



# Norwegian Transparency Act – Statement 2023

## Introduction

Reporting according to section 5 of the Norwegian Transparency Act for the year 2023.

This statement is made pursuant to the Norwegian Transparency Act Section 5. The report will be published by the 30<sup>th</sup> of June each year or in the event of significant changes in G2 Ocean's risk assessments.



# What we do

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

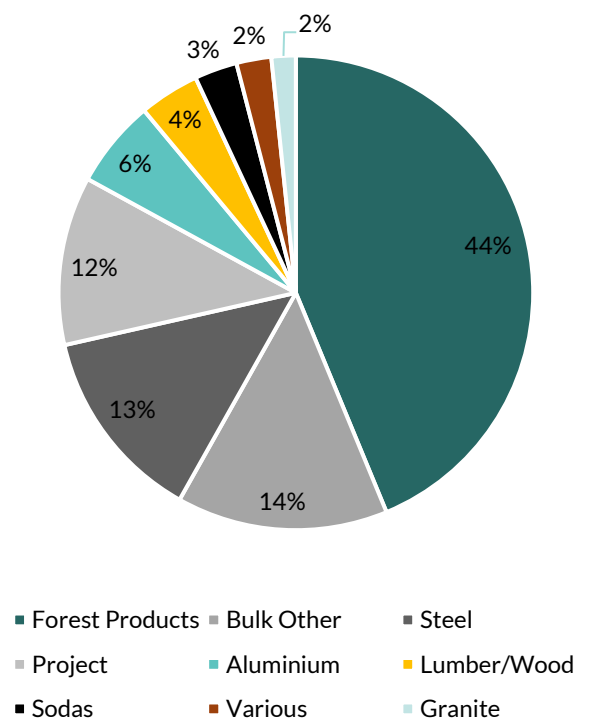
We are committed to creating long-term value for our customers, employees, owners, suppliers, and the global community. This commitment gives us direction and serves as a powerful tool for inspiration and motivation on our journey towards creating a sustainable and successful shipping company.

G2 Ocean is a global ship operator within the open hatch segment and an expert in cargo handling, trade management and global port operations. Founded as a joint venture company 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 committed to providing customers worldwide with safe, reliable, efficient, and flexible shipping services tailored to their needs.

Since its establishment, G2 Ocean has strengthened its position as the leading ship operator in the open hatch segment. With a core fleet of 90 open hatch vessels and an additional 26 vessels chartered from third parties, we had 40 844 voyage days in 2023. During these voyages, we successfully transported nearly 25 million tons of cargo and made 3 056 port calls to nearly 60 countries. Figure 1, shows the cargo types carried by G2 Ocean in 2023.

Our experience and expertise in cargo handling, combined with our comprehensive knowledge of global port operations, make us a trusted transportation partner for various industries, including raw materials, metals, and forest-based industries, as well as renewable energy and automotive industries. Our reach and capabilities continue to expand, strengthening our position in the industry. G2 Ocean is headquartered in Bergen, Norway . To support our customers worldwide with their logistics requirements, we have two hubs in Singapore and Atlanta, as well as 12 representative offices around the world.

Figure 1: The percentage of cargo carried by type in 2023.

