements and assumptions to separate the lease component from the non-lease component of our chartered-in vessels. For purposes of determining the technical management service components of the charter-in vessel contracts, we obtain available historical market statistics for comparable vessels which consider market data based on type and size of vessels as well as age of the vessel.

The amortization of right of use assets relating to operating chartered-in vessels is presented under time charter rental expenses in the consolidated statement of income and the amortization of right of use assets relating to office and car leases is reported under selling, general & administrative expenses in the consolidated statement of income.

#### 2.15 Fair value

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of three categories based on the inputs used to determine its fair value.

Fair values of derivatives are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding currency rates, credit risk, bunker prices and other factors. Changes in assumptions or in market conditions could significantly affect these estimates.

#### 2.16 Derivatives

The Company recognizes derivatives as either assets or liabilities on the balance sheet and measures them at fair value. As described in Note 15, gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge accounting.

Where derivative instruments entered into by the Company do not qualify for hedge accounting, the movement in their fair value is recorded under the caption of Other income and expenses in the Statement of Income.

#### 2.17 Pension Plans

Obligations for contributions to defined contribution plans are recognized as an expense in the Statement of Income as incurred.

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior period. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

#### 2.18 Income taxes

Income taxes are accounted for under the asset and liability method. Significant judgment is required in determining the Company's tax liabilities in the jurisdictions in which the Company operates. The Company's income tax liabilities are based on calculations and assumptions that are subject to examination by different tax authorities. The Company establishes accruals for certain tax contingencies and interest when, despite the belief that the Company's tax return positions are properly supported, the Company believes certain positions may be challenged and that the Company's positions may not be fully sustained. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company recognizes interest accrued related to unrecognized tax benefits in interest income / (expense).

Deferred income taxes are provided for the tax effect of temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets and deferred tax liabilities are adjusted to the extent necessary to reflect tax rates expected to be in effect when the temporary differences are reversed. Adjustments may be required to deferred tax assets and deferred tax liabilities due to changes in tax laws and audit adjustments by tax authorities. To the extent adjustments are required in any given period the adjustments would be included within the tax provision in the Statement of Income and/or Balance Sheet.

A valuation allowance against a deferred tax asset is established if, based on the weight of available evidence, management believes that it is more likely than not that the recorded deferred tax asset will not be realized in future periods.

Where items in Other Comprehensive Income have a tax effect, the tax effect is also taken to Other Comprehensive Income.

## 2.19 Dividends

The Company accounts for dividends to shareholders once the dividend has been formally declared. These amounts are charged as a deduction to retained earnings.

## 2.20 Adoption of new accounting principles with future effect

The commentary below relates to recent accounting pronouncements applicable to the consolidated financial statements for periods after December 31, 2022.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which revises guidance for the accounting for credit losses on financial instruments within its scope. The new standard introduces an approach, based on expected losses, to estimate credit losses on certain types of financial instruments and modifies the impairment model for available-for-sale debt securities. Additionally, ASU 2019-04 Codification Improvements to Topic 326, 2019-11 Codification Improvements to Topic 326 and ASU 2019-05 Targeted Transition Relief has been subsequently issued. The guidance will be effective January 1, 2023, for nonpublic entities, with early adoption permitted. Entities are required to apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Company is in the process of evaluating the impact of this standard update on its consolidated financial statements and related disclosures.

### Note 3: Total Revenues

All of G2 Ocean's revenues arise from international shipping.

An analysis of revenue by origin of load port is as follows:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
North America	203 934	184 266
South America	584 632	434 936
Europe	217 023	162 866
Africa	124 576	77 589
Australasia	97 510	57 091
Middle East and Asia	901 775	568 545
<b>Total</b>	<b>2 129 450</b>	<b>1 485 293</b>

Load ports in the following countries each constituted more than 5% of the total cargo revenues reported in 2022 (and 2021): China 27.5% (2021: 23.9%), Brazil 22.1% (2021: 22.2%) and Canada 5.2% (2021: 7.1%). Further, the following countries constituted more than 5% in 2021: Chile 6.2% and United States of America 5.3%.

G2 Ocean's gross revenue has been disaggregated and presented in the table below:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Revenue from contracts with customers	2 125 325	1 480 659
Other revenues	4 125	4 633
<b>Total</b>	<b>2 129 450</b>	<b>1 485 293</b>
<i>Revenue from contracts with customers disaggregated by type of contracts:</i>		
Charter of Affreightment contracts	1 083 738	677 187
Spot contracts	981 567	686 962
Time charter hire	60 020	116 510
<b>Total</b>	<b>2 125 325</b>	<b>1 480 659</b>

One customer in the year ended December 31, 2022, accounted for 10% or more of the Company's revenues (2021: nil customers).



## Note 4: Segment Information

The Company has two operating segments, Open Hatch and Conventional Bulk which are managed separately with each segment representing a strategic business unit that operates in the shipping market.

Pricing of services and transactions between businesses segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transactions between operating gross segments. These transactions are eliminated in the consolidation.

The Company provide segment data for the revenues and cost as the reliability measurement criteria cannot be met for other items.

For the period Jan 1 – Dec 31, 2022 (USD 1 000)	Open Hatch	Conventional Bulk	Eliminations	Total
<b>Total revenues</b>	<b>2 087 014</b>	<b>42 436</b>	<b>-</b>	<b>2 129 450</b>
<b>Operating expenses</b>				
Voyage related	845 649	2 599	-	848 248
Time charter rental	352 526	592	-	353 119
Depreciation and amortization	6 397	13	-	6 409
Selling, general & administrative	62 149	1 631	-	63 780
<b>Income from operations before pool distribution</b>	<b>820 293</b>	<b>37 601</b>	<b>-</b>	<b>857 894</b>
Pool distribution to Pool Participants	814 111	37 463	-	851 574
<b>Income from operations</b>	<b>6 182</b>	<b>138</b>	<b>-</b>	<b>6 320</b>
Non-operating income / (expenses)	1 715	(25)	-	(1 740)
<b>Income before income taxes</b>	<b>4 467</b>	<b>113</b>	<b>-</b>	<b>4 580</b>
Income tax expense	1 281	34	-	1 315
<b>Net income</b>	<b>3 186</b>	<b>79</b>	<b>-</b>	<b>3 265</b>

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	Open Hatch	Conventional Bulk	Eliminations	Total
<b>Total revenues</b>	<b>1 400 001</b>	<b>92 525</b>	<b>(7 233)</b>	<b>1 485 293</b>
<b>Operating expenses</b>				
Voyage related	688 174	4 412	-	692 586
Time charter rental	187 585	911	(7 233)	181 263
Depreciation and amortization	5 895	23	-	5 918
Selling, general & administrative	49 784	1 879	-	51 663
<b>Income from operations before pool distribution</b>	<b>468 563</b>	<b>85 300</b>	<b>-</b>	<b>553 863</b>
Pool distribution to Pool Participants	463 780	84 896	-	548 676
<b>Income from operations</b>	<b>4 783</b>	<b>404</b>	<b>-</b>	<b>5 187</b>
Non-operating income / (expenses)	(1 577)	(60)	-	(1 637)
<b>Income before income taxes</b>	<b>3 206</b>	<b>344</b>	<b>-</b>	<b>3 550</b>
Income tax expense	470	18	-	488
<b>Net income</b>	<b>2 736</b>	<b>326</b>	<b>-</b>	<b>3 062</b>

## Note 5: Voyage-related Expenses

Voyage related expenses consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Bunker expenses	341 828	261 343
Cargo handling expenses	271 734	235 905
Port expenses	131 578	124 349
Insurance premiums and deductibles	2 421	1 070
Other voyage related expenses	100 687	69 919
<b>Total</b>	<b>848 248</b>	<b>692 586</b>

## Note 6: Time Charter Rental Expenses

The time charter rental expenses consist of expenses for operating leases. Time charter is an arrangement for hire of a vessel. These arrangements vary in form and way of payment and period of hire may differ from time to time. The time charter rental expenses for the twelve months ending December 2022 were USD 353.1 million (2021: USD 181.3 million).

## Note 7: Operating Leases

The Company currently has two categories of leases - chartered-in vessels and offices and car lease.

As of December 31, 2022, G2 Ocean had chartered-in 40 vessels whereof 4 vessels are leased for a minimum initial non-cancelable lease period in excess of 12 months. The latter are all classified as operating leases in accordance with ASC 842.

Additionally, as of December 31, 2022 G2 Ocean had offices and other space leases in 13 different geographical locations, whereof 7 offices and other space operating leases had an initial duration above 12 months.

The Company's right of use assets for long-term operating leases were as follows:

As per Dec 31, 2022 (USD 1 000)	Vessels	Offices and cars	Total
Balance at Jan 1, 2022 on adoption of ASC 842	10 751	3 644	14 395
Additions	27 893	2 101	29 994
Amortization	(17 899)	1 498	(19 397)
Dec 31, 2022	<b>20 745</b>	<b>4 247</b>	<b>24 993</b>

The Company's lease obligations for long-term operating leases were as follows:

As per Dec 31, 2022 (USD 1 000)	Vessels	Offices and cars	Total
Balance at Jan 1, 2022 on adoption of ASC 842	10 751	3 644	14 395
Additions	27 893	2 101	29 994
Repayments	(17 489)	(1 363)	(20 094)
Foreign exchange translations	-	(456)	(456)
Dec 31, 2022	<b>20 155</b>	<b>4 357</b>	<b>25 512</b>
Current portion	19 769	1 684	21 453
Non-current portion	1 386	2 673	4 059

Future minimum lease payments in respect of operating leases as of December 31, 2022, are as follows:

As per Dec 31, 2022 (USD 1 000)	Vessels	Offices and cars	Total
2023	76 995	1 710	78 705
2024	2 027	1 392	3 419
2025	-	1 053	1 053
2026	-	477	477
2027	-	192	192
Thereafter	-	-	-
<b>Total minimum lease payments</b>	<b>79 023</b>	<b>4 823</b>	<b>83 846</b>
Less: Imputed interest	(1 441)	(39)	(1 480)
<b>Present value of operating lease liabilities</b>	<b>77 581</b>	<b>4 784</b>	<b>82 366</b>

The future minimum operating lease expense payments are based on the contractual cash outflows under non-cancelable contracts. The time charter rental expense recognition is based upon the straight-line basis.

As of December 31, 2022, the future rental payments include USD 77.6 million (2021: USD 99.9 million) in relation to time charter rental expenses for chartered-in vessels and USD 4.8 million (2021: USD 4.4 million) in relation to office rent and car lease costs.

Total expense for operating leases reflected as time charter rental expenses was USD 353.1 million in 2022 (2021: USD 181.3 million), which included USD 327.9 million for short-term leases.

Total cash paid in respect of operating leases was USD 354.1 million in 2022. The weighted average discount rate in relation to our operating leases was 4.8% for 2022. The weighted average lease term for vessels was 0.6 years and 3.3 years for offices and cars as of end 2022.

## Note 8: Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Staff expenses	49 777	40 326
Office expenses	2 703	2 413
IT and communication	3 416	3 323
Professional fees	5 125	4 691
Travel & marketing	2 123	910
Net currency hedging related to selling, general and administrative expenses	637	-
<b>Total</b>	<b>63 780</b>	<b>51 663</b>

## Note 9: Auditor's Remuneration

The following auditor's remuneration is included in the selling, general and administrative expenses:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Statutory audit	217	223
Tax advisory services	-	2
Other non-audit services	56	18
<b>Total</b>	<b>273</b>	<b>243</b>

## Note 10: Related Party Transactions

In the normal course of the conduct of its business, the Company enters into a number of transactions with related parties. Related parties of the Company include G2 Ocean AS' owners, G2 Ocean Holding AS, Gearbulk Holding AG and Grieg Shipholding AS including subsidiaries and affiliates of Gearbulk Holding AG and Grieg Shipholding AS, affiliates of the Company, principal owners of the Company, including close family members and companies controlled by those owners, and management of the Company and companies in which the Company can significantly influence the operating and financial policies.

### 10.1 Gearbulk

During 2022 pool distribution related to Gearbulk vessels amounted to USD 558.1 million (2021: USD 334.5 million), of which USD 534.6 million (2021: USD 304.0 million) were related to the Open Hatch segment and USD 23.5 million (2021: USD 30.5 million) were related to the conventional Bulk segment.

As of December 31, 2022, nil Bulk vessels (2021: 3) and 57 Open Hatch vessels (2021: 58) were operated in the G2 Ocean pool on behalf of Gearbulk at a variable rate per day. In addition, one bulk vessel was commercially operated by G2 Ocean on a pay as you earn basis (2021: one bulk vessel).

