



WAVES OF ACTION

SUSTAINABILITY REPORT
2021

CREATING WAVES OF ACTION

The ocean carries vast opportunities and thereby represents our most important global common resource. For generations we have worked the ocean, adapting for a responsible future.

Our aspiration is to be a trusted ocean logistic partner, collaborating with our stakeholders to deliver business value in the green, blue, and circular economies comes with a responsibility.

Through our people, partnerships, technologies, and innovations, we are dedicated to surpassing our sustainability goals. Combining human expertise, with data driven intelligence, we aim to create sustainable value for generations to come.

CONTENT

01 ABOUT US WAVES OF ACTION

Message from our Chairman	6
Our history	8
Our business model	10
Our multinational presence	12
Think tomorrow, today	13
Joint ventures	14
G2 Ocean	15
High Heat Tankers	16
GBSMT	17
UnlTy	18
G3 Joint Efforts	19

02 OUR PROGRESS ENVIRONMENT

Sustainable value creation	21
Energy Efficiency	22
Oil Pollution	22
EmissionsReporting	22
EEXI	23
Our decarbonization progress	24
Sulphur & Nitrous Oxides	25
Ballast water management	26
Waste management	27
Reducing plastics	28
Responsible ship recycling	30
Innovating our fleet	31
Gearbulk giving back	34

03 OUR PROGRESS SOCIAL

Our social responsibility	36
Our reaction to the pandemic	37
Safety - Our number one priority	38
Port State Control	41
Managing threats from piracy	42
Our seafarers	43
Special focus areas training	45
Health and well-being	48
Neptune declaration	49
Our shore personnel	50
An attractive workplace	52
Introduction to ShoreTraining	53
Employee survey	54
Gearbulk Solidarity Fund	55

04 OUR PROGRESS GOVERNANCE

Charged with Governance	57
Board of Directors	58
Audit committee	58
Gearbulk leadership team	58
Our Ethics	59
Our Ethical commitments	61
Protecting our organization	63
Sustainable business development	65
GRI indicator	66

Definitions

Gearbulk = Gearbulk Holding

Grieg = Grieg Maritime Group

G2O = G2 Ocean AS

GEARBULK BY THE NUMBERS

2021 is based on these operating numbers.



67

VESSELS OPERATED



13.98

MILLION TONNES
CARGO CARRIED



1,678

PORT CALLS



9.22

TON CO₂ PER
TRANSPORT WORK



165

EMPLOYEES



8

OFFICES



392.4

MILLION USD
REVENUE

01 ABOUT US
**CREATING WAVES
OF ACTION**

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Think tomorrow, today	13
Joint ventures	14
G2 Ocean	15
High Heat Tankers	16
GBSMT	17
UniTy	18
G3 Joint Efforts	19



MESSAGE FROM OUR CHAIRMAN

INCREASING EFFORTS FOR THE FUTURE

DEAR READER

The Covid-19 pandemic has still been present throughout the year, Gearbulk prevailed again by protecting our biggest asset, our employees ensuring that health and well-being was treated with utmost priority. Despite the challenges that have been present with Covid-19 restrictions, Gearbulk performed well, and ended the year with a profit which the organization can be proud of.

Climate change has become an important challenge and we see the effects of climate change across the globe. We all therefore have a duty to act now to preserve the planet and the natural resources that are becoming scarce daily. At Gearbulk we are not only committed to supporting the targets set out by different bodies to reduce carbon emissions, but also building a sustainable business for future generations to come and in parallel protecting the planet. With this being of highest priority at Gearbulk, an ESG committee has been set up in 2021 to support the organization to achieve sustainable goals set out.

Our climate change ambitions

During the year, the Company has increased efforts in reducing carbon emissions (EEOI) and this is evident in the emissions reported in 2021 of 9.22 ton CO₂ which is a decline of 1.28% from 2020. To further commit, a dedicated decarbonization project has been set up to support the organi-



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A dedicated decarbonization project has been set up to support the organization goals.



zation goals by reducing CO₂ emissions that are caused by our operations. The Company has set out milestones and goals to reduce carbon emissions by 40% by 2030 compared to levels in 2008 and ultimately becoming a net zero target emissions company by 2050.

Commitment to our people to provide a safe working environment

During 2021 we have seen a positive development with regards to incidents on board our vessels. The incidents have decreased by 40% which supports the organizations commitment to safety. We are focused on empowering our employees and providing the necessary support, equipment and training to fulfil their duties.

Throughout the year office staff had to work from home however productivity was maintained, and the flexibility was appreciated by employees. To support healthy work life balance, we adopted a work from home policy supporting the employees to improve work life balances.

During 2021 we performed employee surveys both onshore and offshore to gain an understanding of how our employees are doing. We have also had a focus on health and well-being for all Gearbulk employees, both on the vessels and in our onshore locations.

Realigning our strategies with focus on ESG

With the ESG committee now in place, work is currently underway to identify material topics where the organization should focus on. Together with individual projects underway and work being done by the ESG committee, I am more than confident that with the highly skilled people in the organization Gearbulk will succeed and build a sustainable business with ESG embedded in the strategy and the organization for the years to come.

Kristian Jebsen
Chairman

OUR HISTORY

Gearbulk was founded by Mr. Kristian Gerhard Jebsen, and its operations commenced in 1968 with the establishment of Gearbulk Ltd, a company incorporated in Norway.

In 1991 Gearbulk Holding Limited was incorporated in Bermuda and in a series of transactions Gearbulk Holding Limited acquired Gearbulk Ltd and all the vessels previously operated by it. In October 2014 Gearbulk Holding Limited incorporated Gearbulk Holding AG in Switzerland. The principal purpose of the company is to act as the holding company for the Gearbulk group. The assets and liabilities of Gearbulk Holding Limited were transferred to Gearbulk Holding AG in December 2014.

Mr. Kristian Jebsen and his family through Halberton Holding AG have 51% interest in the Company. Mitsui O.S.K. Lines, Ltd ("MOL") owns the other 49% of the Company.

- 1968**
Gearbulk established.
- 1969**
Delivery of first two of Gearbulk's 1st Generation newbuildings.
- 1974**
Delivery of first of 12 2nd Generation OHGC, Kiwi Arrow from Mitsui Shipbuilding & Engineering Co. Ltd, Osaka.
- 1977**
The first of nine floating cement processing terminals comes into operation.

Delivery of first of 16 3rd Generation OHGC, Falcon Arrow from Mitsui Shipbuilding & Engineering Co. Ltd, China.
- 1984**
Delivery of first 4th Generation OHGC, Heina, from Sanoyasu, Mizushima.
- 1987**
Declining demand for cement prompts Gearbulk to diversify its floating terminal operations to fertiliser, grain, rice and metal concentrates.
- 1991**
The Company is incorporated in Bermuda as Gearbulk Holding Ltd.