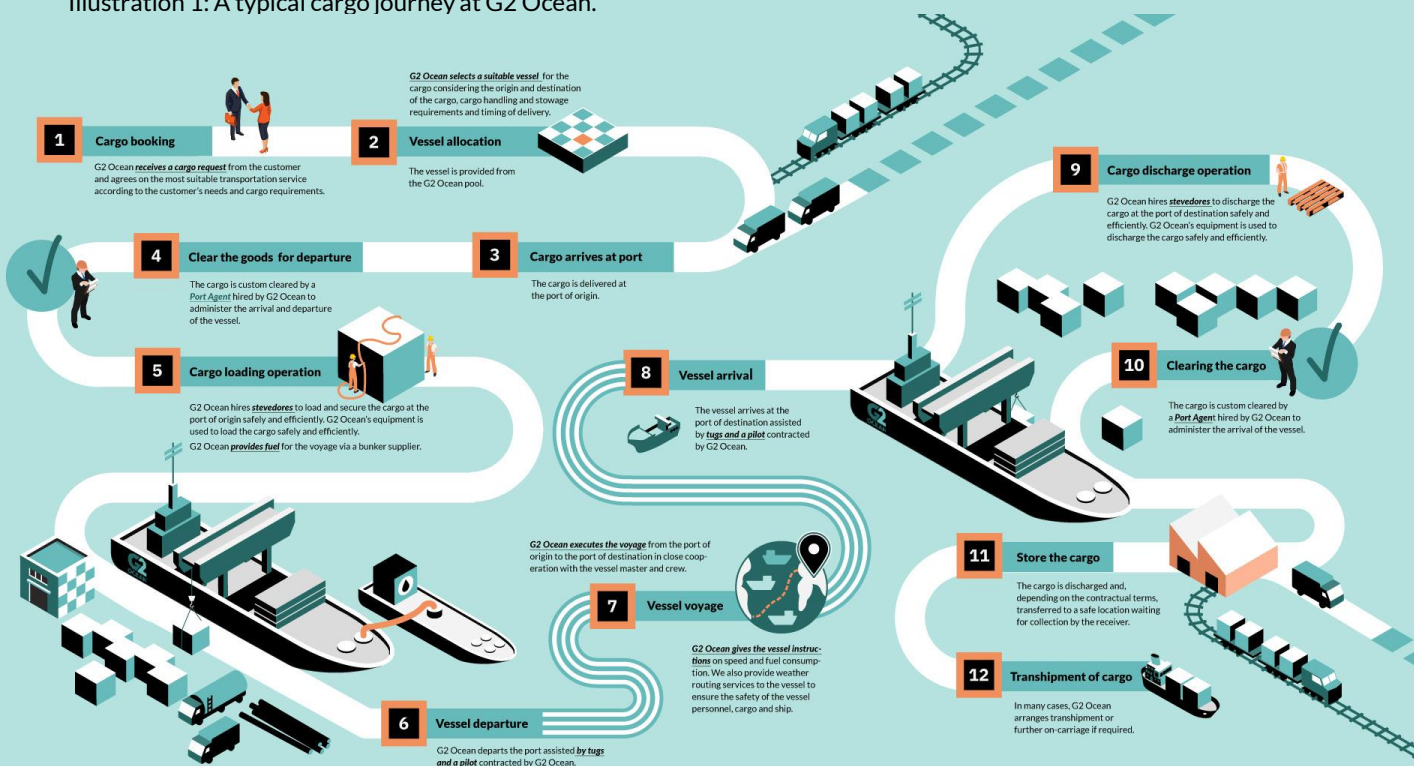


# Our Value Chain

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.

Illustration 1: A typical cargo journey at G2 Ocean.



# Impact Assessment

As a larger enterprise resident in Norway, G2 Ocean is under the scope of the Norwegian Transparency Act. The Act shall promote enterprises' respect for fundamental human rights and decent working conditions related to producing goods and providing services. It shall also ensure the public access to information regarding how enterprises address adverse impacts on human rights and decent working conditions.

At G2 Ocean, we have completed a gap analysis regarding our work on fundamental human rights and decent working conditions. The study identified some gaps, demonstrating that our work to improve human rights and decent working conditions must be continuous and systematic. One main challenge is having a good overview of possible human rights challenges in our supply chains. The analysis also identified several risks, and we will prioritise the main risks in our continuous work:

## Commercial Risk

- Violation of human rights by our customers and/or their supply chains
- Production of cargoes representing a human rights violation

## Operational Risk

- Safety and other human rights risks for vessel crews
- Safety and other human rights for stevedores during load and discharging operations.

## Procurement

- The volume of services and suppliers and sub-suppliers makes it difficult to evaluate Human Rights in the Value Chain.
- There is a risk of several different Human Rights breaches from both suppliers and their contractors.





# 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 English, our official working language.

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 applies 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.

## Measures implemented in 2023

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 numerous measures aimed at ensuring compliance with the requirements of this Policy. These measures entail, as a minimum, the identification of risks causing or contributing to adverse impacts on human rights and decent work conditions through G2 Ocean's own activities. The aim is to address such impacts when they occur. The use of adequate due diligence processes also aims to prevent such risks from materialising in the first place and seeking to prevent or mitigate adverse impacts on human rights and decent work conditions.