The Company has an arrangement with Gearbulk for the provision of certain chartering, operation and support services. Costs recognized from Gearbulk in respect of these services for 2022 were USD 3.8 million (2021: USD 4.9 million). Revenues recognized from Gearbulk in respect of the services for 2022 were USD 2.7 million (2021: USD 4.9 million). In addition, G2 Ocean has recognized USD 10.5 million from Gearbulk and associated companies relating to TC hire (2021: USD 4.1 million).

### 10.2 Grieg

During 2022 Pool distribution related to Grieg vessels amounted to USD 293.4 million (2021: USD 214.1 million), of which USD 279.4 million (2021: USD 159.7million) were related to the Open Hatch segment and USD 14.0 million (2021: USD 54.4 million) were related to the conventional Bulk segment.

As of December 31, 2022, nil Bulk vessels (2021: 4) and 31 Open Hatch vessels (2021: 31) were operated in the G2 Ocean pool on behalf of Grieg at a variable rate per day. Nil bulk vessel was commercially operated by G2 Ocean on a pay as you earn basis (2021: one bulk vessel).



The Company has an arrangement with Grieg for the provision of certain chartering, operation and support services. Costs recognized from Grieg in respect of these services for 2022 were USD 1.1 million (2021: USD 3.1 million). Revenues recognized from Grieg in respect of the services for 2022 were USD 1.7 million (2021: USD 2.6 million).

### 10.3 Advokatfirmaet Thommessen AS ("Thommessen")

A member of the Board of Directors of the Company is also a partner of the Norwegian law firm Thommessen. During 2022, the Company paid USD 73 278 (2021: USD 142 857) to Thommessen for services provided.

### 10.4 Related party balances

As of December 31, the following amounts are due from/to related parties and affiliates of the Company:

For the period (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<b>Trade receivable with related parties</b>		
Gearbulk Pool Ltd	-	55
<b>Total</b>	<b>-</b>	<b>55</b>
<b>For the period (USD 1 000)</b>	<b>Dec 31, 2022</b>	<b>Dec 31, 2021</b>
<b>Related parties receivables (current)</b>		
Gearbulk Pool Ltd	1 835	1 890
Gearbulk Shipowning Ltd	4 691	3 829
Gearbulk Shipping AS	547	793
Gearbulk Terminais do Brasil Ltda	187	877
Gearbulk AG	-	37
Gearbulk Norway AS	67	47
Gearbulk Shipping Investment Ltd	-	1
Gearbulk Shipping Singapore Pte Ltd.	15	2
Gearbulk and Ship Management & Transport Ltd	10	-
Grieg Star 2017 AS	-	239
GriegMaas Ultramax AS	-	27
Grieg Shipping II AS	328	570
Grieg Star OH Pool AS	2 043	1 279
Grieg Maritime Group AS	7	-
Grieg International II AS	285	172
Grieg Star Bulk AS	-	366
G2 Ocean Holding AS	-	28
<b>Total</b>	<b>10 015</b>	<b>10 157</b>

For the period (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<b>Related parties payables (current)</b>		
Gearbulk Pool Ltd	447	2 589
Gearbulk Norway AS	162	8
Gearbulk Holding AG	1 957	-
Gearbulk Management Switzerland AG	97	94
Gearbulk UK Ltd	3	175
Gearbulk Shipping AS	4	
Gearbulk Shipping Singapore Pte Ltd.	-	38
Gearbulk Maritima Ltda	155	100
Gearbulk Shipowning Ltd	-	6
Grieg Shipholding AS	1 356	1 056
Grieg Star Bulk AS	37	1
Gearbulk Terminais do Brasil Ltda	209	630
Grieg Shipping II AS	233	1
Grieg International II AS	27	-
Grieg Shipbroker AS	-	10
<b>Total</b>	<b>4 687</b>	<b>4 708</b>

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<b>Related party payables (non-current)</b>		
Gearbulk Holding AG	1 950	3 900
Grieg Shipholding AS	1 050	2 100
<b>Total</b>	<b>3 000</b>	<b>6 000</b>

Related parties payables (current) above includes short term portion of the long-term debt to related parties. Additional information is provided in section 10.5.

### 10.5 Long Term Debt

In May 2019, a long-term loan of an aggregate of USD 19.8 million was assumed from G2 Ocean Holding AS' owners Gearbulk and Grieg, replacing the seller credit issued in connection with the start-up of G2 Ocean in 2017. The long-term loan amortizing until 2024 has a coupon of 4.3% per year, payable bi-annually in arrears.

Aggregated amount of related party long term debt maturities as of December 31, 2022:

As per Dec 31, 2022 (USD 1 000)	Gearbulk Holding AG	Grieg Shipholding AS	Total
2023	1 950	1 050	3 000
2024	1 950	1 050	3 000
2025	-	-	-
2026	-	-	-
2027	-	-	-
Thereafter	-	-	-
<b>Total</b>	<b>3 900</b>	<b>2 100</b>	<b>6 000</b>

### 10.6 Other

Loans to directors from G2 Ocean as of December 31, 2022, amounted to nil (2021: nil). Loans to employees amounted to nil (2021: nil).

## Note 11: Other Income and Expense

Other income and expense consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Net foreign exchange loss / (gain)	187	809
Other financial expenses	1 013	286
<b>Total</b>	<b>1 200</b>	<b>1 095</b>

## Note 12: Income Taxes

The Company has considered its uncertain tax positions and is not presently aware of any uncertain tax positions requiring material adjustment in the accounts. However, the Company has operations in a number of overseas jurisdictions, and these operations are required to comply with relevant local tax legislation, for example with respect to residency, transfer pricing and the application of indirect taxes. The Company seeks to ensure compliance with the relevant local tax legislation and takes professional advice as appropriate. The Company believes that the positions it takes meet “the more likely than not” criterion (required by relevant accounting guidance) to be sustained upon a future tax examination. However, in certain aspects there is a degree of inherent subjectivity in the assessment of the positions taken and there can be no assurance that the relevant local tax authority would agree with the Company’s position, and as a result, material adjustments could arise in the future.

Income taxes recorded in the Consolidated Statement of Income:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Current tax		
Norway	445	-
Overseas	818	461
	1 263	461
Deferred tax charge		
Norway	(48)	38
Overseas	100	(11)
	52	27
Total tax expense	1 315	488
Deferred tax included in Other Comprehensive Income		
Norway	(814)	(654)
Overseas	-	-
<b>Total</b>	<b>501</b>	<b>(166)</b>

The Company and its Norwegian subsidiaries pay income and capital tax in Norway. All other current tax represents income tax from certain of the Company’s overseas subsidiaries.

At December 31, 2022, the Company has USD 0.0 million in tax losses carried forward (basis for deferred tax asset) in Norway (2021: USD 0.2 million). In overseas jurisdictions the tax loss carried forward amounts to USD 2.3 million (2021: USD 2.8 million). Deferred tax assets recognized in respect of these losses amount to USD 0.4 million (2021: USD 0.5 million).

## Note 13: Accumulated Other Comprehensive Income

Total Accumulated Other Comprehensive Income / (Loss) consists of the following:

As per (USD 1 000)	Accumulated Net Change in Fair Value of Cash Flow Hedges	Translation adjustments	Other	Total Accumulated Other Comprehensive Income / (Loss)
<b>Balance as of Jan 1, 2022</b>	<b>(244)</b>	<b>(241)</b>	<b>54</b>	<b>(431)</b>
Movement in the year	(3 701)	(103)	(37)	(3 841)
Income tax effect	814	-	-	814
<b>Balance as of Dec 31, 2022</b>	<b>(3 131)</b>	<b>(344)</b>	<b>17</b>	<b>(3 458)</b>
<b>Balance as of Jan 1, 2021</b>	<b>2 076</b>	<b>116</b>	<b>(4)</b>	<b>2 188</b>
Movement in the year	(2 974)	(357)	58	(3 273)
Income tax effect	654	-	-	654
<b>Balance as of Dec 31, 2021</b>	<b>(244)</b>	<b>(241)</b>	<b>54</b>	<b>(431)</b>

## Note 14: Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- I. Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of measurement date.
- II. Level 2: Significant other observable inputs other than Level 1 such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- III. Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate fair value:

### Derivatives

The fair value of the derivatives are based upon quotations obtained from third party banks or brokers, or valuation techniques, using observable market data as of the measurement date (Level 2). Our derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include forward rates, prices and indices to generate continuous yield or curves and volatility factors to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including market transactions and third-party pricing services.

### Cash and cash equivalents

The fair value of the cash and cash equivalents are based upon the carrying value of cash and cash equivalents, which are highly liquid and approximate fair value (Level 1).

### Bank overdraft

The fair value of the Bank overdraft is based upon the carrying value of the Bank overdraft, which are highly liquid and approximate fair value (Level 1).

As of December 31, the aggregate fair value of the assets and liabilities measured at fair value was as follows:



As per Dec 31, 2022 (USD 1 000)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Financial assets</b>				
Cash and cash equivalents	8 367	-	-	8 367
<i>Other current assets</i>				
Derivatives	-	1 980	-	1 980
<i>Other non-current assets</i>				
Derivatives	-	-	-	-
<b>Financial liabilities</b>				
<i>Other current payables</i>				
Bank overdraft	20 202			20 202
Derivatives	-	5 995	-	5 995
<i>Other non-current liabilities</i>				
Derivatives	-	-	-	-

As per Dec 31, 2021 (USD 1 000)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Financial assets</b>				
Cash and cash equivalents	5 045	-	-	5 045
<i>Other current assets</i>				
Derivatives	-	2 105	-	2 105
<i>Other non-current assets</i>				
Derivatives	-	-	-	-
<b>Financial liabilities</b>				
<i>Other current payables</i>				
Bank overdraft	15 230			15 230
Derivatives	-	2 418	-	2 418
<i>Other non-current liabilities</i>				
Derivatives	-	-	-	-

There have been no transfers between different levels in the fair value hierarchy in 2021 and 2020.

## Note 14: Fair Value

As of December 31, 2022, and 2021, the aggregate carrying value, fair value and gain or loss was as follows:

As per Dec 31, 2022 (USD 1 000)	Carrying Values (\$)	Fair Values (\$)	Gain / (Loss)
<i>Derivative instruments</i>			
Foreign exchange forward contracts	(2 032)	(2 032)	(2 032)
Fuel future purchase contracts	(1 667)	(1 667)	(1 667)
Freight Forward Agreements	(316)	(316)	(316)

As per Dec 31, 2021 (USD 1 000)	Carrying Values (\$)	Fair Values (\$)	Gain / (Loss)
<i>Derivative instruments</i>			
Foreign exchange forward contracts	(1 324)	(1 324)	(1 324)
Fuel future purchase contracts	1 010	1 010	1 010
Freight Forward Agreements	-	-	-

As of December 31, 2022, and 2021 the derivative instruments as presented in the tables above qualifies for hedge accounting and the gain / (loss) are included in the Other Comprehensive Income / (Loss) in the consolidated statement of comprehensive income.

## Note 15: Derivatives

All derivatives are recognized on the balance sheet at their fair value. On the date that the Company enters into a derivative contract, it designates the derivative as either:

- I. A hedge of the fair value of a recognized asset or liability (a “fair value” hedge);
- II. A hedge of (a) a forecasted transaction, (b) the variability of cash flows that are to be received or paid in connection with a recognized asset or liability or (c) an unrecognized firm commitment (a “cash flow” hedge);
- III. A foreign-currency fair-value or cash flow hedge (a “foreign currency” hedge);
- IV. A hedge of a net investment in a foreign operation: or
- V. An instrument that is held for trading or non-hedging purposes (a “trading” or “non-hedging” instrument).

The Company in general enters into forward foreign exchange contracts, fuel rate swap agreements and options and less frequently, derivatives such as forward freight agreements, freight options and fuel purchase options, to manage its exposure to fluctuations in currency rates, the market price of fuel, the market price of time charter freight rates and voyage charter freight rates. Certain forward foreign exchange contracts and fuel rate swap agreements are designated as cash flow hedges and where they meet the criteria for hedge accounting, each is accounted for accordingly as follows.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are reported in the Statement of Income. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge, to the extent that the hedge is effective, are recorded in other comprehensive income, until earnings are affected by the variability of cash flows of the hedged transaction. Any hedge ineffectiveness (which represents the amount by which the changes in the fair value of the derivative exceed the variability in the cash flows of the forecasted transaction) is recorded in current-period earnings.