The Kristian Gerhard Jebsen family acquires its partners' (S.A Louis Dreyfus & Cie, Buries Limited and A/S J Ludwig Mowinckels Rederi) vessels and shares. Mitsui O.S.K. Lines takes a 25% share of the reorganised Gearbulk, and then increases its share to 40%.
- 1992**
Gearbulk diversifies into shore terminals. The first of several terminals is established in a joint venture in Sinor Terminal, Port of Tianjin.
- 1994**
Gearbulk enters the liquid pitch business with Alouette Arrow on the Northwest Europe to St. Lawrence trade.
- 1995**
Gearbulk receives its first certification to the ISO 9002 quality standard.
- 1996**
Delivery of first of five Fleximax, Pine Arrow, from Stocznia Gdansk Shipyard.
- 1997**
Delivery of first of nine 5th Generation OHGC, Toucan Arrow from Dalian New Shipyard.

1998

Rhone is the first Gearbulk vessel to have retrofit hold tanks fitted to carry frozen concentrated orange juice.

1999

Establishes GBSMT Limited with SMT Shipping.

2009

Mitsui O.S.K. Lines increases its shareholding from 40% to 49%.

2010

The Jebsen family restructures ownership of its business interests and Kristian Jebsen takes control of the family shares in Gearbulk.

2011

Gearbulk Norway AS established to assume technical management of the Gearbulk owned fleet. Gearbulk receives its first certification to the ISO 14001 environmental standard.

2012

Gearbulk establishes office in Manila. Delivery of the first of four Fleximax III, Raven Arrow from Mitsui Shipbuilding & Engineering Co. Ltd, Chiba.

2013

Delivery of the final 3 of four Fleximax III. Japin Arrow and Maitaca Arrow from Oshima Shipbuilding. Petrel Arrow from Mitsui Shipbuilding and Engineering Co. Ltd., Chiba.

2014

Delivery of ten vessels in total.

2015

Delivery of eight vessels in total.

2016

Delivery of two vessels for the conventional fleet.

2017

Establishes G2O with Grieg, commitment of 33 owned vessels and all Long-Term time charter (LTTC) vessels into its pool of vessels.

Delivery of two vessels in for the conventional fleet.

2018

Establishes High Heat Tankers PTE Ltd. with Puma Energy.

Gearbulk celebrates its 50th anniversary on 31st August.

2019

Renewed ISO 14001:2015 certification.

Rakiura Maru, CHL Progressor and CHL Innovator were re-delivered to owners.

Toucan Arrow sold to GBSMT.

Momi Arrow purchased from LTC owners.

2020

Hawk Arrow sold for recycling.

Ibis Arrow sold to GBSMT.

2021

Delivery of three Semi Open Hatch Vessels on medium-term time charter.

OUR BUSINESS MODEL

A PLATFORM FOR SUSTAINABLE OCEAN BUSINESS

The Company operates in a capital-intensive industry requiring substantial investments in vessels to maintain and renew its revenue-generating assets. Historically, the Company has financed its vessels and general corporate finance requirements through a combination of operating cash flow, borrowings from commercial banks secured on the vessel or vessels, long-term lease financing and unsecured finance. The Company's current intention is to finance its future vessel acquisitions and general corporate finance requirements using sustainable financing solutions.

Gearbulk is an international shipping company, which provides an indispensable link in the worldwide industrial product chain. We are committed to high quality transportation services for a wide range of industries through our companies, joint ventures and other interests.

Our business areas consist of Ship owning and Commercial, Fleet Management and Terminals.

Gearbulk, together with its affiliate, G2O, operates the world's largest fleet of open hatch gantry and jib craned vessels; purpose-built to carry forest products and other unitized breakbulk cargoes. Our customers are primarily international companies in the forest product and other unitized products industries. Together with G2O, the Company directly or indirectly has long standing relationships with its customers, and as a result, a substantial percentage of its revenue is generated under Contracts of Affreightment ("COAs").

Gearbulk fosters a tradition of excellence and innovation in its operations. The Company's vessels, systems and handling techniques are designed to provide a punctual and high-quality service, which optimizes efficiencies and economies of scale within the total logistics chain.

Becoming an industry leader in creating enduring value by taking responsibility for the future through the choices we make today. This means:

- Clear and consistent leadership whilst engaging our employees
- Transparency and improvement of our economic, environmental and social contribution
- Developing human potential and collaborating with those who share our vision locally and globally

Shipping activities

The Company operate and own a fleet of 56 vessels, of which 17 are Open Hatch Gantry Craned vessels ("OHGC vessels") between 36,000 dwt and 72,863 dwt and total approximately 1.0 million dwt. OHGC vessels are dry bulk vessels designed with traveling gantry cranes and box-shaped cargo holds that are totally accessible, with no obstructions or deck overhangs. A further four vessels are Totally Enclosed Forestry Carrier ("TEFC vessels"), which are fully covered OHGC vessels designed for loading and discharging in all weather conditions. These vessels are complemented by a further 31 vessels which have box-shaped holds with predominantly open hatches and are equipped with jib cranes ("Fleximax" or "Semi-open" vessels). The Company also has three liquid pitch vessels which are specifically designed to transport high temperature liquid products, such as liquid pitch and one conventional vessel which has been converted to carry liquid caustic soda as well as dry bulk cargo, rather than containerized or unitized cargo. Furthermore, one of the 17 OHGC vessels which the Company operates has been converted to operate as a floating storage facility for copper concentrate transshipment.



The uniformity of the majority of the Company's fleet enables the Company and its affiliates to use its vessels interchangeably, which provides scheduling flexibility, minimizes ballast voyages ("ballast voyages" refers to voyages, or legs of voyages, during which vessels are not fully loaded, which are made to position vessels in geographic locations where they may load cargoes) and reduces costs.

The Company also time charters semi-open hatch vessels (which differ from an OHGC vessel primarily in that their hatch openings are slightly smaller than their cargo holds, thereby causing minor deck overhangs, and are equipped with jib cranes) and conventional vessels.

The majority of the Company's vessels are employed into G2O, in either the open hatch or bulk pool. They are primarily designed and equipped to transport unitized cargoes, which generally consist of forest products (principally wood pulp, lumber, plywood, and different types of paper and paper board) and other unitized products (principally aluminium, steel and granite). Project cargoes are generally individually packaged, high value, semi-finished or finished products, which are vulnerable to physical damage during transportation and must, therefore, be handled with greater care than most bulk cargoes.

G2O is a joint venture of Gearbulk and Grieg Shipholding and set up as a pool company. As a pool participant, Gearbulk has nominated the vessels into the pool, whereby Gearbulk Fleet Management provides technical management as a Document of Compliance holder for vessels owned by -or on bareboat to Gearbulk. This includes core aspects of technical manage-

ment as manning, fleet performance and optimization, maintenance, and docking, as well as projects like vessel conversion, fuel optimization and decarbonization. Gearbulk Fleet Management is headed out of Bergen. Our joint venture G2O provides the commercial management for the fleet.