Key actions that have been completed:

- Review and update of the Risk Assessment.
- Ongoing Screening of all Suppliers for any Human Rights issues.
- Analysis of all suppliers based on spend and risk. Based on this analysis, G2 Ocean completed a plan for high-risk suppliers to complete human rights assessments and actions.
- Sent focussed Human Rights questionnaires to high-risk Bunker Suppliers based on materiality and Human Rights risk.
- Interviewed key Bunker Suppliers and agreed actions on Human Rights areas.

Actions to be completed in 2024:

- Continue to develop collaboration and improvements for high-risk suppliers.
- 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 in 2023 for information 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. This includes seeking advice and raising concerns regarding G2 Ocean's policies and practices for responsible business conduct as detailed in the Code of Business Ethics.

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.

As well as dealing with formal grievances, the company ensures that any other actual or potential negative impacts caused by G2 Ocean, or its employees, are investigated and action is taken to remediate any actual impact. Such instances are brought to the attention of management and can be instigated via the Risk Management process, the Incident Reporting process or in day-to-day business.

While we are fortunate to not have received any grievances in 2023, we understand the importance of proactive monitoring. We assess the accessibility and visibility of our mechanism for seeking advice and raising concerns, ensuring that our current reporting channels are communicated and easily accessible to all stakeholders, both internally and externally. Additionally, we regularly review our grievance procedures. This approach allows us to continuously improve our grievance mechanism and ensure that it

remains robust and effective, even in the absence of reported grievances.

As further described below, G2 Ocean has an online channel where stakeholders, both internal and external, can easily voice their concerns. We also have a procedure for processing requests which follows OECD guidelines where grievances caused or contributed to by the company will 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.

## Whistleblowing Policy and procedure

G2 Ocean has a whistleblowing policy to ensure that illegal or unethical activities are reported, and reputational harm is avoided. To provide a secure and confidential platform for reporting workplace concerns, we have partnered with Navex Global, an external whistleblowing system. This platform enables employees and external individuals to report issues anonymously, including criminal offences such as fraud, bribery, and corruption, as well as harassment, bullying, discrimination, health and safety concerns, environmental damage, and miscarriage of justice. A link to the system is easily available on our intranet and external website. All notifications made through Navex Global are directed to the CEO and the Director of Compliance, Risk, and Business Process. They are responsible for ensuring that every report is thoroughly addressed and investigated, as necessary. Upon the conclusion of each matter, the whistleblower will receive a prompt notification regarding the outcome. G2 Ocean protects all who, in good faith and based on a reasonable belief, disclose concerns.

Zero whistleblower incidents were reported in 2023.

There were zero significant instances of noncompliance with laws and regulations in 2023. 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.



# Health and Safety

As a global shipping operator handling large and heavy units, we recognise that certain aspects of our business activities present health and safety risks to both G2 Ocean personnel and suppliers. These risks typically arise during our cargo loading and discharging operations in ports.

We firmly believe that all accidents, whether they cause harm to people, the environment, cargo, or assets, can be prevented. Through our procedures, health and safety training programs, communication efforts and close collaboration with vessel owners, suppliers, and customers, we actively work towards minimising these risks.

In this section of this Statement, you will find information of the health and safety impacts, risks and opportunities that arise from our activities.

## Our Impact Risks and Opportunities

At G2 Ocean, our cargo operations in ports involve the use of cranes and movement of heavy units, as well as manual labour required for hooking, lashing, securing, and monitoring cargo units. During the loading and unloading process, uneven surfaces and heights may emerge within the cargo holds of the vessel. This creates a potentially hazardous work environment, as supported by accident statistics. The most common types of injuries that occur during cargo operations are slips, trips, falls, and crush injuries. Additionally, there is a risk of falling objects, during crane operations.

The majority of G2 Ocean's employees, except for our port captains who represent 9% of our workforce, work in offices and are not directly exposed to health and safety risks of our cargo operations. However, our port captains play a crucial role in monitoring and supervising our cargo operations, and their presence means they are exposed to these risks.