## Note 15: Derivates

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow, or foreign-currency hedges to (1) specific assets and liabilities on the balance sheet or (2) specific forecast or committed transactions. The Company also formally assesses (both at the hedge's inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. When it is determined that a derivative is not (or has ceased to be) highly effective as a hedge, the Company discontinues hedge accounting prospectively.

The Company discontinues hedge accounting prospectively when:

- I. it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item (including hedged items such as firm commitments or forecasted transactions),
- II. the derivative expires or is sold, terminated, or exercised,
- III. it is no longer probable that the forecasted transaction will occur,
- IV. a hedged firm commitment no longer meets the definition of a firm commitment, or
- V. the Company determines that designating the derivative as a hedging instrument is no longer appropriate.

The Company discontinues hedge accounting when it is no longer probable that the forecasted transaction or firm commitment will occur on the original date or within a two-month window either side of this date. If the hedge is de-designated, the gain or loss accumulated to date on the derivative remains in Accumulated other comprehensive income and is reclassified into the Statement of Income when the transaction affects earnings. If the hedge is not de-designated, the gain or loss accumulated to date on the derivative is recognized immediately in the Statement of Income. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company will carry the derivative at its fair value on the balance sheet, recognizing changes in the fair value in current-period earnings.

### 15.1 Foreign Currency Management

The Company maintains a foreign-currency risk-management strategy that uses derivative instruments to protect its interests from unanticipated fluctuations in earnings and cash flows that may arise from volatility in currency exchange rates. Movements in foreign-currency exchange rates pose a risk to the Company's operations and competitive position, since changes in exchange rates may affect the profitability, cash flow, and business and or pricing strategies of competitors. These movements affect transactions that involve operating costs incurred in foreign currencies. The Company uses foreign currency forward exchange contracts to hedge these risks.

The notional amount of the foreign currency forward exchange contracts entered into during 2022 is USD 135.4 93.5 million (2021: USD 123.9 million).

As of December 31, 2021, the fair value of aggregate foreign currency forward exchange contracts held on the balance sheet was a net unrealized loss of USD 2.0 million (2021: net unrealized loss of USD 1.3 million), of which USD 1.1 million (2021: USD 0.9 million) was recorded within Other current assets and USD 3.1 million (2021: USD 2.2 million) within Other current payables.

As of December 31, 2022, these contracts had maturities of up to one year and a notional principal amount of USD 116.4 million (2021: USD 109.4 million).

### 15.2 Fuel Cost Management

The Company maintains a fuel-cost risk-management strategy that uses derivative instruments to minimize significant, unanticipated fluctuations in earnings that may arise from volatility in fuel prices. The Company enters into forward contracts and options relating to fuel. The Company has applied hedge accounting to these arrangements during the year ending December 31, 2022.

As of December 31, 2022, the fair value of aggregate fuel rate swap agreements held on the balance sheet was a net unrealized loss of USD 1.6 million (2021: net unrealized gain of USD 1.0 million), of which USD 0.8 million (2021: USD 1.2 million) was recorded in Other current assets and USD 2.4 million (2021: USD 0.2 million) was recorded within Other current payables. As of December 31, 2022, these contracts had maturities of up to one year and a notional principal quantity of 45 940 metric tons (2021: 20 050 metric tons). The notional value of these contracts is USD 26.9 million (2021: USD 10.2 million).

### 15.3 Freight Cost Management

The Company maintains a freight cost risk-management strategy that uses derivative instruments to minimize significant, unanticipated fluctuations in earnings that may arise from volatility in freight cost prices. The Company

enters into freight forward agreements relating to freight cost. The Company has applied hedge accounting to these arrangements during the year ending December 31, 2022.

As of December 31, 2022, the fair value of aggregate forward freight agreements held on the balance sheet was a net unrealized loss of USD 0.3 million (2021: 0.0 million), of which USD 0.1 million (2021: 0.0 million) was recorded in Other current assets and USD 0.4 million (2021: USD 0.0 million) was recorded within Other current payables. As of December 31, 2022, these contracts had maturities of up to one year and a notional principal quantity of 315 (2021: nil). The notional value of these contracts is USD 3.7 million (2021: 0.0 million).

#### 15.4 Credit Risk

By using derivative financial instruments to hedge exposures to changes in exchange rates, fuel costs and freight cost, the Company exposes itself to credit risk. Credit risk is the risk that the counterparty might fail to fulfill its performance obligations under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates repayment risk for the Company. When the fair value of a derivative contract is negative, the Company owes the counterparty and, therefore, does not assume repayment risk. The Company's hedging policy does not require collateral or other security supporting the financial instruments, however establishes maximum limits for each counterparty.

In the current economic environment, the Company is actively monitoring all of its material counterparty risks. The Company anticipates that the counterparties will be able to fully satisfy their obligations under the agreements.

#### 15.4 Fair Values

The estimated fair values of derivatives used to hedge or modify the Company's risks will fluctuate over time. These fair values should not be viewed in isolation, but rather in relation to the fair values of the underlying hedged transactions and the overall reduction in the Company's exposure to adverse fluctuations in foreign exchange rates, fuel prices and freight rates

The Company has deemed the fair value measurement for each asset or liability held at fair value to be level 2.

The following tables present the aggregate notional principal amounts, carrying values, fair values and maturities of the Company's financial instruments as of December 31, 2022 and as of December 31, 2021 (See Notes 19 and 31):



As per Dec 31, 2022 (USD 1 000)	Notional Principal Amounts (\$)	Carrying Values (\$)	Fair Values (\$)	Maturity
<i>Derivative instruments</i>				
Foreign exchange forward contracts	116 361	(2 032)	(2 032)	2023
Fuel future purchase contracts	26 920	(1 667)	(1 667)	2023
Freight Forward Agreements	3 726	(316)	(316)	2023

As per Dec 31, 2021 (USD 1 000)	Notional Principal Amounts (\$)	Carrying Values (\$)	Fair Values (\$)	Maturity
<i>Derivative instruments</i>				
Foreign exchange forward contracts	109 405	(1 324)	(1 324)	2022
Fuel future purchase contracts	10 216	1 010	1 010	2022
Freight Forward Agreements	-	-	-	-

The carrying value of financial assets and liabilities approximates fair value. The fair value of the financial derivative instruments is the estimated amount, based upon quotations obtained from third party banks or brokers, or valuation techniques, which the Company would have received or would have had to pay if the financial instruments had been terminated or sold at the reporting date.

The following tables present maturities of notional principal amounts of derivative instruments held as of December 31, 2022, and as of December 31, 2021:

As per Dec 31, 2022 (USD 1 000)	Freight Forward Agreements	Forward currency purchase (\$)	Fuel purchase contracts (\$)	Fuel purchase contracts (MT)
2023	3 726	116 361	26 920	45 940
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
Thereafter	-	-	-	-
<b>Total</b>	<b>3 726</b>	<b>116 361</b>	<b>26 920</b>	<b>45 940</b>

As per Dec 31, 2021 (USD 1 000)	Freight Forward Agreements	Forward currency purchase (\$)	Fuel purchase contracts (\$)	Fuel purchase contracts (MT)
2022	-	109 405	10 216	20 050
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	-	-
Thereafter	-	-	-	-
<b>Total</b>	<b>-</b>	<b>109 405</b>	<b>10 216</b>	<b>20 050</b>

Metric ton (MT)

## Note 16: Goodwill

The Open Hatch and Bulk, chartering and operational activities were acquired from Gearbulk and Grieg on May 2, 2017, for a combined purchase price of USD 86.0 million. The fair value of the identified assets and liabilities in the transaction amounted to USD 68.1 million, resulting in a goodwill of USD 17.9 million.

The goodwill is allocated to the employees, corporate culture and synergies, such as optimization of fleet performance, vessel scheduling, cargo handling and cost efficiencies in the onshore organization. These can be realized in connection with the establishment of the Joint Venture and the acquisition of the subsidiaries and the Chartering and Operational activities, assets and liabilities.

As of December 31, 2022, there are no indicators of impairment and there is no accumulated impairment loss recognized.

(USD 1 000)	Total
<i>Goodwill</i>	
<b>Historical cost Jan 1, 2022</b>	<b>17 772</b>
Additions	-
Currency translation	(39)
<b>Historical cost Dec 31, 2022</b>	<b>17 733</b>
Amortization for the year	-
Accumulated amortization	-
<b>Net carrying value Dec 31, 2022</b>	<b>17 733</b>

(USD 1 000)	Total
<i>Goodwill</i>	
<b>Historical cost Jan 1, 2021</b>	<b>17 785</b>
Additions	-
Currency translation	(13)
<b>Historical cost Dec 31, 2021</b>	<b>17 772</b>
Amortization for the year	-
Accumulated amortization	-
<b>Net carrying value Dec 31, 2021</b>	<b>17 772</b>

## Note 17: Property, Plant and Equipment

Property, plant and equipment consist of the following amounts:

(USD 1 000)	Machinery & Equipment	Cars, furniture & fixtures	IT Equipment & software	Total
<b>Cost</b>				
<b>Balances as of Jan 1, 2022</b>	<b>46 884</b>	<b>1 301</b>	<b>2 485</b>	<b>50 670</b>
Reclassification of assets	-	(8)	8	-
Additions	6 435	211	272	6 918
Disposal	(640)	(228)	(146)	(1 014)
Foreign exchange differences	43	(34)	(104)	(95)
<b>Balances as of Dec 31, 2022</b>	<b>52 722</b>	<b>1 242</b>	<b>2 515</b>	<b>56 479</b>
<b>Depreciation and amortization</b>				
<b>Accumulated depreciation as of Jan 1, 2022</b>	<b>(22 851)</b>	<b>(982)</b>	<b>(2 233)</b>	<b>(26 066)</b>
Reclassification of assets	-	-	-	-
Depreciations	(6 129)	(133)	(147)	(6 409)
Disposals	455	192	142	789
Foreign exchange differences	(15)	40	85	110
<b>Accumulated depreciations as of Dec 31, 2022</b>	<b>(28 540)</b>	<b>(883)</b>	<b>(2 153)</b>	<b>(31 576)</b>
<b>Net carrying value Jan 1, 2022</b>	<b>24 033</b>	<b>319</b>	<b>252</b>	<b>24 604</b>
<b>Net carrying value Dec 31, 2022</b>	<b>24 182</b>	<b>359</b>	<b>362</b>	<b>24 903</b>

(USD 1 000)	Machinery & Equipment	Cars, furniture & fixtures	IT Equipment & software	Total
<b>Cost</b>				
<b>Balances as of Jan 1, 2021</b>	<b>39 968</b>	<b>1 543</b>	<b>2 416</b>	<b>43 927</b>
Reclassification of assets	(3)	(17)	19	-
Additions	7 073	135	194	7 402
Disposal	(94)	(309)	(66)	(469)
Foreign exchange differences	(60)	(52)	(78)	(190)
<b>Balances as of Dec 31, 2021</b>	<b>46 884</b>	<b>1 301</b>	<b>2 486</b>	<b>50 670</b>
<b>Depreciation and amortization</b>				
<b>Accumulated depreciation as of Jan 1, 2021</b>	<b>(17 390)</b>	<b>(1 105)</b>	<b>(2 181)</b>	<b>(20 676)</b>
Reclassification of assets	3	4	(10)	--
Depreciations	(5 519)	(194)	(204)	(5 918)
Disposals	33	273	61	367
Foreign exchange differences	23	37	101	160
<b>Accumulated depreciations as of Dec 31, 2021</b>	<b>(22 851)</b>	<b>(982)</b>	<b>(2 233)</b>	<b>(26 066)</b>
<b>Net carrying value Jan 1, 2021</b>	<b>22 579</b>	<b>439</b>	<b>234</b>	<b>23 252</b>
<b>Net carrying value Dec 31, 2021</b>	<b>24 033</b>	<b>319</b>	<b>252</b>	<b>24 604</b>

### 17.1 Depreciation and amortization

The depreciation and amortization charge for 2022 was USD 6.4 million. In addition, there was a loss on disposal and scrapping of USD 0.2 million (2021: USD 5.9 million in addition to a loss on disposal and scrapping of USD 0.1 million).

### 17.2 Impairment

There was no impairment loss in 2022.

