

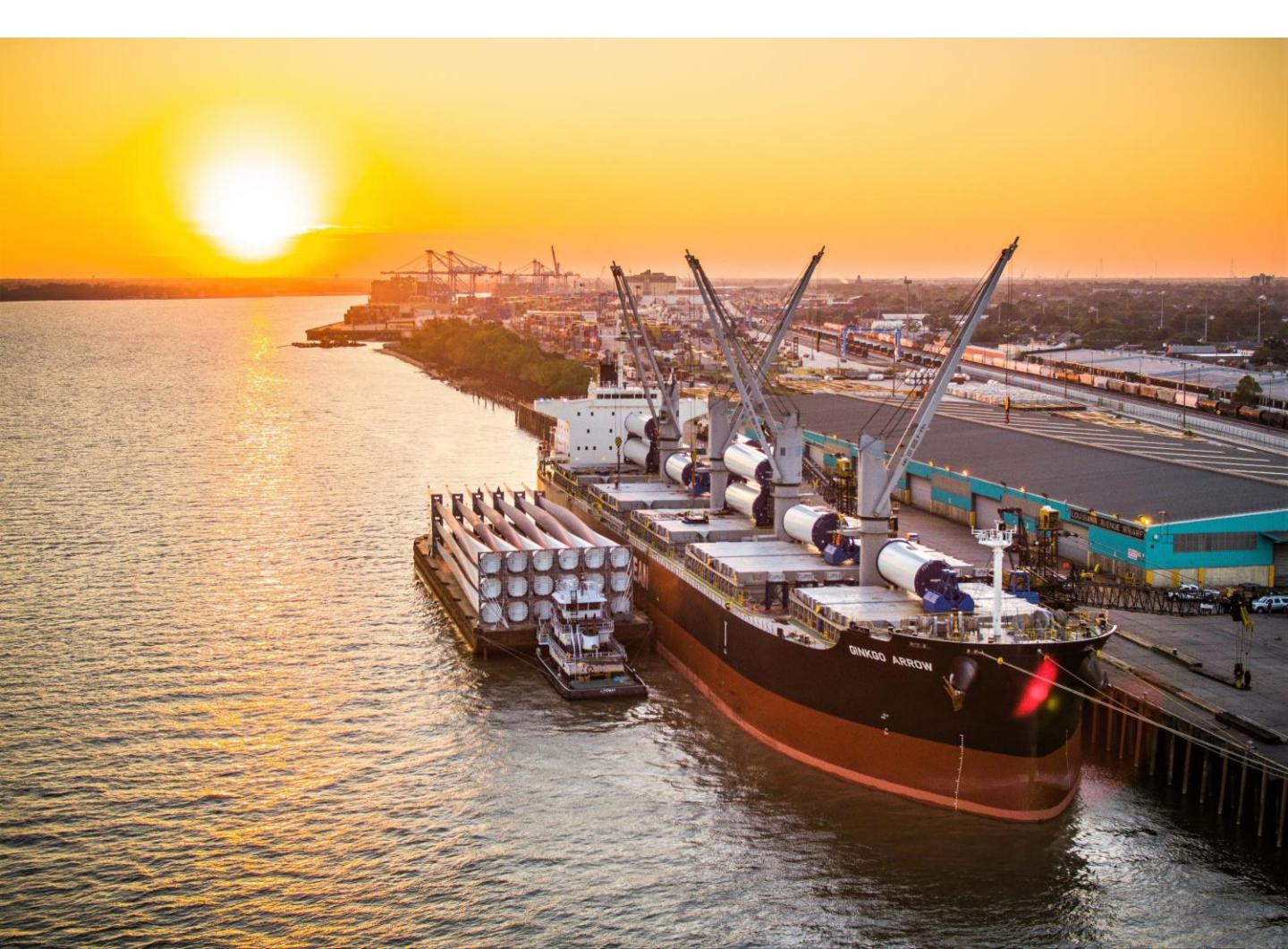


# Transparency Act – Statement 2022

## Introduction

Reporting according to section 5 of the Transparency Act for the year 2022.

This Transparency Act – Statement 2022 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'.