G2 Ocean strive to have a positive impact on safety throughout our value chain. We collaborate closely with external parties involved in our cargo operations, such as stevedores who handle the loading and discharging of cargo in ports, as well as the vessel crew who supervises the cargo during the voyage. Collaborating closely with external parties to improve safety brings several opportunities. It allows for the sharing of knowledge and expertise, leading to enhanced safety practices and protocols. Additionally, it fosters a sense of collective responsibility and accountability, creating a safer environment for everyone involved in our operations. By working together, we identify potential and actual risks, implement preventive measures, and are able to

continuously improve our safety standards.

## What we do

### Safety Commitment

At G2 Ocean, we consider a safe and healthy work environment to be a human right. We are proudly committed to the [ILO Declaration on Fundamental Principles and Rights at Work](#), and our Supplier Code of Conduct specifically addresses issues like human trafficking, forced labour, and child labour. To ensure the well-being of our employees and external personnel involved in our operations, we have also made a formal commitment to achieving zero injuries. As part of our commitment to safety, we have implemented various initiatives to continuously improve our performance.

### Health and Safety Management System

At G2 Ocean, we have implemented a health and safety management system which helps us manage and minimise health and safety risks. The system applies to all our 328 employees. It does not apply to the eight consultants who were engaged by G2 Ocean in 2023, with the following exceptions: We monitor their injury rates, and they are included in risk mitigating efforts related to workplace safety, for example fire drills. While our health and safety management system is not externally certified, it aligns with ISO requirements.

Our system includes our Occupational Health and Safety policy, which outlines staff responsibilities, health and safety objectives, and KPIs. It also encompasses our procedures for identifying hazards, managing risks, conducting audits and reviews. We conduct regular vessel inspections and create loading and discharging reports. Internal audits are conducted with a focus on employee and vessel safety.

Further, the system incorporates an incident reporting and analysis tool, as well as health and safety training. Lessons learned are captured and shared with our employees and the vessel crew, promoting a culture of continuous improvement. To keep safety at the forefront, we regularly hold Safety Moments at the beginning of company meetings.

### G2 Ocean's Safety Behaviours

To enhance G2 Ocean's safety performance, we have implemented a set of shared safety behaviours across the organisation called the 5 Safety I's. These behaviours serve as a guide for employees in their daily work and provide a common language to discuss safety matters. These are presented on the next page.



**Insight:** Seek and share insights on safety-related matters.

**Intervention:** Stop unsafe acts and conditions when necessary.

**Influence:** Influence your colleagues with good safety practices.

**Innovation:** Strive to be innovative and find safer work methods.

**Integration:** Integrate safety into all activities and work processes.

The safety behaviours apply to all G2 Ocean employees, and our ambition is for our safety culture to be characterised by these behaviours. According to our internal employee survey, respondents have positively noted the development of our safety culture in 2023, particularly in understanding and embracing the 5 Safety I's.

### Reporting

G2 Ocean has an internal reporting system for reporting incidents, concerns and improvement proposals related to health and safety. Most reports are related to cargo operations. These are analysed to identify the root cause and actions are taken to prevent re-occurrence before reports are closed out. The hierarchy of controls is used to identify the most effective actions to prevent future incidents.

In addition, we have a Whistleblowing Policy and external reporting system in place. This system, accessible on our intranet and website, allows employees and external stakeholders to confidentially address any issues they may have. It provides them with a safe and anonymous platform to report concerns outside of regular reporting and communication channels.

To ensure transparency and promote safety, we also hold regular meetings with stevedores. These meetings serve as an opportunity for us to gain insights into any incidents. Moreover, we emphasise

the importance of safety by including provisions in our contracts with stevedoring companies that require transparency about safety incidents.

### Life-Saving Rules

G2 Ocean's Life-Saving Rules have been developed to prevent severe injuries and fatalities. It is mandatory for all employees to adhere to the Life-Saving Rules. We consistently communicate and raise awareness about these rules with our stakeholders, including stevedores and vessel crew.