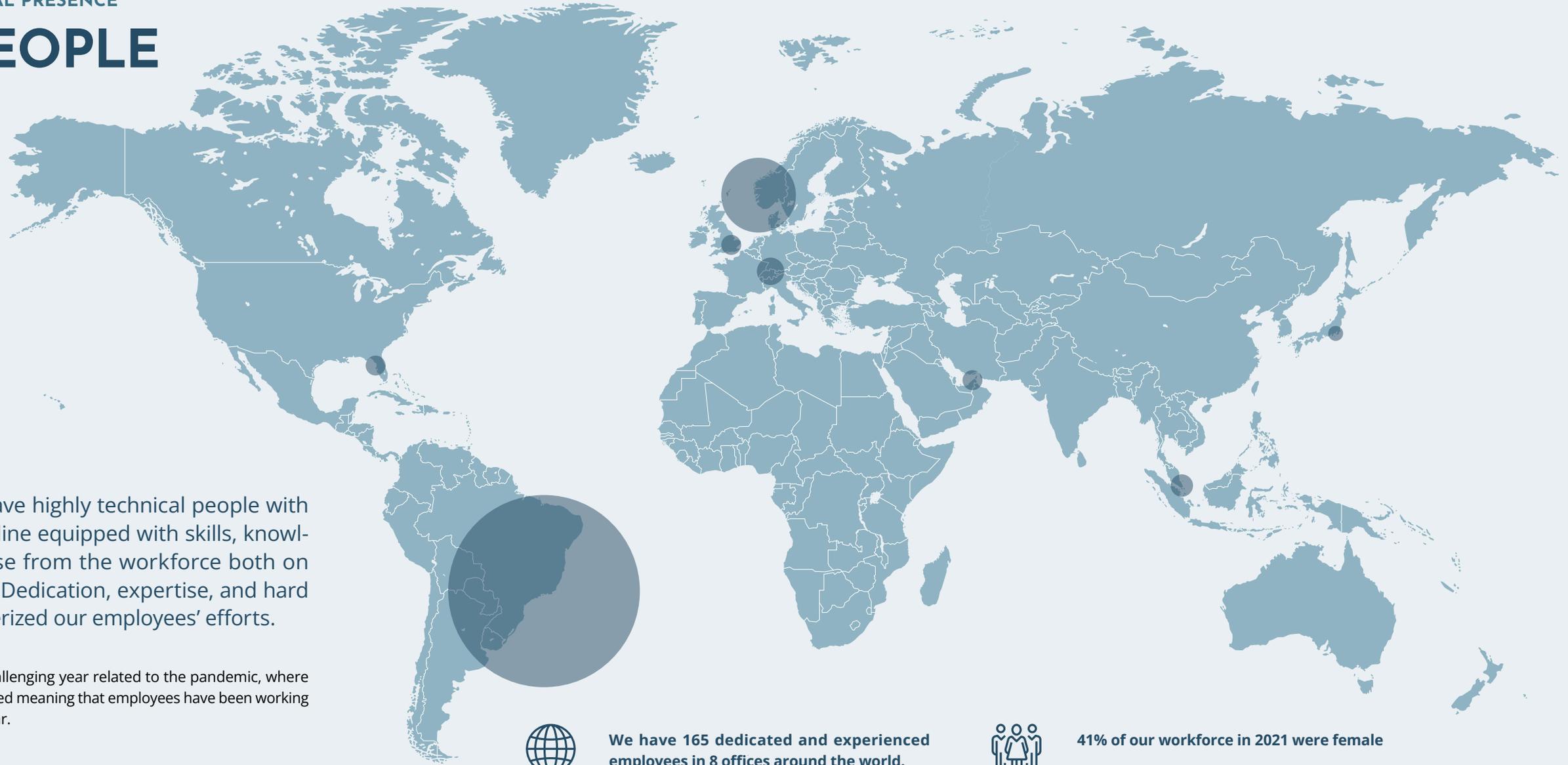
The Company conducts its operations through a global network of offices in Brazil, Japan, Norway, Singapore, Switzerland, United Kingdom, United States and United Arab Emirates.

Terminals

The Company owns, or has interests in, terminal operations in Brazil and the USA, which are used to handle, store, and distribute cargoes. The Company has equity investments in the following shore terminal operations that lease or rent warehouses and terminal facilities: a 100% investment in Arrow Terminals Inc., which has a shore terminal in the United States of America, specializing in the storage and handling of forestry products; and a 100% interest in Gearbulk Terminais Brasil Ltda, which undertakes terminal management activity and owns a 50% indirect interest in NST-Terminal e Logística S.A ("NST"), a shore terminal located in Santos, Brazil. In addition to shore based terminal operations, the Company operates one vessel as a floating storage facility in Papua New Guinea.

OUR MULTINATIONAL PRESENCE

OUR PEOPLE



At Gearbulk, we have highly technical people with professional discipline equipped with skills, knowledge, and expertise from the workforce both on board and ashore. Dedication, expertise, and hard work have characterized our employees' efforts.

2021 has been another challenging year related to the pandemic, where most offices have been closed meaning that employees have been working from home parts of the year.



We have 165 dedicated and experienced employees in 8 offices around the world.



41% of our workforce in 2021 were female

THINK TOMORROW, TODAY

Our Corporate Aspiration and values guide our employees, both ashore and at sea. The Gearbulk Sustainability commitment applies these same principles as we fulfil our commitment to plan for tomorrow, today.

CORPORATE ASPIRATION

At Gearbulk we aspire to be a trusted ocean logistics partner, collaborating with customers and stakeholders to deliver business value in the green, blue, and circular economies, and stewardship of the natural world for future generations.

OUR SUSTAINABILITY COMMITMENT

Becoming an industry leader in creating enduring value by taking responsibility for the future through the choices we make today.

- Clear and consistent leadership whilst engaging our employees
- Transparency and improving our economic, environmental, and social contribution
- Developing human potential and collaborating with those who share our vision locally and globally

Sustainability at Gearbulk is all about “creating enduring value”, taking care of the planet, contributing to society, and conducting business in a responsible manner.

OUR VALUES





JOINT VENTURES

JOINT EFFORTS FOR A SUSTAINABLE FUTURE

Our Corporate Aspiration defines our purpose and role in a challenging industry. We believe in enabling ocean stewardship to deliver business value in the green, blue, and circular economies.

We believe in joining efforts to make this happen.



G2 OCEAN

FRONT RUNNER IN OPEN HATCH SEGMENT

G2O established in 2017 is one of the world's largest shipping companies within the open hatch segment. G2O is jointly controlled by Gearbulk and Grieg, with Gearbulk owning 65% and Grieg owning 35%.



G2 OCEAN

- Operating core fleet of 89 open hatch vessels and 9 conventional bulk vessels.
- In addition to the core fleet an average of 24 vessels have been chartered.
- 27,2 million tons of cargo carried

G2O does not own vessels on its own, but operate vessels owned or chartered by Gearbulk and Grieg Maritime Group, as well as vessels from third parties on short term time charters. G2O draws upon the global resources and expertise of Grieg and Gearbulk to operate the joint fleet of open hatch, semi-open hatch, and conventional bulk vessels.

G2O is a company registered in Norway. The headquarters of G2O is in Bergen, Norway, with Hub Offices in Atlanta and Singapore.

At year-end 2021, G2O had 327 people at 15 locations around the world, of which 71 were employed in Norway.