## Note 18: Subsidiaries

As of December 31, 2022, the following subsidiaries are included in the consolidated accounts:

Company name	Country of registration	Ownership shares	Voting Shares
G2 Ocean Brazil Ltda	Brazil	100%	100%
G2 Ocean Ltd	Bermuda	100%	100%
G2 Ocean Ltd ROHQ	The Philippines	100%	100%
G2 Ocean US Inc.	United States	100%	100%
G2 Ocean Sweden AB	Sweden	100%	100%
G2 Ocean Shipping Canada Ltd	Canada	100%	100%
G2 Ocean Netherlands BV	The Netherlands	100%	100%
G2 Ocean Singapore Pte Ltd	Singapore	100%	100%
G2 Ocean Italy Srl	Italy	100%	100%
G2 Ocean Australia Pty Ltd	Australia	100%	100%
G2 Ocean Chile SpA	Chile	100%	100%
G2 Ocean South Africa Pte Ltd	South Africa	100%	100%
G2 Ocean (Shanghai) Company Limited	China	100%	100%

## Note 19: Other Current Assets

Other current assets consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Fair value of derivative instruments	14,1 5	1 980	2 105
Value added taxes receivables		818	575
Other current assets		466	310
<b>Total</b>		<b>3 264</b>	<b>2 990</b>

## Note 20: Inventories

Inventories consist of the following amounts:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Bunkers	72 994	58 519
Consumables and other inventories	-	2 770
<b>Total</b>	<b>72 994</b>	<b>61 289</b>

There was no impairment of inventories in 2022.



## Note 21: Trade Receivables

Trade receivables consist of the following amounts:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Trade receivables	86 080	82 499
Trade receivables related parties	-	55
Loss provision	(469)	(526)
<b>Total</b>	<b>85 611</b>	<b>81 973</b>

All trade receivables and 100% of the loss provision is related to revenue from contract with customers.

As at December 31, the ageing analysis of trade receivables are as follows:

As per (USD 1 000)	Total	Current	1-30 days	31-60 days	61-90 days	> 91 days
<b>2022</b>	86 080	60 567	18 696	2 396	1 116	3 077
<b>2021</b>	82 499	62 012	17 178	2 252	419	638

## Note 22: Contract Assets and Contract Liabilities

For the period (USD 1 000)	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Accrued voyage revenue	23 227	17 125
<b>Contract assets</b>	<b>23 227</b>	<b>17 125</b>
Deferred voyage revenue	78 541	85 726
<b>Contract liabilities</b>	<b>78 541</b>	<b>85 726</b>

### 22.1 Contract Assets

Contract assets are recognized revenue for freight services partly satisfied from voyages that have commenced but are not completed and invoices have not been issued as per December 31. Contract assets are reclassified to receivables from contracts with customers once the freight service is being invoiced to the customer, normally at the latest within some weeks after the voyage is completed.

### 22.2 Contract Liabilities

Contract liabilities are being recognized as revenue from contracts with customers within the completion of the voyage (at the latest a few months after the prepayment).

As per December 31, G2 Ocean has the following remaining performance obligations (amounts not disclosed):

- v) For voyages in progress, revenues related to the remaining freight services will be recognized as the voyage progresses. All voyages in progress will be completed within a few months.
- vi) In addition, the Company has freight commitments related to contracts of affreightment entered into for future shipments.

## Note 23: Other Non-Current Assets

Other non-current assets consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Deferred tax asset	12	1 198	787
Other non-current assets		130	124
<b>Total</b>		<b>1 328</b>	<b>911</b>

## Note 24: Cash, Cash Equivalents and Restricted Cash

As of December 31, 2022, and 2021, the following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial positions that sum to the total of the same such amounts shown in the statement of cash flows.

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Cash and cash equivalents	7 880	4 467
Short-term restricted cash	487	578
Long-term restricted cash	-	-
<b>Total</b>	<b>8 367</b>	<b>5 045</b>

Restricted cash consists of cash, which may only be used for certain purposes and is held under a contractual arrangement.

## Note 25: Shares

As of December 31, 2022, and as of December 31, 2021, the authorized share capital of G2 Ocean AS comprises 84 360 shares of NOK 1 421 par, of which 84 360 are issued. No dividend were declared and paid during 2022 (2021: nil).

## Note 26: Shareholders

As of December 31, 2022, the Company is a fully owned subsidiary of G2 Ocean Holding AS.

Shareholder	Shares of common stock	
	Amount	Shares
G2 Ocean Holding AS	84 360	100%
<b>Total issued common shares</b>	<b>84 360</b>	<b>100%</b>

G2 Ocean's parent company, G2 Ocean Holding AS is jointly controlled by its two shareholders, Gearbulk Holding AG and Grieg Shipholding AS. The table below shows the distribution of ownership in G2 Ocean Holding AS, as of December 31, 2022, between its two shareholders, both in terms of number of shares of common stock and percentages.

Shareholder	Shares of common stock	
	Amount	Shares
Gearbulk Holding AG	19 500	65%
Grieg Shipholding AS	10 500	35%
<b>Total issued common shares</b>	<b>30 000</b>	<b>100%</b>

## Note 27: Pension Benefits and Liabilities

Other non-current assets consist of the following amounts:

The Company funds pension for certain employees under either a defined contribution scheme or a defined benefit plan undertaken with various pension companies under several different plans.

The Company's Norwegian subsidiaries are bound to have a mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme. The Company's pension scheme meets the requirement of this Act.

### 27.1 Defined contribution plans

The Company funds pensions for certain employees under defined contribution personal pension policies undertaken with various pension companies under several different plans. Contributions are generally based on a percentage of gross salaries. Other subsidiaries also make contributions into various defined contribution pension arrangements including state schemes where relevant. Costs in respect of these pension arrangements for the period ending December 31, 2022 were USD 2.3 million (2021: USD 2.1 million).

### 27.2 Defined benefit plans

The Company has also defined benefit schemes and early retirement schemes. The defined benefit schemes are for certain employees with salaries above a specified threshold (12G). This pension gives the right to future defined benefits and the obligations are primarily dependent on years of service, salary at retirement and level of national insurance benefits. The scheme covers 1 employee.

The early retirement scheme covers employees who were transferred from Grieg to G2 Ocean AS on May 2, 2017. The early retirement scheme pays 70% of salary at the time reaching the age of 65 until 67 years. This scheme is not funded but is financed through operations. The pension scheme covered 13 employees as of December 31, 2022 (2021: 16 employees).

The net periodic pension cost for defined benefit plans for the year December 31, 2022 were USD 0.1 million (2021: USD 0.2 million). The total pension liabilities as of December 31, 2022 were USD 2.7 million (2021: USD 2.7 million).

## Note 28: Other Non-Current Liabilities

Other non-current liabilities consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Deferred tax liability	12	-	358
Pension obligation	27	2 754	2 727
Other long-term liabilities		282	511
<b>Total</b>		<b>3 036</b>	<b>3 596</b>

## Note 29: Bank Overdraft

As of December 31, 2022, the Company had a term revolving credit facility of USD 50.0 million (2021: USD 25.0 million) whereof USD 20.2 million (2021: USD 15.2 million) had been drawn. The facility is secured by a factoring pledge in the amount of USD 55.0 million of the outstanding accounts receivables with the exclusion of accounts receivables relating to certain specific customers. The aggregate carrying value of the pledged accounts receivable as per December 31, 2022, was USD 87.0 million (2021: USD 84.4 million). In addition, the term credit facility is secured by a guarantee from its parent company G2 Ocean Holding AS of USD 50.0 million (2021: USD 25.0 million).

As of December 31, 2022, the term revolving credit facility agreement contain a borrowing base clause, which require a prepayment of a portion of the outstanding borrowings should the drawn amount under the term revolving credit facility exceed 70% of the value of the pledged accounts receivable. Further, the term revolving credit facility includes a clean down clause which require the usage of the facility to be below a set threshold for three consecutive days during any given six months periods. Failure to comply with any of the covenants in the loan agreements could result in a default.

As of December 31, 2022, and December 31, 2021, G2 Ocean was in compliant with its covenants.

## Note 30: Accrued Liabilities

Accrued liabilities consist of the following amounts:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Accrued voyage related expenses	48 439	47 332
Accrued staff expenses	11 923	5 008
Accrued other expenses	1 611	1 305
<b>Total</b>	<b>61 973</b>	<b>53 645</b>

## Note 31: Other Current Payables

Other current payables consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Fair value of derivative instruments	14,15	5 995	2 418
Taxes payable	12	651	61
Payroll tax		715	927
Provisions for deductibles on cargo related insurance claims		1 596	2 611
Other payables		947	1 190
<b>Total</b>		<b>9 904</b>	<b>7 207</b>

## Note 32: Commitments and Contingencies

### 32.1 Contract of Affreightment

The Company enters into contracts of affreightment, committing the Company to provide transportation services covering medium and long-term periods. To meet its existing and anticipated commitments the Company also charters in vessels for various term periods of up to 24-26 months.

### 32.2 Insurance

The Company maintains protection and indemnity ("P&I") jointly with Owners and charterers liability insurance coverage for its shipping activities, which include the legal liability and other related expenses of injury or death of crew, passengers and other third -parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances, and salvage, towing and other related costs. The Company's P&I insurance is arranged through three mutual protection and indemnity associations ("P&I Clubs") of which two are in Norway and one is in the United Kingdom. As a member of a P&I Club, the Company is subject to calls payable to the association based on the Company's claims record as well as the claims record of all other members of the association. The P&I Clubs operate a policy of reinsurance on certain insurance risks.

While liabilities to third- parties are generally covered by P&I insurance, coverage ordinarily available for damage arising out of oil pollution is currently limited to USD 1 billion per incident per vessel for oil pollution damage, which covers response costs and third party claims as well as fines. The vessels operated by the Company do not transport crude oil or its products, but the vessels do carry significant quantities of diesel oil and other heavy oil used for fuel, which if spilled would cause pollution. Likewise, vessels commercially operated by the Company could be involved in a collision with a tanker vessel causing a spill of the tanker's cargo for which the Company could be liable.

G2 Ocean is a defendant in several lawsuits for damages and arbitration proceedings in foreign jurisdictions arising principally from contractual disputes, personal injury and property casualty claims. The Company believes that the resolution of such claims will not have a material adverse effect on the financial position, financial results or liquidity of the Company. As of December 31, 2022, and to the best of our knowledge to date, the Company does not have major claims pending under its liability insurance coverage which can adversely affect the financial position, financial results or liquidity.



The Company believes that its current insurance coverage provides adequate protection against the accident related risks involved in the conduct of its business and that it maintains appropriate levels of environmental damage and pollution insurance coverage, consistent with standard industry practice. However, there is no assurance that all risks are adequately insured against, that any particular claims will be paid or that the Company will be able to procure adequate insurance coverage at commercially reasonable rates in the future.

### 32.3 Environmental

The Company is subject to the laws of various jurisdictions and international conventions regarding the discharge of materials into the environment.

Many countries have ratified and follow the liability scheme adopted by the International Maritime Organization and set out in the International Convention on Civil Liability for Oil Pollution Damage 1969 ("CLC"), Bunker Oil Pollution Damage 2001 ("BCLC") and MARPOL. A 1992 Protocol to the CLC ("CLC92"), and a Supplementary Protocol, ("CLC2003"), have increased the liability limits of the CLC in several signatory countries. In addition, with effect from June 8, 2015, the limit of liability under the BCLC was increased by approximately 50%. The International Convention for the Prevention of Pollution from Ships (MARPOL) is the main international convention covering prevention of pollution by vessels from operational or accidental causes.

In jurisdictions where the CLC, CLC92, BCLC2001 or CLC2003 have not been adopted or do not apply for vessels not carrying oil in bulk as cargo or as bunkers, various legislative schemes or common law govern, and liabilities are imposed on the basis of fault or in a manner similar to the CLC, CLC92, BCLC2001 or CLC2003. Compliance is arranged via the vessel's P&I Club.

The Ballast Water Management Convention (BWM Convention) a treaty adopted by the International Maritime Organization (IMO) in order to help prevent the spread of potentially harmful aquatic organisms and pathogens in ships' ballast water. From September 8, 2017, ships must manage their ballast water so that aquatic organisms and pathogens are removed or rendered harmless before the ballast water is released into a new location.

The Hong Kong International Convention for the Safe and environmentally Sound Recycling of Ships (the Hong Kong Convention), was adopted in 2009, but is not yet enforced. The Convention is aimed at ensuring that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risks to human health, safety and to the environment.

The European Union (EU) Ship Recycling Regulation being largely based on the Hong Kong Convention, entered into force December 30, 2013. The regulation aims to prevent, reduce and minimize accidents, injuries and other negative effects on human health and the environment related to the recycling of ships flying the flag of European Union countries.

EU Monitoring, Reporting and Verification Regulation (MRV Regulation) on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, entered into force on July 1, 2015.