### Health and Safety Training

At G2 Ocean, we prioritise health and safety training right from the start. It is a mandatory part of our onboarding process for all employees. We also provide additional training tailored to each role and responsibilities. When needed, we collaborate with external training providers to enhance competence in areas like safety culture and risk management.

To ensure seafarers' safety during the voyage, we organise regular and online training sessions on operational safety. These sessions educate them on best practices and promote safety practices. All safety training provided by G2 Ocean is free of charge, and our training program is subject to an annual review.

In 2023, we focused on improving risk management for employees' daily tasks. We introduced "Our Way", a practical method that helps identify, mitigate, and manage risks related to daily tasks and operations. Our Way is an informal yet structured approach that encourages dialogue about various risks, including safety risk. We have successfully incorporated this method when assessing risks associated with both new and existing commodities.

Collaborating with our shareholders, Gearbulk and Grieg, we organised our annual Safety Week. This week of events emphasised lectures on risk management and the continuous development of our safety cultures.

Illustration 2: G2 Ocean's Life-Saving Rules



## Stakeholder Engagement

To achieve our vision of zero incidents, engaging with stakeholders is crucial. As part of our stakeholder outreach efforts, we have identified key 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. Building and maintaining strong relationships with our stakeholders is a priority. We listen to their concerns, address their issues, and involve them in our safety initiatives. Insights from our stakeholders help us proactively reduce risk and enhance performance. Together with our stakeholders, we can bring about real and lasting impact in the industry.

In 2023, we joined the International Cargo Handling Coordination Association (ICHCA). Established in 1952, ICHCA is non-profit organisation dedicated to improving the safety, productivity and efficiency of cargo handling and movement worldwide. By becoming a member, we gain access to valuable safety and operational best practices across the cargo handling chain and get the opportunity to share our knowledge and experience. We are excited about the collaboration and some of our monthly safety bulletins are now shared through ICHCA's extensive network.

### Strategic ports

In ports where we have a high level of activity, we see opportunities to collaborate closer with stevedore companies, improving both safety and productivity. We have introduced Quarterly Safety Reviews as a regular, structured way to review performance and manage future safety risks. Examples of risks which must be managed are changes in personnel, commodities, and cargo handling practices and equipment. Our local G2 Ocean representatives and stevedores have the authority to implement local risk-mitigating initiatives. In 2024, we aim to expand our Quarterly Safety Reviews to more ports.

### G2 Ocean Safety Bulletin

The G2 Ocean Safety Bulletin, introduced in June 2022, is distributed monthly to stevedore companies worldwide. By being transparent about our safety incidents and sharing lessons learned, we strive to reduce the number of incidents and personal injuries in our industry.

In 2023, the number of external recipients increased by 40%, and a variety of incidents were covered, including dropped objects during crane operation, a stevedore fatality and near misses related to the risk of major fires. The Life-Saving Rules and 5 I's are referred to when describing incidents, to remind the readers about the rules and encourage them to reflect on own behaviour.

### Employee involvement

Employee involvement is crucial for developing and enhancing our safety culture. We strongly encourage all employees to report health and safety issues

through management, our digital reporting system, or whistleblowing channel.

To raise safety awareness and drive behaviour change, G2 Ocean has appointed Safety Ambassadors and established Health and Safety Committees in Norway, Philippines, and Italy, following local legislation. Representatives for both employee and senior management level are members of the committees, which meet bimonthly in Manila, quarterly in Bergen and once per year in Italy. The committees have the authority to request corrective action from the employer, and set a deadline for implementation, if there is a threat to the health and safety of the employees. The committees are also authorised to request surveys of workplace conditions and report any matter to the national labour authorities. All employees are encouraged to share their perspectives, ideas and insights related to occupational health and safety with the representatives who will discuss these matters in their respective meetings.

## Our Performance

### G2 Ocean employees: Injuries & pro-active reporting

In 2023, we noticed a 21% decrease in pro-active safety reports compared to 2022. Although the number of reports is still higher than all years prior to 2022, this decline is concerning, and we are committed to taking action to address the issue and improve.

We are satisfied that no G2 Ocean employees were injured in work-related incidents in 2023.