You can read more about G2Ocean here: g2ocean.com

HIGH HEAT TANKERS

ACCESS TO THE LARGEST POOL OF HIGH HEAT TANKERS

The Company was incorporated on 10th May 2018 and formed as a 50:50 joint venture between Gearbulk and Puma Energy Supply & Trading Pte. Ltd to service the coal tar pitch, bitumen, and other specialized high heat cargo markets.



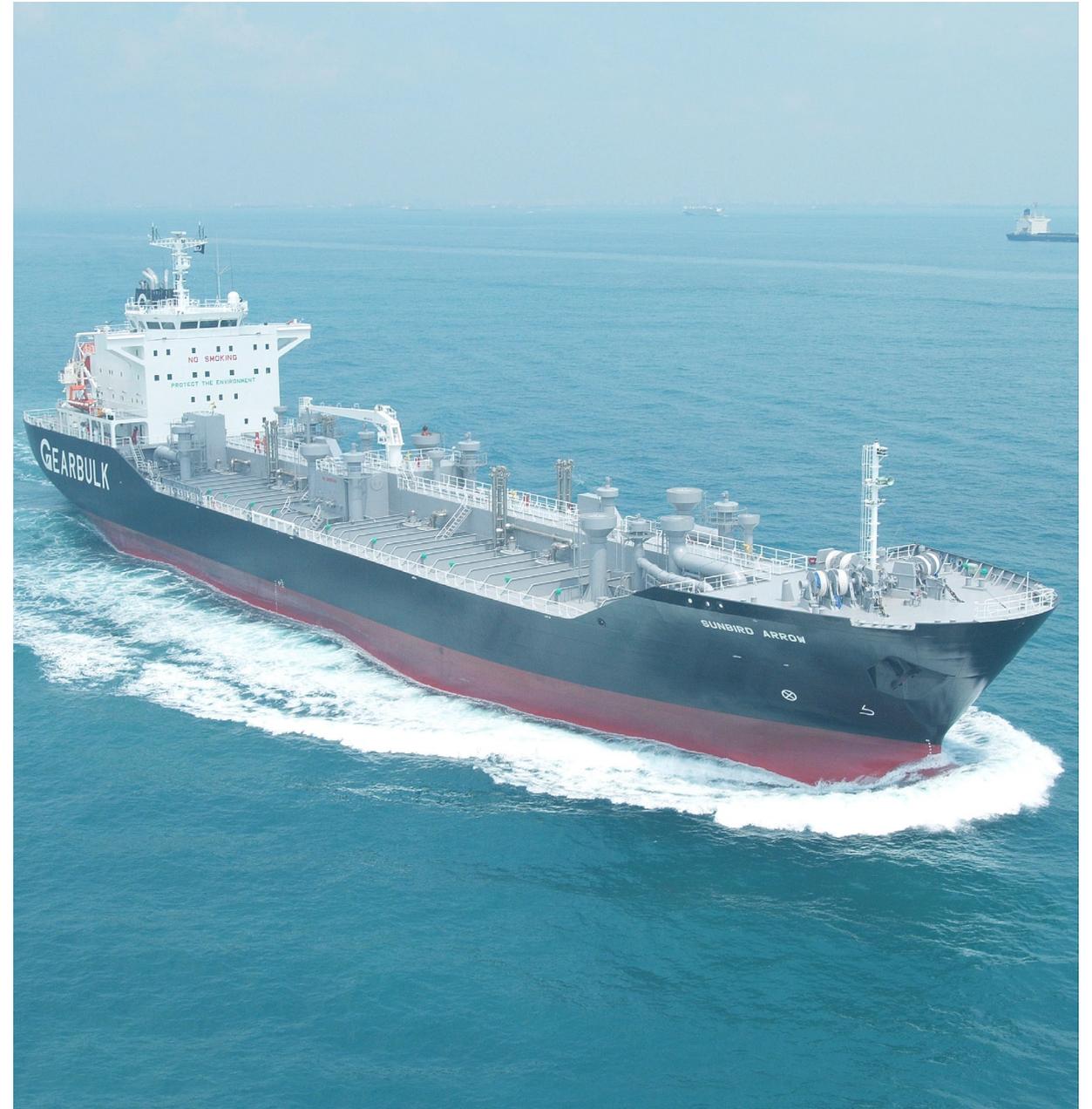
HIGH HEAT TANKERS

- 14 high quality tankers ranging from 15,000 – 37,000 DWT
- Transporting more than 500,000 MT of liquid pitch annually

On 15th July 2018 the Company commenced operations and time-chartered vessels from Gearbulk (Bluebird Arrow, Hawk Arrow (contract terminated in 2020), Kingbird Arrow and Sunbird Arrow) as well as from Puma (Palanca Miami, Palanca Singapore, Palanca Maputo, Palanca Muscat, The Blacksmith, Asphalt Spirit, The Chief, The Judge, the Diplomat and The Sheriff) servicing customers requiring the specialized transport services.

HHT's objective is to leverage the commercial, operational and technical capabilities within Gearbulk and Puma enabling us to offer our industrial customers best in class service levels. In addition, we provide risk management expertise and worldwide flexible, cost-effective sustainable shipping solutions.

You can read more about HHT here: highheattankers.com





GBSMT

EXPERIENCED IN BULK CARGO

GBSMT was formed in 1999 whereby Gearbulk owns 50% of the shares in the Joint Venture and SMT Shipping owns the remaining 50%. The Joint Venture is in the business of self-loading and self-unloading dry bulk carriers primarily in the America's.



GBSMT LIMITED

- The fleet composition as of 2021 contained 13 vessels.
- 50% ownership of 3 additional vessels

The GBSMT joint venture fleet has historically comprised of older vessels many of which are ex-Gearbulk tonnage. Since 1999 a total of 29 Gearbulk vessels have joined the GBSMT fleet, starting with the 'Dipper Arrow' in 1999 to the most recent vessel the 'Ibis Arrow' in February 2020. In addition to the ex-Gearbulk tonnage, GBSMT has undertaken a fleet renewal programme the last 6 years, including vessels taken from the market (both newer second-hand vessels) and three new buildings. The GBSMT jib crane and gantry crane open vessel fleet carry cargoes such as iron ore, pet coke, direct-reduced iron (DRI), scrap, salt, aggregates, and other bulk, which is often self-discharged. The vessels are trading world-wide with historical focus on primary trading in the US – Caribbean market. Commercial and technical management are performed by SMT. The GBSMT joint venture proves the benefit of two companies working together with one vision to partner and collaborate to build a robust and sustainable business.

Website: smtshipping.com

UNITY

DIGITAL INFRASTRUCTURE FOR THE FUTURE

UnITy was established on 17th January 2019 as the common IT business partner for G2O, Gearbulk and Grieg Maritime Group. The department was created to maintain, evolve, and shape the companies' digital infrastructure for the future.

The unit consists of 33 employees guided by the following mandates:

- Extract potential synergies between the companies on the IT side
- Harmonize future systems between the companies as much as possible to achieve economy of scale
- Aim for cost savings due to economy of scale
- Design and implement automation and solutions to enable data driven decision making in the three companies
- Establish a strong support and infrastructure team thus enabling increased productivity in day-to-day operations
- Dedicate information Security Specialist to work across all three companies

During 2021, UnITy has been working on professionalizing our services and implement new joint routines for all three companies. Three main areas have been targeted to modernize and use technology to drive change and introduce new ways of working.