The International Maritime Organization (IMO) adopted a mandatory Fuel Oil Data Collection System (DCS) for international shipping, requiring ships to start collecting and reporting data to an IMO database from 2019.

For the BWM Convention, Hong Kong International Convention, EU) Ship Recycling Regulation, MRV Regulation and the Fuel Oil Data Collection System it is the vessel Manager's who have the formal responsibility to follow all above mentioned regulations are followed, and make sure the vessels are certified as required.

Further, the United States Oil Pollution Act of 1990 ("OPA '90"), states that any Company which is an operator of a vessel could be exposed to substantial strict liability, and in some cases unlimited liability, for removal costs and damages arising from a spill caused by one of its vessels into any of the waters of such jurisdiction (including, for example, US waters). Such a claim against the Company would enable claimants in certain jurisdictions to seize the assets of the operating Company located in that jurisdiction. At the time of a final judgment against the operating Company, such Company's assets in that jurisdiction, as well as in various other jurisdictions, could be exposed to seizure and sale in satisfaction of such judgment. The maximum amount of protection and indemnity ("P&I") coverage ordinarily available in the market against some of these environmental risks is USD 1 billion per incident per vessel. While the Company maintains such P&I coverage, there can be no assurance that such coverage would be sufficient to cover the costs of damages suffered by the Company.

OPA '90 expressly provides that individual states in the US are entitled to enforce their own pollution liability laws, even if inconsistent with or imposing greater liability than OPA '90. There is no uniform liability scheme among the states. Some states have OPA '90-like schemes for limiting liability to various amounts and some rely on fault-based remedies under common law, while others impose strict and unlimited liability on an owner or operator. Some states have also established their own requirements for financial responsibility. From January 1, 2021, the new law imposing increased penalties and fines was effective in California for ship sourced oil pollution damage in Californian State waters.

The Energy Efficiency eXisting ship Index ("EEXI") is a measure introduced by the IMO to reduce the greenhouse gas emissions of ships. The EEXI is a measure related to the technical design of a ship. Ships must attain EEXI approval once in a lifetime, by the first periodical survey in 2023 at the latest.

The Carbon Intensity Indicator ("CII") is a measure of how efficiently a ship transports goods and is given in grams of CO2 emitted per cargo-carrying capacity and nautical mile. The ship is then given an annual rating ranging from A to E, whereby the rating thresholds will become increasingly stringent towards 2030. The yearly CII is calculated based on reported IMO DCS data and the ship is given a rating from A to E. The CII requirements will take effect from 2023, the first rating will be published in 2024.

The Company has been able, and believes that it will continue to be able, to comply with applicable state laws and regulations which are material to the conduct of its operations.

#### 32.4 Freight taxes and other indirect taxes

The Company derives income from trade in numerous international jurisdictions, and this income may be subject to freight taxes or other indirect taxes. Where appropriate the Company recognizes income, expenses, assets or liabilities in respect of freight taxes or other indirect taxes in the financial statements. The Company takes legal and professional advice in seeking to ensure it is compliant with the tax legislation in the jurisdictions in which it operates. However, the operation of freight taxes and other indirect taxes within the context of international transportation is complex and continually evolving particularly in emerging markets. The Company takes various measures to address any potential exposure to freight taxes or other indirect taxes, including through its standard contractual terms of business. However, there can be no absolute assurance that these measures will fully protect the Company from potential exposure to such taxes or that the relevant tax authorities will agree with the tax positions the Company has taken and as such material adjustments may be required in the future.

### Note 33: Events Subsequent to the Balance Sheet Date

Subsequent events have been reviewed from period end to issuance of the consolidated financial statement on March 15, 2023, and there are no material events.



## **Report of Independent Auditors**

To the Board of Directors and Shareholders of G2 Ocean AS.

### ***Opinion***

We have audited the accompanying consolidated financial statements of G2 Ocean AS and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of latest date, December 31, 2022 and earliest year, 2021, and the related consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of latest date, December 31, 2022 and earliest year, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental information in chapters 01 Letter from the CEO, 02 About G2 Ocean, 03 Our Stakeholders, 04 Material Topics, and 06 Appendix is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

  
PricewaterhouseCoopers  
Bergen, Norway  
March 15, 2023



## 6 Appendix

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# About this Report

This is the second combined Annual Report issued by G2 Ocean AS. The data and information included in this report are related to the sustainability (Chapters 1 – 4) and financial performance (Chapter 5) of all subsidiaries in G2 Ocean and cover the reporting period 1 January to 31 December 2022, unless stated otherwise.

Throughout this report “G2 Ocean”, “Company”, “Joint Venture”, “Group”, “we”, “us” and “our” refer to G2 Ocean AS and its subsidiaries.

## Reporting frequency

G2 Ocean reports on its sustainability and financial performance annually to ensure transparency and accountability of its sustainability performance and impacts – whether positive or negative – and allows stakeholders to follow and compare yearly progress.

G2 Ocean’s Report Archive, including this report, which was published on 22 March, can be found on our website [www.g2ocean.com](http://www.g2ocean.com).

## What’s new in this year’s report

Our 2022 Report has a new chapter structure, as well as a description of our value chain and key stakeholder groups. The report includes detailed information of our most significant ESG topics and how we manage them. Relevant reporting elements to these topics have been added to Chapter 4 and to our GRI Index, presented on pages 126 - 133 of the Appendix.

Our emissions are reported in CO<sub>2</sub> equivalents (CO<sub>2</sub>e). This is done to comply with GRI and to cover the emission contributions from Methane and Nitrous Oxide. Historical figures have also been updated to reflect this change. Please note that the EEOI is based on CO<sub>2</sub>, as this conforms to the regulations set by European Union and the International Maritime Organisation.

Our reporting related to Scope 3 emissions has been expanded and now includes emissions in CO<sub>2</sub>e from the production, processing and delivery of vessel fuel, downstream leased assets and upstream transportation and distribution (relet).


## Reporting standards

The sustainability reporting of this document (Chapters 1 – 4) has been prepared in accordance with the Global Reporting Initiative’s (GRI) Standards.

The reporting of our Financial Accounts (Chapter 5) follows the accounting principles generally accepted in the United States of America (“USGAAP”).

## Assurance and audit

At G2 Ocean, we strive to achieve data quality and we continuously work to improve our internal reporting and assurance processes. Examples of our internal assurance mechanisms are independent internal audits and verifications, frequent reviews of the data at the relevant business area and leadership level, and annual review processes.

The information and data in this report related to our sustainability reporting have been assured by a third party. The quantitative information that has been subject to external assurance is identified by “”.

The Financial Accounts have been audited by a third party.

Please refer to page 134 for the assurance statement related to our sustainability reporting and page 114 for the Report of Independent Auditors related to the Financial Statements.

## Board approval

This report has been approved by G2 Ocean’s Board of Directors.

## More information

For information about this report, please contact:


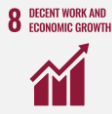





Sigrid Bakken, ESG and Communications Director  
E: [Sigrid.bakken@g2ocean.com](mailto:Sigrid.bakken@g2ocean.com)

# United Nations' SDGs and G2 Ocean

## G2 Ocean's contribution to the UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 and guide governments, civil society, and the private sector in a collaborative effort for change towards sustainable development. In 2019, G2 Ocean adopted seven of the SDGs and selected those that are considered the most material for the company. The goals are integrated into G2 Ocean's corporate strategy.

G2 Ocean actively works to support the United Nations Sustainable Development Goals (SDGs) and shares the view that businesses have a key role to play in delivering on and contributing to the goals. We contribute to social and economic development in the societies and communities we operate in, by delivering goods and supplies, creating economic value and jobs, and developing people, while conducting responsible business activities. Our main contributions to each of these goals are described in the table below.

UN Objective	G2 Ocean's contribution/impact on the UN Sustainable Development Goals
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> <li>• We innovate and improve the infrastructure in shipping to make it more efficient and sustainable</li> <li>• We develop new business in emerging economies such as Africa and India</li> <li>• We continuously work towards increased resource efficiency</li> </ul>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>• We focus on the economic growth of our business and cost awareness</li> <li>• We work towards the automation of repetitive work</li> </ul>
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>• We reduce our GHG emissions through improved fuel efficiency and the use of alternative fuels</li> <li>• We ensure that we have zero harmful emissions to the oceans</li> <li>• We recycle paper, plastics, aluminium and glass</li> </ul>
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> <li>• We encourage a high-performance culture</li> <li>• We actively develop our employees' skillsets for the future</li> </ul>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> <li>• We actively promote transparency, anti-corruption and bribery</li> <li>• We are committed to focusing on business ethics, high HSEQ standards and risk management</li> </ul>
 <p>14 LIFE BELOW WATER</p>	<ul style="list-style-type: none"> <li>• We ensure that we have zero harmful emissions to the oceans</li> <li>• We actively work to reduce plastic in the oceans</li> </ul>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>• We promote sustainable procurement practices, awareness and pressure our supply chain</li> <li>• We recycle all office waste and continuously seek to increase our equipment recycling</li> </ul>

# Other

## Scope 3 emissions

G2 Ocean's Scope 3 emissions are defined based on the international standard 'A Corporate Accounting and Reporting Standard', developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). An overview of our main scope 3 emissions is included on page 40, while this section covers our secondary scope 3 emissions.

### Waste generated in operations

As we gradually obtain lifecycle emission conversion factors from our suppliers, the emissions from wasted equipment and consumables will be included in the Scope 3 category "Purchased goods and services". Reference is also made to page 29, where we have explained why we no longer consider 'Waste' to be a material topic for G2 Ocean.

### Capital Goods:

G2 Ocean does not invest in assets. Hence, this category is not relevant to us.

### Emissions from downstream transportation and distribution

G2 Ocean's voyages are one link of several in the supply chain of cargo, from manufacturer to end receiver. We do not have the means to get an overview of the emissions from downstream transportation outside our logistical service, and we have no impact on how the cargo is transported downstream. Some of our customers and cargo owners do seek to obtain emission data for the whole chain of transport. We contribute to their efforts by reporting our emissions in their reporting systems, on request. We have also developed a feature in our customer portal MyG2, to ensure that emission data from our transportation work is readily available for our customers.

### Employee commuting

Several commuting options are available in most of our office locations. Many employees travel to the office by bus, tram, and bicycle. Emissions from commuting are relatively low, compared to other Scope 3 emission sources, and we do not see a potential for significant reductions.

### Upstream leased assets

G2 Ocean does not lease assets. Hence, this category is not relevant to us.

### Processing of sold products

G2 Ocean is a service provider. Hence, this category is not relevant to us.

### Use of Sold Products

G2 Ocean is a service provider. Hence, this category is not relevant to us.

### End-of-life treatment of sold products

G2 Ocean is a service provider. Hence, this category is not relevant to us.

### Emissions from Franchises

This category is not relevant to G2 Ocean due to our company structure and the nature of our business.

### Emissions from Investments

G2 Ocean does not invest in assets. Hence, this category is not relevant to us.