### Stevedore injuries

We experienced one "high-consequence" incident in 2023 – a fatal fall accident. A stevedore fell from the vessel hatch coaming into the cargo hold, during a break in cargo operations. Tragically, the stevedore did not survive his injuries. We are committed to preventing these tragedies from happening and are collaborating closely with stevedoring companies to improve safety awareness, risk management, and safety procedures.

In 2023, we experienced a 20% reduction in the number of stevedore injuries compared to 2022. Note that this data includes all incidents where treatment beyond basic first aid was required. While this is positive, we are cautious in drawing conclusions based on this figure. We observe that some geographical areas with a high activity level, report a limited number of injuries, and we are aware that reporting practices vary from area to area. Not all such cases are reported to G2 Ocean representatives.

Most of the reported injuries involving stevedores occur during "hands-on" work tasks completed by them in ports, such as hooking, lashing, and securing of cargo. The two most common incident types resulting in injuries are "slips, trips and falls" and "crushing / hit by an object". A significant share of the slips, trips, and falls occur while stevedores walk on uneven surfaces inside the cargo hold, or when climbing ladders.

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 0.77% in 2023, compared to 1.1% in 2022. It is challenging to provide a precise explanation to the slight decrease in sickness rate. However, it is possible that several factors, such as improved working conditions, employee well-being initiatives, Covid-vaccines, may have contributed to this positive trend.

#### Future priorities:

To continue to strengthen our safety culture and performance, G2 Ocean will pursue the following initiatives in the years to come:

- **Risk mindset:** Develop our employees' ability to manage safety risks related to daily tasks.
- **ICHCA opportunities:** Collaborate with member terminals and stevedoring organisations to improve cargo handling safety.
- **Quarterly Safety Reviews:** Conduct regular, structured safety reviews with stevedores in strategic ports.
- **Safety culture:** Strengthen G2 Ocean's safety culture by continuing to promote and educate employees about the 5 Safety I's.
- **Training:** Deliver micro-training on health and safety topics, utilizing the new training feature of the SafetyCulture application.
- **Automation:** Develop new and improve on existing cargo loading and discharging equipment technology to reduce the requirement for manual cargo handling and risk of injuries to personnel.



# Sustainable Supply Chain

At G2 Ocean, we are committed to implementing sustainable procurement practices. This commitment is reflected in our Sustainable Procurement Policy, which outlines our principles for driving positive impact in our procurement activities with suppliers.

Through our efforts to enhance sustainability in our supply chain, we aim to minimise the negative impact of our activities on the environment, ensure the well-being of workers involved in our supply chain, and foster long-term relationships with suppliers. By prioritising supply chain sustainability, we are not only mitigating risks but also help driving innovation and meeting the growing demand for environmentally and socially conscious products and services.

In this section, we outline our key impacts, risks and opportunities associated with our procurement practices and supply chain. We also describe our efforts to manage these, our performance in 2023 and future priorities.

## Our Impact Risks and Opportunities

As a global shipping company, we heavily rely on a diverse range of suppliers, including small, large, local, and international ones, to provide safe, reliable, efficient, and flexible shipping operations. To ensure consistency, continuous improvements, and a comprehensive view of our supply chain, we adopt a category management approach to procurement. This approach allows us to implement tailored improvement strategies and mitigation actions for environmental and human rights challenges specific to each product or service group. We prioritise sustainability in our relationship with suppliers across these categories throughout our value chain, from cargo booking to delivery at the destination port.

Our commitment to implementing sustainable procurement practices includes giving preference to suppliers with a strong dedication to fair labour practices and environmental improvements. Further, we screen and assess suppliers on relevant environmental, social and governance criteria and work proactively to ensure timely payment of invoices. All suppliers must acknowledge our Code of Conduct, and our Anti-Bribery and Corruption Policy. By committing to these policies and procedures, our suppliers are indirectly affected by G2 Ocean's commitment to responsible business practices. This includes a focus on safe and sustainable service delivery, as well as a dedication to human rights and ethics. Furthermore, G2 Ocean supports local economies by sourcing products and services from nearby suppliers. This indirectly benefits communities through job creation and tax contributions. Through our efforts to improve sustainability in our supply

chain, we aim to minimise the negative impact of our activities on the environment, ensure the well-being of workers involved in our supply chain, and improve the collaboration with our suppliers. This again creates opportunities for supply chain efficiency, enhanced service quality and cost savings.