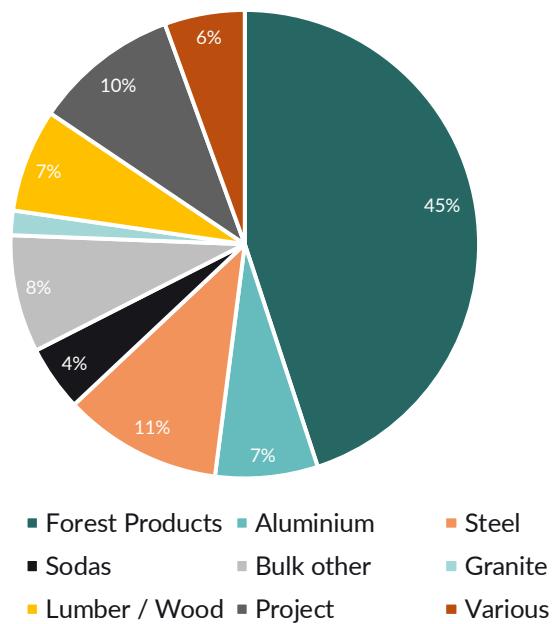
We are committed to creating long-term value for our customers, employees, owners, suppliers, and the global community. This commitment gives us direction and serves as a powerful tool for inspiration and motivation on our journey towards creating a sustainable and successful shipping company.

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

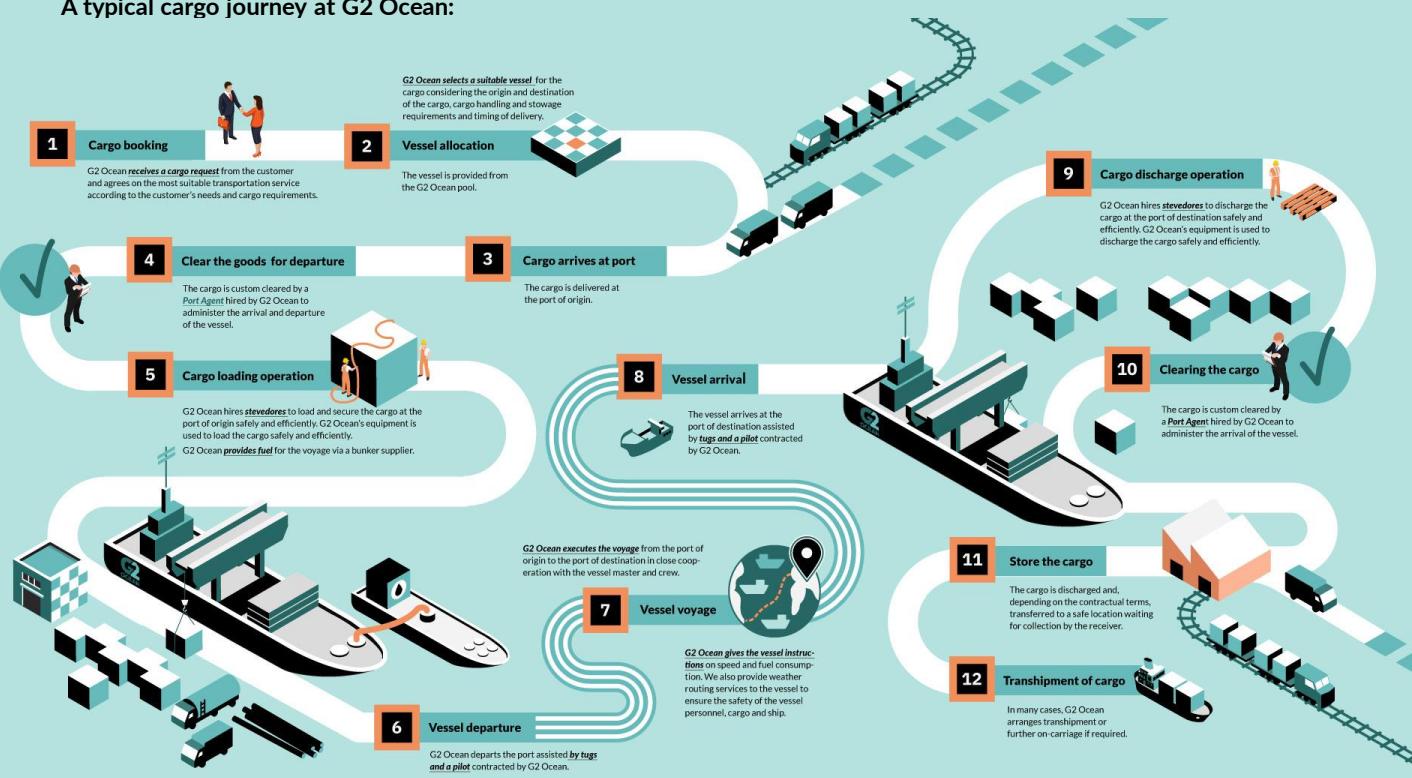


# Our Value Chain

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:



# Impact Assessment

As a larger enterprise resident in Norway, G2 Ocean is under the scope of the Norwegian Transparency Act. The Transparency 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.

In 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 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.



# 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 6.

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.

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.

## 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

Declaration by the Board and CEO 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 2022 to 31 December 2022 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 June 28, 2023

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