NEW WAYS OF WORKING

CLOUD SERVICES

Provides the infrastructure of today, and the digital infrastructure for tomorrow, to give all our employees at sea and ashore secure and easy access to applications and solutions necessary for our business to operate.

- A Cloud First Strategy has given UnITy the capability of control across all IT Networks in the UnITy Cloud
- Gearbulk, Grieg Maritime Group and G2O are migrated into the same collaborative digital environment, enabling efficient collaboration across departments and the organizations.
- UnITy will roll out new solutions for automated, one way, handling of software distribution, adapting to the new hybrid ways of working.
- The first phases for a joint Cloud Platform for the Gearbulk and Grieg fleet were tested in 2021 and started to be rolled out in 2022. This is the first step in necessary infrastructure changes to connect sea and ashore.

ANALYTICS, BI AND PLATFORM SERVICES

By utilizing a range of technologies (e.g., data platform, machine learning and analytics), UnITy will transform organizational and external data into insightful and actionable business information.

- UnITy is providing the technology to harvest the data needed, through the UnITy Data Platform. In addition, our digital infrastructure will provide the fleet with the necessary security to control and monitor information.
- UnITy continues to evolve the UnITy Data Platform for a self-service future, providing "the right information, to the right people, at the right time"
- A big data infrastructure will give the opportunity of developing real time data analysis and performance improvement across the fleet.

CYBER SECURITY

Protecting our company assets against cyber threats. Implementing safeguards that avoids or minimizes security risks to data and/or IT systems, and ensures confidentiality, integrity, and availability of information.

- **People:** Train and Educate.
- **Process:** Governance and Procedures.
- **Technology:** Technical Security and Monitoring.

We continue to deliver technological and security services to the developing team in Lithuania building the customer portal, MyG2 in G2O.

G3 JOINT EFFORTS

JOINING FORCES TO ENHANCE BUSINESS PERFORMANCE

Gearbulk, Grieg & G2O are strengthening the focus on several Joint Business Forums to increase collaboration, encourage discussion and improve communication and engagement. This is expected to maximize the impact of our initiatives.

CEO forum

The CEO forum comprises of Ketil Andreassen in Gearbulk, Matt Duke in Grieg Maritime Group and Arthur English in G2O. It is an arena where the top managers discuss leadership, strategies and plans to reach common goals.

Loss Prevention forum

They meet quarterly to discuss safety issues, share experiences, and formulate and publish lessons learned to sea and shore. This work is vital as accidents can result in personal injuries, substantial financial losses and reputational damages. It also enhances our reliability toward customers by ensuring safe transportation services and preventing cargo damages.

Fleet Management Coordination Group (FMCG)

The group meets every two months for Safety, Operational, Technical, Port and Commercial discussions. Through close collaboration, our aim is to ensure optimal vessel performance and safe shipping operations.

- Satisfy the shareholders' interests with regards to vessel quality, safety, performance, and ship operations
- Set joint KPI's and report transparently on the technical performance of all vessels in the fleet.
- Discuss operational, commercial, and environmental challenges and actively seek solutions jointly to improve the overall performance of G2O.
- Experience transfers on safety matters, technical performance and operations
- Continual follow up on action plans towards regulatory changes whether through Class, Flag, IMO or other.

- Assess changes to worldwide security threats and update The Company's High Risk Area Report bi-annually.

The Compliance Committee

Under mandate from the Boards of the three companies a joint compliance committee was established to focus on Anti Bribery & Corruption (ABC) matters, Code of conduct, Policies and new regulations coming into force that may affect our business. Several members are actively participating in the Maritime Anti-Corruption Network (MACN) workshops, reporting back to the Committee.

COVID-19 Crew Forum

Following the outbreak of the COVID-19 Pandemic, Gearbulk together with G2O and Grieg established a forum to discuss and solve crew related issues around the world. Sharing experiences and coordinating crew changes and vessel deviations of intended voyages to facilitate same actions was important.

Topics related to frequent changes to local regulations, quarantine requirements, flight shortages, vaccination issues, extended contracts and our crew being denied shore leave and how to improve welfare and life on board during these unjust restrictions against seafarers were discussed in weekly meetings throughout 2020.

Unfortunately, these meetings continued into 2021. Senior HR, Technical, HSEQ, Operations and scheduling staff from all three Companies are participating.

G3 Decarbonization Task Force

Under mandate from the Boards of the three companies a joint decarbonization task force was established to focus on meeting the UN Target of Net Zero emissions by 2050. A decarbonization road map has been developed and together with our partners and the initiatives that have been established the reality of Net Zero is possible.

G3 Project ESG Materiality

As part of the ESG journey the G3 have allocated resources to support a joint effort of the G3 to identify material topics and further prioritize the topics and setting targets to develop strategies.

G3 HR Forum

The G3 HR Forum was established in 2021 with the intention to increase collaboration between the companies on HR related issues. The mandate is to share information and best practices, coordinate activities and drive improvement and discuss synergies and value adding initiatives. Head of HR in the three companies are members of the forum and others can be invited on a need to be basis.

G3 Safety Culture Project

The G3 Safety Culture Project was established in 2021 with the intention to align the safety culture performance in the three companies. The mandate is to share information and best practices, coordinate activities and drive improvement and discuss synergies and value adding initiatives. The working group contains members from HSEQ, HR and communication.

02 OUR PROGRESS
ENVIRONMENT

Sustainable value creation	21
Energy Efficiency	22
Oil Pollution	22
EmissionsReporting	22
EEXI	23
Our decarbonization progress	24
Sulphur & Nitrous Oxides	25
Ballast water management	26
Waste management	27
Reducing plastics	28
Responsible ship recycling	30
Innovating our fleet	31
Gearbulk giving back	34





OUR PROGRESS

OUR APPROACH TO SUSTAINABLE VALUE CREATION

We are realigning our strategies with focus on economic, environmental, social, and corporate governance. Together with our people, partnerships, and technology, we are committed to operational efficiency. We acknowledge the negative impact we have on the environment and therefore combining human expertise, with data driven intelligence, we have set sail for decarbonizing our business.