# Reporting methodology and boundaries

Energy consumption and intensity ratios			
Description	Methodology	Scope/Exclusions	Unit of reporting
Energy Efficiency Operational Indicator (EEOI)	<p>The EEOI is calculated based on IMO MEPC.1/Circ.684, with the formula:</p> $EEOI = (fuel\ consumption * carbon\ factor) / (distance * cargo\ carried)$ <p>Carbon factors as follows:</p> <ul style="list-style-type: none"> <li>Heavy fuel oil: 3.1144</li> <li>Light fuel oil: 3.151</li> <li>Diesel oil: 3.206</li> </ul> <p>Source: IMO lifecycle and carbon intensity guidelines</p>	EEOI only uses CO2 factor for the fuel, not CO2e	mt CO2/mill mt cargo*nm
SOx per transport work	<p>The SOx emissions are divided by transport work (distance*cargo carried) to give a fair comparison year by year.</p> <p>See separate description for calculation of SOx emissions.</p>		Kg SOx/mill mt cargo*nm
NOx per transport work	<p>The NOx emissions are divided by transport work (distance*cargo carried) to give a fair comparison year by year.</p> <p>See separate description for calculation of NOx emissions.</p>		Kg NOx/mill mt cargo*nm
Global Warming Potential	1 CO2e = 1 GWP	The CO2e from Scope 1 emissions.	GWP
Scope 1 emissions			
CO2 equivalents from fuel consumption	<p>The CO2e from fuel consumption is calculated using DEFRA 2021 conversion factors. The conversion factors for fuel oil and marine gas oil will cover contributions from CO2, CH4 and N2O emissions</p> <p>CO2e factor fuel: 3.15951</p> <p>CO2e factor MGO: 3.24999</p>	<p>G2 Ocean has applied the principle of "operational control". That means that the emission figures include every vessel which carries cargo for G2 Ocean, including time charter vessels.</p> <p>Vessels chartered out are not included.</p>	MT CO2e
Biogenic emissions	<p>The biogenic emissions from combustion of biofuel is found using conversion factor from IMO lifecycle and carbon intensity guidelines (ISWG-GHG 11/2/3).</p> <p>Carbon factor: 2.834</p>	<p>The biofuel was credited with carbon factor of 0 when reported to EU and IMO.</p> <p>Biogenic emissions are not part of the climate accounting.</p>	MT CO2e
Natural gas	<p>Emission factor from SSB: 1.99 t CO2 per 1000 m3</p> <p>1.99 kg / m3 (domestic use gas)</p>		CO2e

SOx and NOx emissions			
Description	Methodology	Scope/Exclusions	Unit of reporting
Sulphur oxides emissions (SOx)	<p>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).</p> <p>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.</p> <p>The emitted mass of SOx will then be:</p> $\text{Consumption [MT]} * \text{Sulphur Content Factor (20 kg/ton)} * \text{Sulphur content [\%]}$ <p>Source: Norwegian Oil and Gas Association, Recommended guidelines for discharge and emission reporting</p>		MT SOx
Nitrogen Oxides (NOx)	<p>The mass of NOx emitted is calculated using the following assumptions:</p> <ul style="list-style-type: none"> <li>All main engines &lt;200 rpm, this equals 100 kg of NOx per metric ton fuel used</li> <li>All auxiliaries &lt;200 &gt;1000 rpm, this equals 70kg of NOx per metric ton fuel used</li> </ul> <p>The fuel distribution between main engines and auxiliary engines are calculated based on actual figures.</p> <p>Source: BIMCO Shipping KPI v.3.0</p>		MT NOx
Calculation methodology: Scope 2 emissions			
Consumption of purchased energy for heating, cooling, lightning, and gas.	<p>Location-based emission conversion factors from the United Nations Framework Convention on Climate Change is used to calculate our scope 2 emissions.</p> <p>Market -based factors from Carbon Footprint is used to calculate market-based scope 2 emissions.</p> <p>Residual mix factors have been used for Norway and the Netherlands. For electricity used in Sweden we have purchased energy attribute certificates, the factors used for market-based emissions is therefore "0". Further, for other G2 Ocean locations outside Europe we have not been able to identify reliable sources for residual mix factors.</p> <p>Location-based factors have been used to calculate market-based scope 2 emissions outside Europe, in line with GHG guidance for best practice.</p> <p>For Atlanta and Vancouver, we have not been able to obtain electricity consumption figures from the building owner. The consumption figures are based on general studies of office building energy consumption, per square feet of office space.</p> <p>The energy supplier <u>Evin</u> was used to calculate district heat emission factor for Bergen.</p>	Includes Atlanta, Bergen, Gothenburg, Manila, Melbourne, Rio de Janeiro, Rotterdam, Shanghai, Singapore, and Vancouver. Other G2 Ocean subsidiaries, ref. page 138, does not have a physical office.	CO <sub>2</sub> e

Scope 3 emissions			
Description	Methodology	Scope/Exclusions	Unit of reporting
Emissions from business travel	<p>The emissions data is collected from our global travel service provider, covering flights booked by the employees through an online portal.</p> <p>About the calculations: The company made an analysis of all air travel in 2019, and this pre-covid year is the baseline for our future targets. For 2019, 0.0772 kg CO<sub>2</sub> e per pax km was the overall conversion factor, this was based on external consultant work and used also for the 2021 calculations. In 2020 there was close to zero travel due to the covid pandemic, and no figures were calculated. The actual emissions vary by flight type (long haul vs short haul, business vs economy etc), and from 2022 we have used DEFRA conversion factors. These DEFRA conversion factors include indirect emissions related to air travel, and DEFRA recommends that these are used when calculating emissions. While this gives us a more accurate picture of the actual emissions, it makes comparisons with previous years less meaningful. What we can compare to previous years is the total flight distance in km.</p>		CO <sub>2</sub> e
Well-to tank emissions	<p>This is the carbon footprint of the fuel we use, before it enters the tanks onboard. The well-to-tank emissions covers the production, processing and delivery of the fuel.</p> <p>The emissions are calculated using actual consumption of Fuel oil, Marine Gas Oil and Biofuel respectively, and multiplying with conversion factors to find emissions in tonnes CO<sub>2</sub>e.</p> <p>Emissions factors (kg CO<sub>2</sub>e per ton fuel):</p> <ul style="list-style-type: none"> <li>• HFO: 709.08</li> <li>• MGO: 740.70</li> <li>• Biofuel: 384.86</li> </ul> <p>Source: UK government emission factors</p>		CO <sub>2</sub> e
Fuel and energy-related emissions	The emissions are calculated using the UK Government's emission conversion factors for different fuel grades, including Heavy Fuel Oil and Marine Gas Oil and Biofuel used in the maritime industry.		CO <sub>2</sub> e
Downstream Leased Assets	<p>G2 Ocean occasionally lease out our vessels to other owners. The vessels are then under operation control by other companies, but the emissions are considered Scope 3 emissions for G2 Ocean.</p> <p>This is calculated similarly to our scope 1, using DEFRA 2021 carbon factors:</p> <p>CO<sub>2</sub>e factor fuel: 3.15951</p> <p>CO<sub>2</sub> factor MGO: 3.24999</p> <p>In addition, the well-to-tank emissions are included. These are calculated using UK government emission factors:</p> <p>HFO: 709.08</p> <p>MGO: 740.70</p>	Includes all vessels chartered out	CO <sub>2</sub> e
Relet	<p>G2 Ocean will occasionally book space with other carriers to carry our customers 'cargo. This is known as "relet". G2 Oceans share of emissions from these vessels, weighted by cargo, is our scope 3 emissions.</p> <p>This is calculated similarly to our scope 1, using DEFRA 2021 carbon factors:</p> <p>CO<sub>2</sub>e factor fuel: 3.15951</p> <p>CO<sub>2</sub> factor MGO: 3.24999</p> <p>In addition, the well-to-tank emissions are included. These are calculated using UK government emission factors:</p> <p>HFO: 709.08</p> <p>MGO: 740.70</p>	Emissions based on G2 Oceans share of fuel consumption, weighted by cargo	CO <sub>2</sub> e

Health and Safety			
Description	Methodology	Scope/Exclusions	Unit of reporting
Fatalities	Number of fatalities as a result of work-related injury		Number of fatalities
High-consequence injuries	Number of injuries from which the worker cannot recover (e.g., amputation of a limb), or does not or is not expected to recover fully to pre-injury health status within 6 months.		Number of high-consequence injuries
Recordable injuries	Number of work-related injuries that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness	Excludes First Aid Cases.	Number of Recordable injuries
Rate of fatalities	<p>The rate of fatalities is calculated according to the following formula:</p> $\text{Fatality Rate} = \frac{\text{number of incidents}}{\text{number of hours worked} \times 1,000,000}$	<p>As recommended by BIMCO, the rates are based on 1 million work hours.</p> <p>G2 Ocean employees have flexible working hours and are not required to register working hours. Most employees work in countries where the standard working week is 40 hours. This number has been used as the basis to calculate the total number of working hours in the company.</p>	%
Rate of high-consequence injuries	<p>The rate of high-consequence injuries is calculated according to the following formula:</p> $\text{High Consequence Rate} = \frac{\text{number of incidents}}{\text{number of hours worked} \times 1,000,000}$	<p>As recommended by BIMCO, the rates are based on 1 million work hours.</p> <p>G2 Ocean employees have flexible working hours and are not required to register working hours. Most employees work in countries where the standard working week is 40 hours. This number has been used as the basis to calculate the total number of working hours in the company.</p>	%
Rate of recordable work-related injuries	<p>The rate of recordable work-related injuries is calculated according to the following formula:</p> $\text{Recordable Cases Rate} = \frac{\text{number of incidents}}{\text{number of hours worked} \times 1,000,000}$	<p>As recommended by BIMCO, the rates are based on 1 million work hours.</p> <p>G2 Ocean employees have flexible working hours and are not required to register working hours. Most employees work in countries where the standard working week is 40 hours. This number has been used as the basis to calculate the total number of working hours in the company.</p>	%



Cyber Security			
Description	Methodology	Scope/Exclusions	Unit of reporting
Fail rate	<p>The fail rate is calculated according to the following formula:</p> $\text{Fail Rate} = \text{number of simulations sent} / \text{number of failed simulations}$	All G2 Ocean employees by headcount	%
Onboarding rate	<p>The onboarding rate is calculated according to the following formula:</p> $\text{Onboarding rate} = 100 * \text{onboarded users} / \text{total amount of users}$	All G2 Ocean employees by headcount	%
Innovation			
Number of Innovation projects Initiated	Counts the number of started initiatives over the period, including small improvement projects, medium-sized initiatives or started phases of large initiatives.	All G2 Ocean initiatives registered in the project list.	Number of Innovation projects Initiated
Number of Innovation projects Implemented / Completed	Counts the number of completed and/or implemented initiatives over the period, including small improvement projects, medium-sized initiatives or closed phases of large initiatives.	All G2 Ocean initiatives registered in the project list.	Number of Innovation projects Implemented / Completed
Number of joint innovation projects	Counts the number of initiatives that we have worked collaboratively with other partners on over the period, including small improvement projects, medium-sized initiatives or phases of large initiatives. "Partners" include owners, suppliers, customers, or other external companies.	All G2 Ocean initiatives registered in the project list.	Number of joint innovation projects
Number of Business Intelligence dashboards implemented	Counts the number of Business Intelligence Dashboards that has been implemented in Power BI across G2 Ocean over the period, including all new or replaced reports and dashboards built.	All G2 Ocean initiatives registered in the project list.	Number of Business Intelligence dashboards implemented
Number of bookings submitted via MyG2	Counts the number of bookings submitted digitally via G2 Ocean's digital customer platform MyG2 over the period.	All bookings registered in MyG2.	Number of bookings submitted via MyG2
Number of digitalized processes implemented	Counts the number of G2 Ocean processes that has been partially or fully improved through means of digitalisation or automation over the period.	All G2 Ocean initiatives registered in the project list.	Number of digitalized processes implemented

# Global Reporting Initiative (GRI)

## Background

G2 Ocean uses the GRI Standards for voluntary reporting of sustainable development. It is one of the most well-known standards for ESG reporting and comprises economic, environmental, and social dimensions relating to an enterprise's activities, products, and services.

GRI Standards, both general and specific, contain reporting requirements. The general standards applies to all reporting organisations. The topic specific standard is selected according to the materiality principle which states that the reporting company should report on topics that reflect the organisation's significant economic, environmental, and social impacts or substantively influence the assessments and decisions of stakeholders. In the 2022 Annual Report, G2 Ocean has answered each of the requirements for the required general and materiality standards. Only in specific cases, if certain required information has not been possible to report or disclose, accepted reasons for omission have been applied.

The GRI index listed below, includes the full definition of each GRI disclosure, references to specific sections in this report containing the disclosed information, as well as an overview of omissions and reason for omissions.

G2 Ocean has used the GRI framework as a basis for its sustainability reporting since 2019.

## Scope

The sustainability reporting covers all subsidiaries in G2 Ocean and covers the reporting period from 1 January to 31 December 2022, unless stated otherwise. Please refer to page 138 for a full list of G2 Ocean's subsidiaries.

## Input data

The information and data related to our sustainability reporting are extracted from our business support systems, except for those otherwise stated.

The input data in the climate accounting report is based on consumption data from internal and external sources, which are converted into tonnes of CO<sub>2</sub>-equivalents. The Climate Accounts are based on the international standard 'A Corporate Accounting and Reporting Standard', developed by the Greenhouse Gas Protocol Initiative (GHG Protocol), which is the

most widely used and recognised international standard for measuring greenhouse gas emissions.

## Restatements

Historic numbers are occasionally adjusted due to changes in reporting principles, calculation factors used by regulatory bodies, or re-classification of incidents after investigations. An explanation for the restatements is included where relevant.

## Assurance

Our sustainability reporting is externally assured by our auditor PwC.

The external assurance, as outlined in the Independent Auditor's Assurance report, concludes that our sustainability report has been developed in line with the GRI Standards and that the sustainability disclosures referred to in our GRI Index are calculated, estimated and reported in accordance with the GRI criteria.

The sustainability disclosures for each material topic are found in Chapter 4.