## Environmental and Social Due Diligence assessment of potential impacts

At G2 Ocean, we have a risk-based approach to supplier management, ensuring the sustainability and resilience of our supply chain. As a part of our Human Rights and Decent Work Conditions Policy, which we implemented in 2021, we introduced an environmental and social due diligence process based on the OECD Due Diligence Guidance for responsible business conduct. Through this process, we assess social and environmental risks in our own business and value chain.

In 2023, we further developed both this process and our third-party management procedure by providing a more detailed description of how we should conduct the annual Environmental and Social Due Diligence on our existing supplier base, also based on the OECD Due Diligence Guidance for responsible business conduct.

Through this process, we have identified four main supplier categories that either pose a high risk of actual or potential negative social and environmental impact or are strategically important areas where we can exert significant influence.

In each of these categories, we have identified certain actual and potential social and environmental risks associated with them. This risk overview helps us

develop targeted improvement strategies and actions to address challenges and enhance sustainable performance of each product or service group. The risks are further described below.

### **Bunkers**

At G2 Ocean, we source bunker supplies from various ports worldwide based on need, cost, and trading patterns. The fuel we purchase plays a crucial role in G2 Ocean's core operations.

The Supply side of the bunker market is complex, involving multiple stakeholders from state oil companies to independent resellers. No single supplier has complete control over the process, from crude production at the well to final delivery to the vessel. Base oil is mostly purchased from trading companies and imported into the main bunker supply hubs, where it is blended with other products to meet specifications. Throughout this process, ownership may change many times. This complexity poses challenges for the industry and G2 Ocean. We are actively seeking best practices and have initiated discussions with the Norwegian Shipowners Association and other industry players to explore potential collaboration opportunities in positively influencing the bunker industry.

Within the bunkers' value chain, we have identified social and environmental risks related to the ocean pollution from oil spills, climate change impact from emissions during production and service use, and potential incidents involving labour rights, bribery, corruption, discrimination, and collective bargaining.

### **Stevedores**

G2 Ocean operates globally, and stevedores play a vital role in our operations by assisting with cargo loading and discharging at ports. Many stevedoring companies are local entities connected to specific ports or terminals. Depending on the agreed freight terms, they can be either a direct supplier to G2 Ocean or our customer. In providing their services to us, stevedores are exposed to significant health and safety risks.

In this category, we have identified several human rights risks, including decent work conditions, freedom of association, forced labour, child labour, discrimination, and collective bargaining.

### **Agents**

Port agents act on behalf of G2 Ocean, working with authorities and suppliers in various ports worldwide. Agents play a crucial role in coordinating operations and maintaining relationships with local suppliers. They have the power to influence our suppliers on human rights, environmental, and safety risks.

We have identified several human rights risk in this category, including decent work conditions, freedom of association, forced labour, child labour, discrimination, and collective bargaining.

Further in this chapter, we outline our actions to mitigate the risks identified among our supplier categories, performance in 2023 and future priorities.

## **What we do**

### **Risk Management**

To address potential risks in our supply chain, we conduct a risk evaluation of all new suppliers before they provide their services to us. Through our supplier risk management system, we check suppliers for non-compliance, sanctions and crimes in the following areas; Human trafficking and other human rights abuse, Slave Labour, Environmental crimes, Migrant smuggling, Sexual Exploitation of children, Smuggling.

If this process identifies negative findings, not corrected by the supplier, the internal G2 Ocean compliance team reviews the risks involved, and if the risk is identified as too high, the supplier will not be used until further checks are conducted.

Further, we also conduct a screening of potential or actual social and environmental negative impacts related to both new and existing suppliers. The screening is based on supplier risk and is conducted in the two following ways:

**New suppliers:** New suppliers that are categorised as critical or high-risk, based on a list of previous set criteria, are all subject to screening through our supplier self-assessment/questionnaire. They must also acknowledge our supplier code of conduct and ABC-policy. The self-assessment cover detailed questions on environmental, social, and governmental matters. If needed, we will follow up with specific actions towards the supplier, this can be done through on-site audits, collaboration meetings, training of supplier, etc.