OUR PROGRESS

ENERGY EFFICIENCY

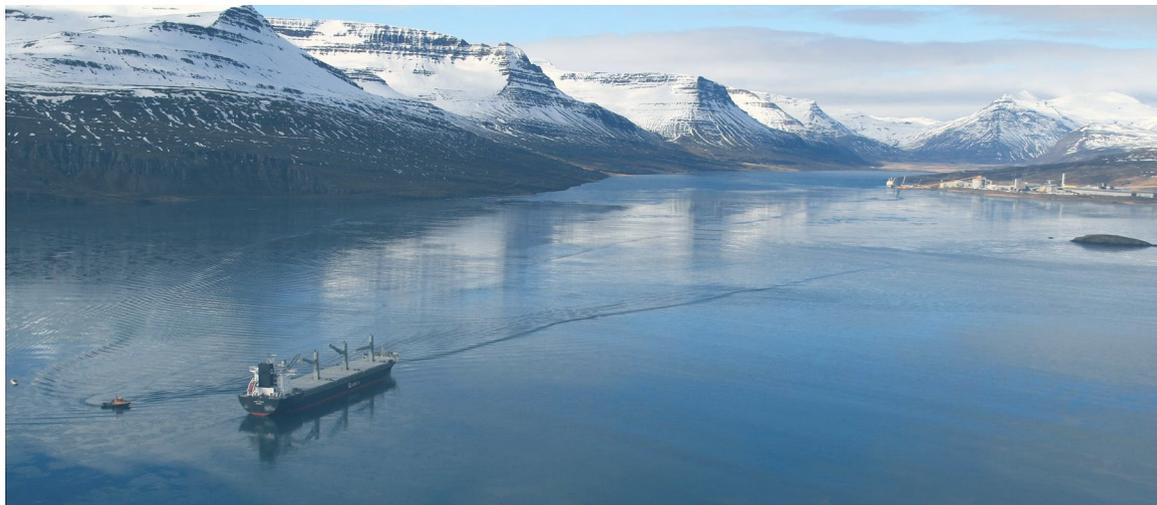
Since 2015, a primary focus area has been to improve the energy efficiency of the fleet. All vessels in the fleet are now equipped with sensor technology to measure and monitor fuel performance. Propeller boss cap fins, which enhance the effect of the propeller, are standard on vessels suitable for this technology. Advanced Biofouling is applied to the hulls of most of the vessels in the fleet and they undergo regular hull cleaning and propeller polishing to maintain their efficiency.

OIL POLLUTION

In 2021 there were no incidents involving Gearbulk owned vessels.

OUR TARGET

**NO OIL SPILLS
OUTSIDE THE VESSEL.**



EMISSIONS REPORTING

Our main impact on climate and the environment relates to Scope 1 emissions: CO₂, - sulphur oxides, - and nitrogen emissions from our vessel operations.

CARBON DIOXIDES

Since 2010 Gearbulk has closely monitored the carbon dioxide emissions from the fleet. The index utilized is the Energy Efficiency Operational Indicator (EEOI), defined as the mass of CO₂ emitted (in grams) when moving one metric ton of cargo one nautical mile. It is calculated using IMO guidelines for all trades including ballast voyages but excluding fuel used under pilotage and in port.



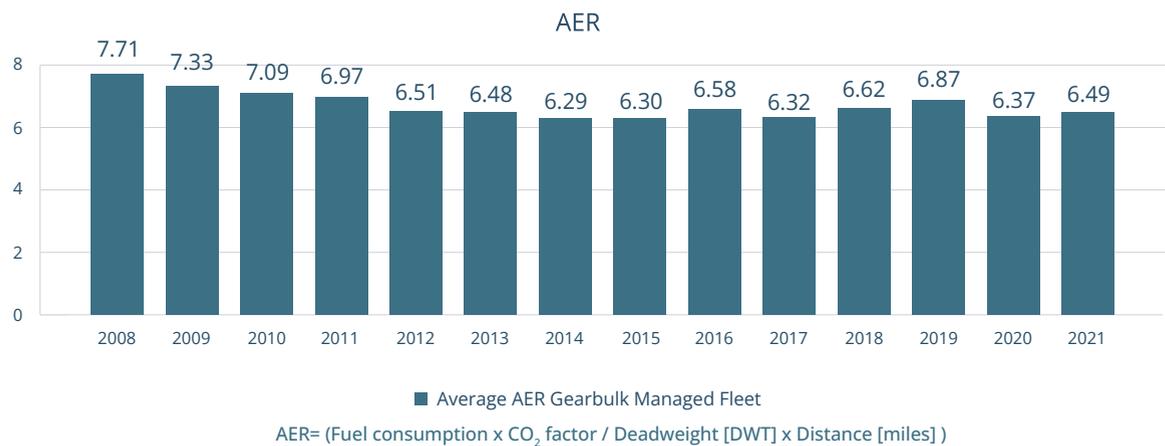
CO ₂ EMISSIONS	2015	2016	2017	2018	2019	2020	2021
EEOI	11.39	10.81	10.75	10.32	10.12	9.34	9.22
Decrease since 2015		5.1%	5.6%	9.4%	11.2%	18%	19.1%

Carbon dioxide emission control is directly related to energy efficiency, and the EEOI has seen a significant drop since 2015. Any further reduction in emissions will be a combination of a fuel-efficient operational profile and technical improvements in our existing fleet.

SEEMP, the Ship Fuel Oil Consumption Data Collection Plan. All managed vessels are now SEEMP II compliant.

Gearbulk welcomes tighter regulations which are essential in reducing our ecological footprint so that we can develop into a sustainable industry while continuing to serve the world economy.

Regulation 22.2 of MARPOL Annex VI came into force on 31st December 2018 which includes a new Part II of the



With the Greenhouse Gas Strategy towards 2050, the IMO has set the goal to reduce carbon intensity by 40% within the next decade up to 2030 and by 50% in total (70% intensity) up to 2050. The GHG Strategy was approved by the IMO in 2018. The reduction rates are related to the baseline of 2008. Short-term, mid-term and long-term measures are distinguished to achieve the goal. At MEPC 75 (16th to 20th November 2020) three short term measures were approved, affecting

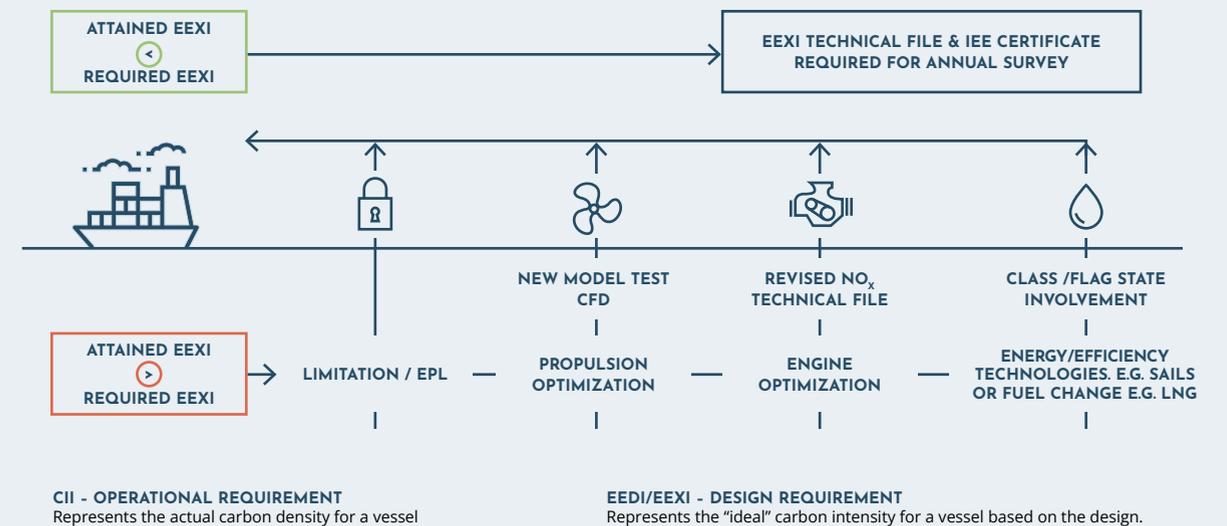
all existing cargo and cruise ships, with entry into force on 1st January 2023 (adopted at MEPC 76 in June 2021). Gearbulk has adopted the reporting of the AER in accordance with the IMO goals and is as indicated in the graph, although a slight increase in 2021 the commitment of Gearbulk to reduce emissions can be seen with the downward trend achieved in the prior years.