The quantitative information that has been subject to external assurance is identified by "🔍" and PwC's assurance opinion can be found on pages 134 - 135 in this report.

# GRI Index

GENERAL STANDARD DISCLOSURES					
Disclosure #	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>Organisational Profile and Reporting Practices</b>					
2-1	Organizational details	2. About G2 Ocean - The Organisation, and What We Do  6. Appendix – About this report		No	
2-2	Entities included in the organization's sustainability reporting	4.1 Reducing our Emissions  6. Appendix – About this report, Global Reporting Initiative, and Subsidiaries		No	
2-3	Reporting period, frequency and contact point	6. Appendix - About this Report		No	
2-4	Restatements of information	6. Appendix – Global Reporting Initiative		No	
2-5	External assurance	6. Appendix – Global Reporting Initiative, About this Report, and Independent Auditor's Assurance Report		No	
<b>Activity and Workers</b>					
2-6	Activities, value chain and other business relationships	2. About G2 Ocean - Value Chain and What We Do	2-6 c: G2 Ocean does not have "business partners" as per the GRI definition.  2-6 d: There were no significant changes to our operations compared to previous reporting period.	No	
2-7	Employees	2. About G2 Ocean - The Organisation  4.7 Diversity, Equity and Inclusion – Our Performance		No	
2-8	Workers who are not employees	4.7 Diversity, Equity, and Inclusion – Our Performance  4.2 Health and Safety – Our Impact		Yes	Omission 2-8 a, b, c  Reason: Information incomplete  Stevedores fall into the category "workers who are not employees", as described in section 4.2 Health and Safety – Our Impact. However, we do not have the means to monitor the number of stevedores working for us during a reporting year. We will assess if we can obtain an estimate for next year's report. The feasibility of obtaining the required data will depend on the contractual relationship which differ from port to port. In some port we hire stevedores, while the shipper hires stevedores in other areas.

GENERAL STANDARD DISCLOSURES					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>Governance</b>					
2-9	Governance structure and composition	2. About G2 Ocean - Our Governance	2-9 c, vi: There are zero members of the board from under-represented social groups, as defined by GRI.	Yes	Omission 2-9 b: Reason: Not applicable There are no committees of the highest governance body.
2-10	Nomination and selection of the highest governance body	2. About G2 Ocean - Our Governance 6. Appendix – Board of Directors		No	
2-11	Chair of the highest governance body	2. About G2 Ocean - Our Governance – Board of Directors 6. Appendix – Board of Directors		No	
2-12	Role of the highest governance body in overseeing the management of impacts	2. About G2 Ocean - Our Governance – Board of Directors		No	
2-13	Delegation of responsibility for managing impacts	2. About G2 Ocean - Our Governance – Board of Directors		No	
2-14	Role of the highest governance body in sustainability reporting	6. Appendix – Board of Directors	The G2 Ocean Board of Directors is responsible for reviewing and approving the reported information..	No	
2-15	Conflict of interest	6. Appendix – Board of Directors		No	
2-16	Communication of critical concerns	6. Appendix – Board of Directors		No	
2-17	Collective knowledge of the highest governance body	6. Appendix – Board of Directors		No	
2-18	Evaluation of the performance of the highest governance body	6. Appendix – Board of Directors		Yes	Omission 2-18 b and c: Reason: Information incomplete / unavailable We intend to establish a formal evaluation process during 2023.
2-19	Remuneration policies	6. Appendix – Board of Directors	The remuneration policy for the Leadership team and Board of Directors is not specifically related to ESG performance.	No	
2-20	Process to determine remuneration	6. Appendix – Board of Directors	Omission 2-20 a i and iii: Reason: Not applicable – Neither independent highest governance body members (Board) nor an independent remuneration committee oversees the process for determining remuneration. G2 Ocean does not have sub committees of the Board.		
2-21	Annual total compensation ratio	6. Appendix – Board of Directors		No	
<b>Strategy, policies and practices</b>					
2-22	Statement on sustainable development strategy	1. Letter from the CEO		No	



GENERAL STANDARD DISCLOSURES					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>Strategy, policies and practices</b>					
2-23	Policy commitments	2. About G2 Ocean – Our Governance – Our Code of Business Ethics, and Human Rights and Decent Work Conditions		No	
2-24	Embedding policy commitments	2. About G2 Ocean – Our Governance – Our Code of Business Ethics and Human Rights, and Decent Work Conditions		No	
2-25	Process to remediate negative impacts	2. About G2 Ocean – Our Governance – Our Code of Business Ethics, and Human Rights and Decent Work Conditions - Grievances		No	
2-26	Mechanisms for seeking advice and raising concerns	2. About G2 Ocean - Our Governance - Human Rights and Decent Work Conditions - Grievances		No	
2-27	Compliance with laws and regulations	2. About G2 Ocean - Our Governance - Human Rights and Decent Work Conditions - Grievances		No	
2-28	Membership Associations	-	G2 Ocean is a member of several organisations but does not have a 'significant role' as defined by GRI.	No	
<b>Stakeholder engagement</b>					
2-29	Approach to stakeholder engagement	3. Our Stakeholders		No	
2-30	Collective bargaining agreements	4.7 Diversity, equity and Inclusion – What We Do, Freedom of Association		No	
<b>Material topics</b>					
3-1	Process to determine material topics	3. Our Stakeholders – Materiality Assessment		No	
3-2	List of material topics	3. Our Stakeholders – Materiality Assessment	G2 Ocean's material topics are as follows: Emissions, Occupational health and safety, Cyber security, Anti-corruption and anti-competitive behaviour, Supplier social assessment, Innovation, Training and Education and Diversity, equity and Inclusion	No	
<b>MATERIAL TOPIC: ANTI-CORRUPTION AND ANTI-COMPETITIVE BEHAVIOUR</b>					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>GRI Management Approach</b>					
3-3	Management of material topics	4.5 Anti-corruption and Anti-competitive Behaviour  3. Our Stakeholders – Stakeholder Dialogue	3-3	No	

MATERIAL TOPIC: ANTI-CORRUPTION AND ANTI-COMPETITIVE BEHAVIOUR					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>GRI 205: Anti-Corruption</b>					
205-1	Operations assessed for risks related to corruption	4.5 Anti-corruption and Anti-competitive Behaviour – What we do		Yes	Omission 205-1 a and b: Information incomplete / unavailable.  As we have not defined “operations”, we are unable to report the number and percentage of operations assessed for risks related to corruption. Hence, we cannot report on significant risks identified during these risk assessments either. The reported risks are the result of one risk assessment done for company processes, not for specific “operations”. We intend to comply with this disclosure in 2023.
205-2	Communication and training about anti-corruption policies and procedures	4.5 Anti-corruption and Anti-competitive Behaviour – Our Performance	205-2 d: Zero governance body members have received training on anti-corruption.	Yes	Omission 205-1 e:  Reason: Information incomplete / unavailable  We have reported the total number and percentage of employees who have received training on anti-corruption, ref. 4.5 - “Our Performance”. Based on the data available, we were not able to break this down by employee category and region. We intend to improve the methods for extracting data from our systems and include this information in future annual reports.
205-3	Confirmed incidents of corruption and actions taken	4.5 Anti-corruption and Anti-competitive Behaviour – Our Performance	205-3 d) There has been zero legal actions pending or completed in 2022, regarding violations of anti-corruption legislation in which G2 Ocean has been identified as a participant.	No	
<b>GRI 206: Anti-Competitive Behaviour</b>					
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		There have been zero legal actions regarding anti-competitive practices and violations of anti-trust and monopoly legislation in 2022, in which G2 Ocean has been identified as a participant.	No	
MATERIAL TOPIC: EMISSIONS					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>GRI Management Approach</b>					
3-3	Management of material topics	4.1 Reducing our Emissions  3. G2 Ocean's Stakeholders – Stakeholder Dialogue		No	
<b>GRI 305: Emissions</b>					
305-1	Direct (Scope 1) GHG emissions	4.1 Reducing our Emissions - Our Impact, What We Do, and Our Performance  6. Appendix – Reporting methodology and boundaries, Scope 1 emissions		No	

**MATERIAL TOPIC: EMISSIONS**

Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
305-2	Energy indirect (Scope 2) GHG emissions	4.1 Reducing our Emissions – Our Impact, What We Do, and Our Performance  6. Appendix – Reporting methodology and boundaries, Scope 2 emissions		No	
305-3	Other indirect (Scope 3) GHG emissions	4.1 Reducing our Emissions – Our Impact, What we do, and Our Performance  6. Appendix – Other Scope 3 emissions and Reporting methodology and boundaries, Scope 3 emissions	It has been assessed that biogenic emissions are virtually non-existent in our value chain; all emissions are considered to be emissions from fossil carbon sources.	No	
305-4	GHG emissions intensity	4.1 Reducing our Emissions – Our Performance, Table: Development Transport Work  6. Appendix – Reporting methodology and boundaries, Scope 1 emissions		No	
305-5	Reduction of GHG emissions	4.1 Reducing our Emissions – Our Performance, Table: Development CO2 Emissions  6. Appendix – Reporting methodology and boundaries, Scope 1 emissions		No	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	4.1 Reducing our Emissions – Our Impact, What we do, and Our Performance  6. Appendix – Reporting methodology and boundaries, Scope 1 emissions, SOx and NOx emissions		No	

**MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY**

Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>GRI Management Approach</b>					
3-3	Management of material topics	4.2 Health and Safety  3. Our Stakeholders – Stakeholder Dialogue		No	
<b>GRI 403: Occupational health and safety</b>					
403-1	Occupational health and safety management system	4.2 Health and Safety – What we do, Health and Safety Management System		No	
403-2	Hazard identification, risk assessment, and incident investigation	4.2 Health and Safety – What we do, Health and Safety management system, Life-Saving Rules, Employee Involvement		No	
403-3	Occupational health services	4.2 Health and Safety – What we do, Employee wellbeing initiatives, Safety Commitment		No	

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>GRI 403: Occupational health and safety</b>					
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2 Health and Safety – What we do, Employee Involvement 3. Our Stakeholders – Stakeholder Dialogue		No	
403-5	Worker training on occupational health and safety	4.2 Health and Safety – What we do, Health and safety training		No	
403-6	Promotion of worker health	4.2 Health and Safety – What we do, Employee wellbeing initiatives		No	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2 Health and Safety – What we do and Our Impact		No	
403-8	Workers covered by an occupational health and safety management	4.2 Health and Safety – What We Do, Health and Safety Management System		No	
403-9	Work-related injuries	5 and 5.2 Occupational Health and Safety – Our Performance,  6. Appendix - Calculation methodology – Calculation methodology: Health and Safety		Yes	Omission: 403-9 b i,ii iii and v  Reason: Information is unavailable / incomplete:  The frequency rates for fatality, high consequence injuries and recordable cases are measured in relation to the number of work hours. The rates cannot be calculated because stevedores do not report work hours to G2 Ocean. In many ports they are not hired directly by G2 Ocean, and we cannot obtain these figures. See also omissions under 2-8.
MATERIAL TOPIC: TRAINING AND EDUCATION					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>GRI Management Approach</b>					
3-3	Management of material topics	4.4 Training and Education,  3. G2 Ocean's Stakeholders – Stakeholder Dialogue		No	
<b>GRI 404: Training and Education</b>					
404-1	Average hours of training per year per employee	4.4 Training and Education – Our Performance		Yes	Omission: 404-1 i. and ii.  Reason: Information is unavailable. We are unable to collect data on training hours by employee category and gender from our current reporting mechanisms.
404-2	Programs for upgrading employee skills and transition assistance programs	4.4 Training and Education – What We Do, High-Performance Team Program, Transition Assistance Program		No	
404-3	Percentage of employees receiving regular performance and career development reviews	4.4 Training and Education – Our Performance		No	