**Existing suppliers:** Existing suppliers identified as high-risk based on our annual Environmental and Social Due Diligence processes are assessed based OECD Due Diligence Guidance for responsible business conduct. All suppliers go through a first review based on the following principles and priorities: supplier category, supplier country, country risk viewed from Environmental, Social and Governmental risk perspective, supplier spend, and review of any G2 Ocean reported safety incidents connected with supplier. For suppliers identified with higher risk of potential negative impact we further review the supplier's website and request a supplier self-assessment.

## Improvement strategies and actions related to our top four supplier categories

### Bunkers

In 2023, our focus in this category has been centred around the Environmental and Social Due Diligence process, including assessing the risk of bunker suppliers. During the assessment, we identified potential risk connected to three different suppliers from East Coast South America and China. The identified potential risks are;

- Limited to no policies on Anti-corruption and bribery.
- Limited to no policies on environmental management and quality control.
- Previous incidences of corruption.
- Previous incidences connected to environmental crimes/incidents.
- Limited openness regarding internal procedures connected to both environmental and social management.

We have followed up with dialogue meetings and agreed on improvement measures with 67% of the suppliers with identified potential negative impact. In 2024, we will continue working with these improvements alongside our suppliers.

As mentioned in chapter 2, our Scope 3 emissions from our bunker purchases will be mapped in 2024. As part of this process, we expect that this emission category will be recognised as one of the procurement categories that contributes the most to our Scope 3 emissions.

### Stevedores

In 2023, we continued our focus on safety improvements for stevedores engaged by G2 Ocean, implementing initiatives such as collaboration activities, safety training, and developing a practical guideline for safety collaborations. We also renegotiated stevedore contracts and provided follow-up and reporting on safety initiatives to the G2 Ocean leadership team. In 2024, we will continue to prioritise safety during contract renewals.

Additionally, in 2023, we began our Environmental and

Social Due Diligence process for stevedore suppliers, assessing the risk of all stevedore suppliers. 32 suppliers have been identified with a higher risk for actual or potential negative environmental or social impact. In early 2024, we will continue with our assessment of these suppliers, through self-assessments and, if needed, dialog meetings to address any identified potential concerns.

### Agents

G2 Ocean has long-lasting relationships with several of our larger agents. In 2023 and beyond, we will collaborate with them to identify risks and corresponding strategies. During 2024, we aim to conduct an in depth environmental and social due diligence assessment on all agents serving G2 Ocean. Based on the results, we will create a detailed action plan.

### Our Performance

In 2023, G2 Ocean used 1 408 suppliers globally, where 368 were acquired during the year. 23% of these have been screened using both social and environmental criteria.

In addition, 100% of all new suppliers has been checked for non-compliance, sanctions, and social and environmental crimes.

During 2023, all members of the procurement department have received training on sustainable procurement.

Key performance indicator	2022 result	2023 result
Percentage of new suppliers screened using social criteria	22%	23%
Number of suppliers assessed for social impacts	80	131
Number of suppliers identified as having significant actual and potential negative social impacts	0	3
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	67%
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	0
Percentage of new suppliers that were screened using environmental criteria	22%	23%
Number of suppliers assessed for environmental impacts	80	131
Number of suppliers identified as having significant actual and potential negative environmental impacts	0	3
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	67%
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	0
Percentage of procurement staff conducted sustainable procurement training	NA	100%

Declaration by the G2 Ocean Board of Directors and Chief Executive Officer in accordance with Section 3-5 of the Accounting Act in Norway.

We declare that the statement is in accordance with Section 5 of the Transparency Act for the period 1 January 2023 to 31 December 2023 to the best of our knowledge. It has been prepared in accordance with current regulations and that the information in the report gives a true picture of G2 Ocean Group's (including G2 Ocean AS and its subsidiaries) work with basic human rights and decent working conditions.

Bergen March 12, 2024

The Board of Directors

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