EEXI

On 17th June 2021, the IMO adopted amendments to MARPOL Annex VI at MEPC 76, introducing regulations 23 and 25 - the Efficiency Existing Ship Index (EEXI) and regulation 28 - the requirement to reduce Operational Carbon Intensity through the Carbon Intensity Indicator (CII).

Vessels impacted by EEXI must demonstrate compliance by their next survey – annual, intermediate or renewal – for the International Air Pollution Prevention Certificate (IAPPC), or the initial survey before the ship enters service for the International Energy Efficiency Certificate (IEEC) to be issued, whichever is the first on or after 1st January 2023. Entry into force will be 1st November 2022.

In 2023 the majority of Gearbulk fleet will meet the EEXI (Energy Efficiency Existing Ship Index) requirements without making any modifications. The exception being three high heat tanker vessels, where a Shaft Power Limitation (ShaPol) system is being evaluated. The plan of complying upon first survey in 2023, is well on its way. The figure below illustrates the potential pathways for a vessel to meet the EEXI regulation.



OUR DECARBONIZATION PROGRESS

NEW CLIMATE AMBITIONS

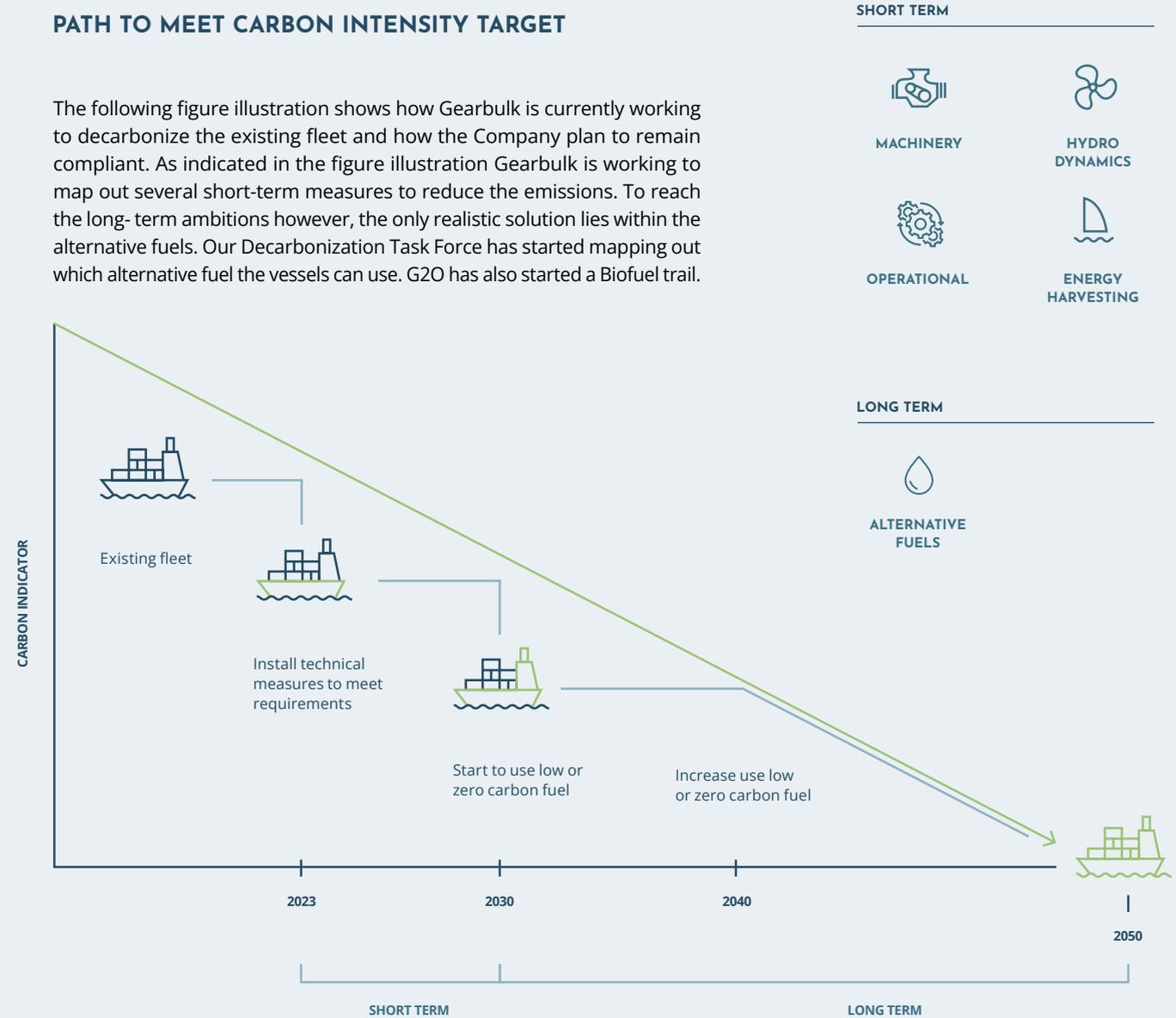
Gearbulk has started planning for how to meet the 2050 ambition of becoming a carbon neutral shipping company. Achieving carbon neutral fleet will require a robust Newbuild strategy, where flexibility is a key element to ensure possibility for future conversion to carbon neutral fuels and technologies.

A joint Decarbonization Task Force has been established as a collaborative effort by Gearbulk, Grieg and G2O (G3), with members from relevant departments in all three companies. The task force mandate is to establish a G3 roadmap towards decarbonization long term, and for CII compliance in the short term. The task force reports to a steering committee consisting of two senior executives from each company.

In the medium term (up until 2026) Gearbulk's focus will be to follow the CII compliance trajectories for its vessels. The Decarbonization Task Force is working to formulate and propose long term ambitions and a timeline for the G2O BOD during 2022.

PATH TO MEET CARBON INTENSITY TARGET

The following figure illustration shows how Gearbulk is currently working to decarbonize the existing fleet and how the Company plan to remain compliant. As indicated in the figure illustration Gearbulk is working to map out several short-term measures to reduce the emissions. To reach the long- term ambitions however, the only realistic solution lies within the alternative fuels. Our Decarbonization Task Force has started mapping out which alternative fuel the vessels can use. G2O has also started a Biofuel trail.



OUR PROGRESS

SULPHUR & NITROUS OXIDES

Combustion of fossil fuels onboard ships produces Sulphur Oxides (SO_x) and Nitrogen Oxides (NO_x), in addition to Carbon dioxides, soot and water. NO_x and SO_x are considered as greenhouse gases (GHG) and can have adverse effect on the environment. Both NO_x and SO_x forms during combustion and are emitted into the environment in the form of smoke.