MATERIAL TOPIC: DIVERSITY, EQUITY AND INCLUSION					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>GRI Management Approach</b>					
3-3	Management of material topics	4.7 Diversity, Equity, and Inclusion  3. G2 Ocean's Stakeholders – Stakeholder Dialogue		No	
<b>GRI 405: Diversity and Equal Opportunities</b>					
405-1	Diversity of governance bodies and employees	4.7 Diversity, Equity, and Inclusion – Our Performance		No	
405-2	Ratio of basic salary and remuneration of women to men	4.7 Diversity, Equity, and Inclusion – Our Performance, Salary distribution by significant locations of operations		No	
MATERIAL TOPIC: SUPPLIER SOCIAL ASSESSMENT					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>GRI Management Approach</b>					
3-3	Management of material topics	4.3 Supplier Social Assessment  3. G2 Ocean's Stakeholders – Stakeholder Dialogue		No	
<b>GRI 308: Supplier Environmental Assessment</b>					
308-1	New suppliers that were screened using environmental criteria	4.3 Supplier Social Assessment – Our Performance		No	
308-2	Negative environmental impacts in the supply chain and actions taken	4.3 Supplier Social Assessment – Our Performance		No	
<b>GRI 414: Supplier Social Assessment</b>					
414-1	New suppliers that were screened using social criteria	4.3 Supplier Social Assessment – Our Performance		No	
414-2	Negative social impacts in the supply chain and actions taken	4.3 Supplier Social Assessment – Our Performance		No	
MATERIAL TOPIC: INNOVATION					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
<b>GRI Management Approach</b>					
3-3	Management of material topics	4-6 Innovate and digitalise  3. G2 Ocean's Stakeholders – Stakeholder Dialogue		No	
<b>G2 Ocean KPI's</b>					
G2 Ocean KPI	Number of Innovation projects Initiated	4-6 Innovate and digitalise – Our Performance  6. Appendix – Reporting methodology and boundaries, Innovation		No	


MATERIAL TOPIC: INNOVATION					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
G2 Ocean KPI's					
G2 Ocean KPI	Number of Innovation projects Implemented / Completed	4-6 Innovate and digitalise – Our Performance  6. Appendix – Reporting methodology and boundaries, Innovation		No	
G2 Ocean KPI	Number of joint innovation projects	4-6 Innovate and digitalise – Our Performance  6. Appendix – Reporting methodology and boundaries, Innovation		No	
G2 Ocean KPI	Number of Business Intelligence dashboards implemented	4-6 Innovate and digitalise – Our Performance  6. Appendix – Reporting methodology and boundaries, Innovation		No	
G2 Ocean KPI	Number of bookings submitted via MyG2	4-6 Innovate and digitalise – Our Performance  6. Appendix – Reporting methodology and boundaries, Innovation		No	
G2 Ocean KPI	Number of digitalized processes implemented	4-6 Innovate and digitalise – Our Performance  6. Appendix – Reporting methodology and boundaries, Innovation		No	
MATERIAL TOPIC: CYBER SECURITY					
Disclosure No.	Disclosure Description	Source	G2 Ocean Response	Omission	Reason for Omission
GRI Management Approach					
3-3	Management of material topics	4-8 Cyber Security  3. G2 Ocean's Stakeholders – Stakeholder Dialogue		No	
G2 Ocean KPI's					
G2 Ocean KPI	Onboarding rate	4-8 Cyber Security – Our Performance  6. Appendix – Reporting methodology and boundaries, Cyber Security		No	
G2 Ocean KPI	Fail rate	4-8 Cyber Security – Our Performance  6. Appendix – Reporting methodology and boundaries, Cyber Security		No	



**To the Board of Directors of G2 Ocean AS**

## **Independent statement regarding G2 Ocean's sustainability reporting**

We have undertaken a limited assurance engagement in respect of G2 Ocean AS' sustainability reporting in accordance with the Global Reporting Initiative (GRI) and in respect of the sustainability disclosures referred to from the GRI Index, identified with a  throughout G2 Oceans Annual report for the period of 01 January - 31 December 2022.

- G2 Ocean's GRI Index for 2022 is an overview of which principles, aspects and indicators from the GRI Standards that G2 Ocean use to measure and report on sustainability; together with a reference to where the material sustainability information is reported within the Annual report for 2022. We have examined whether G2 Ocean has developed a GRI Index for 2022 and whether mandatory disclosures are reported in accordance with the Standards published by The Global Reporting Initiative ([www.globalreporting.org/standards](http://www.globalreporting.org/standards)) (criteria).
- This GRI Index in the Annual report contains reference to sustainability disclosures that G2 Ocean measures and controls. G2 Ocean has developed the disclosures in line with the Standards published by The Global Reporting Initiative or in line with the definitions included in chapter 6 "Appendix; Reporting Methodology and boundaries" in the Annual report (criteria). We have examined the basis for the quantitative sustainability disclosures identified with a  throughout the report and examined whether these are calculated, estimated and reported in accordance with the criteria.

### **Management's responsibility**

Management is responsible for G2 Ocean's sustainability reporting and for ensuring that it is prepared in accordance with criteria as described above. The responsibility includes designing, implementing and maintaining an internal control that ensures the development and reporting of the GRI Index and sustainability disclosures.

### **Our independence and quality control**


We are independent of the company in accordance with the law and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our ethical obligations in accordance with these requirements. We use ISQM 1 - Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements and maintain a comprehensive system of quality control including documented guidelines and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory claim.

### **Auditor's responsibilities**

Our responsibility is to express a limited assurance conclusion on G2 Ocean's sustainability reporting based on the procedures we have performed and the evidence we have obtained. We conducted our work in accordance with the Standard on Assurance Engagements ISAE 3000: "Assurance engagements other than audits or review of historical financial information". A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the criteria as the basis for the preparation of the sustainability reporting,



assessing the risks of material misstatement of the sustainability reporting whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the sustainability reporting. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and, among others, included an assessment of whether the criteria used are appropriate, as well as an assessment of the overall presentation of the sustainability reporting. Our procedures also included meetings with representatives from G2 Ocean who are responsible for the material sustainability topics covered by the sustainability reporting; review of internal control and routines for reporting sustainability disclosures; obtaining and reviewing relevant information that supports the preparation of sustainability disclosures; assessment of completeness and accuracy of sustainability disclosures identified with a ; and controlling the calculations of sustainability disclosures based on an assessment of the risk of error.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the sustainability reporting has been prepared, in all material respects, in accordance with the criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that

G2 Ocean's GRI Index for 2022 is not, in all material respects, developed in accordance with the requirements of the Standards published by The Global Reporting Initiative;

G2 Ocean's quantitative sustainability disclosures are not, in all material aspects, developed, measured and reported in accordance with GRI or the definition included in chapter 6 "Appendix; Reporting Methodology and boundaries" in the Annual report.

Bergen, 21 March 2023  
**PricewaterhouseCoopers AS**

A handwritten signature in blue ink that reads "Hanne S. Johansen".

Hanne Sælemyr Johansen  
*State Authorized Public Accountant*



# G2 Ocean

## Board of Directors

### Composition

The Board shall consist of a minimum of five Directors of which Gearbulk is entitled to nominate and have elected three Directors and Grieg is entitled to nominate and have elected two Directors, provided that the Board in advance have carried out an adequate evaluation process prior to the nomination.

Gearbulk is entitled to nominate the Chair of the Board and Grieg shall have the right to appoint the Vice Chair of the Board. The Chair of the Board is not a senior executive in G2 Ocean.

The nomination process for Directors of the Board representing respectively Gearbulk and Grieg is based on the nomination principles and guidelines for respectively Gearbulk and Grieg.

### Conflicts of Interest

To ensure a sound practice when it comes to the division of tasks and roles between the administration, the Board of Directors and the General Meeting, the Norwegian Code of Practice for Corporate Governance is applied as far as practicable for a privately-owned company.

The shareholders have jointly agreed on specifically reserved matters which require approval above a certain threshold of the Directors nominated by respectively both Gearbulk and Grieg, which contributes to avoiding conflicts of interest.

The undertaking of transactions and the existence of outstanding balances with related parties are disclosed in the Financial Accounts of the Annual Report.

### Critical concern

The Board are provided with monthly management reports and a business update in the Board meetings, whereupon items of critical concerns are addressed and presented. The CEO communicates any critical concerns directly to the Chair or the Board if deemed required. No cases of critical concerns were reported in 2022.

Finally, any items classified as reserved matters which require approval above a certain threshold of the Directors nominated by respectively both Gearbulk and Grieg, are being presented to the Board for their review and approval.

### Performance evaluation

The Board has set out an objective to annually undertake an evaluation of its performance and expertise in line with good corporate governance.

The Board's annual evaluation has been postponed and is scheduled to be undertaken during 2023 which will also require a formalization of the principles and processes for evaluating the performance.

### Remuneration

The Board of Directors, including Deputy Directors, receives an annual compensation decided by the General Meeting. For 2022, the compensation was NOK 250,000 per Director. In addition, the Board of Directors' expenses is reimbursed. There is no other compensation to the Directors.

The salary of the leadership team follows G2 Ocean's remuneration policy which also applies to the employees. The main principle of the remuneration policy is to offer terms and conditions which are competitive when fixed remuneration, payment in kind, bonuses and pension schemes are considered. G2 Ocean will offer a remuneration level which is competitive compared to similar companies and businesses, where the need for qualified personnel in all parts of the business is also considered.

For the annual salary review process, G2 Ocean uses various international indexes, including but not limited to Korn Ferry and Bloomberg, to benchmark remuneration. The HR department prepares guidelines for salary adjustments which consider inflation rates, the employee's salary compared to peers and individual performance. The regional HR managers ensure that the review process complies with local laws as applicable. The employee's manager makes a recommendation based on the guidelines and budget. The second level manager, if relevant, approves before the overall adjustment is approved by the Managing Director of Organisational Development and the CEO. The salary adjustment for the CEO is approved by the Board of Directors. The shareholders' views on the annual salary adjustment budget are obtained by consulting the HR departments of G2 Oceans' shareholders.

### Pension Scheme and Bonuses

Senior executives are members of G2 Ocean's pension scheme in their respective employment locations.

The remuneration for the senior executives is approved annually by the Board of Directors. The included bonus scheme considers the company's economic performance, as well as the individual's behaviour and ability to deliver on personal objectives when assessing the remuneration. Members of the Leadership Team can receive a bonus of up to a discretionary percentage of their annual salary. The amount of any bonus to the CEO is approved by the Board of Directors.

#### Annual total compensation ratio

The median annual compensation (salary and bonus) in G2 Ocean globally is 5.3% of the highest-paid individual. The highest-paid individual had a salary increase of 5.3 % in 2022 and the median salary increase was 5.3%.

The annual compensation has been compiled by using

the annual salary for 2022 and bonus payments from 2021 paid out in 2022 and recorded in our HR system. All salaries and bonuses in the different countries have been converted to USD.



G2 Ocean's Headquarters in Bergen, Norway.

# G2 Ocean

## Subsidiaries and offices

<b>Atlanta (Hub office)</b> G2 Ocean US Inc. 600 Galleria Parkway Suite 500 GA 30339 Atlanta, United States	<b>Bergen (Headquarters)</b> G2 Ocean AS Grieg-Gaarden, C. Sundtsgate 17 5004 Bergen, Norway	<b>Dubai</b> G2 Ocean Singapore Pte Ltd 2101 Damac Executive Heights, Tecom C PO Box 8612 Dubai, United Arab Emirates
<b>Durban</b> G2 Ocean South Africa Pte Ltd 50 Oxford Road, Parktown 2193 Johannesburg, South Africa	<b>Göteborg</b> G2 Ocean Sweden AB Maskingatan 5 SE-417 64 Göteborg, Sweden	<b>Houston</b> G2 Ocean US Inc.
<b>Livorno</b> G2 Ocean Italy Srl c/o Studio Masi Via Grande, 225 57123 Livorno, Italy	<b>Manila</b> G2 Ocean Ltd. - ROHQ 17 <sup>th</sup> Floor, Times Plaza Building United Nation corner Taft Avenue Ermita Manila, The Philippines	<b>Melbourne</b> G2 Ocean Australia Pty Ltd Suite 8a, 1 <sup>st</sup> Floor Pier 35, 263 Lorimer St Port Melbourne, Victoria 320 Melbourne, Australia
<b>Rio de Janeiro</b> G2 Ocean Brasil Ltda Rua Lauro Muller 116 Rooms 3106, 3201, 3205, 3206 and 3207 22290-160 Rio de Janeiro, Brazil	<b>Rotterdam</b> G2 Ocean Netherlands BV Edisonweg 16 3208-KB Spijkenisse Rotterdam, Netherlands	<b>Santiago</b> G2 Ocean Chile SpA Mariano Sanchez Fontecill 310 Department 201 Las Condes Santiago, Chile
<b>Shanghai</b> G2 Ocean (Shanghai) Company Limited Room 5005, Citic Plaza 859 Sichuan North Road 200085 Shanghai, China	<b>Singapore (Hub office)</b> G2 Ocean Singapore Pte Ltd 77 Robinson Road, #07-02 068809 Singapore	<b>Vancouver</b> G2 Ocean Shipping Canada Ltd Suite 200, 4170 Still Creek Drive Burnaby, BC, V5C 6C6 Vancouver, Canada