The level of NO_x emissions from a ship depends on the engine design, operating profile, and quality of fuels. However, whereas modern engines generally generate less NO_x, older engines generate more.

SO_x emissions are mainly due to the presence of sulphur compound in fuel. However, stricter regulations are coming into force, ensuring a global sulphur cap. Among them the IMO 2020 regulation (MARPOL Annex VI) which entered into force January 1st 2020,

stating a maximum of 0.5% sulphur limit, as well as emission-controlled areas (ECA) ensuring a maximum of 0.1% sulphur limit. Consequently, SO_x emission has shown a major decrease.

Since 2019, Gearbulk has reduced the SO_x emission by 67.9% (from 10,480 to 3,363 tonnes) and our NO_x by 52.8 % (from 21,610 to 10,193 tonnes).



FUEL CONSUMED / SULPHUR/ SOX/ NOX

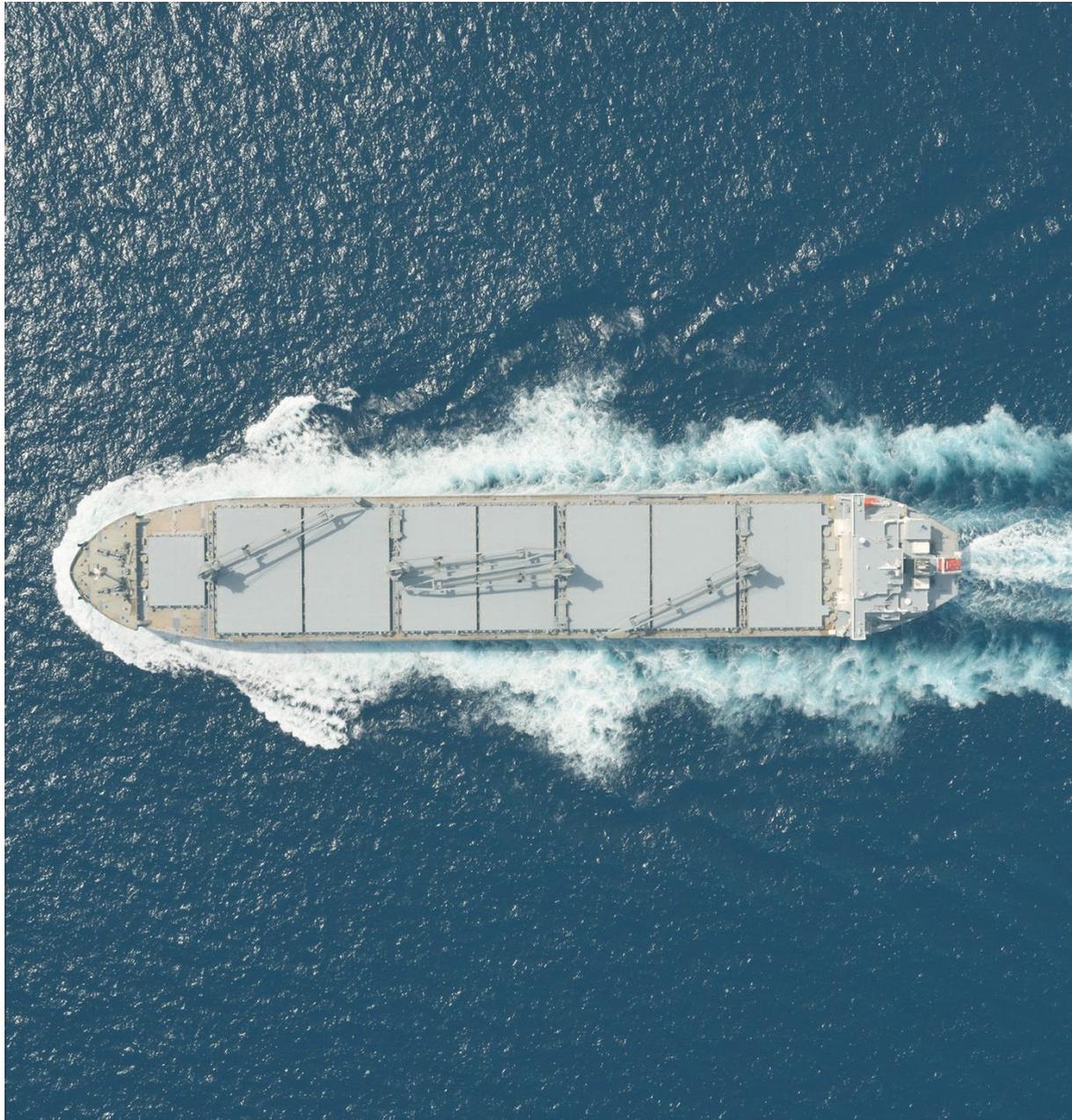
CO ₂ EMISSIONS		TOTAL			SHIP PER MONTH		
		2019	2020	2021	2019	2020	2021
Fuel consumed	tonnes	236252	208155	200223	461	428	417
Sulphur	tonnes	5245	855	1683	10.2	1.8	3.5
SO _x	tonnes	10480	1708	3363	20.5	3.5	7.0
NO _x	tonnes	21610	10467	10193	42.2	21.5	21.2

FUEL CONSUMED VS. SO_x



FUEL CONSUMED VS. NO_x





OUR PROGRESS

BALLAST WATER MANAGEMENT

The ballast water convention was ratified by the required number of countries and came into force on 8th September 2017, but implementation was postponed until 2019.

28

VESSELS WERE FITTED WITH BALLAST WATER TREATMENT SYSTEMS

The treaty requires for ballast water to be treated before it is released. All vessels in international trade must manage their ballast water according to an approved ballast water management plan, carry a ballast water record book and an international ballast water management certificate. The standards will be phased in over a period. Until then, vessels should exchange ballast water mid-ocean. Eventually most vessels need to install a ballast water treatment system which is approved by national authorities, according to a process developed by the International Maritime Organization (IMO).

10

VESSELS ARE REMAINING FOR THEIR NEXT DRYDOCKING

Under the D2 Standard of the Ballast Water Management convention, vessels are required to treat ballast water instead of exchanging it.

OUR COMMITMENTS

WASTE MANAGEMENT

18%

REDUCTION IN
LAMP DISPOSAL SINCE 2019

50%

LESS GARBAGE WASTE SINCE 2018

Stringent MARPOL regulations are in place to control garbage collection, storing and disposal. Detailed garbage records have been maintained and monitored, which have highlighted potential areas of improvement. These include:

Reduction of the volume of waste in general by using compactors is in progress, and all managed vessels are fitted with compactors.

When the new policy on plastics was drafted, it was also considered that compactors would considerably decrease the free volume of plastic waste so the implementation date of the target in this regard was brought forward.

Fluorescent Lamps – The fleet disposed of 13,594 lamps in 2021, an 18% drop from 2019. A positive development resulting from Gearbulk started replacing existing light sources with LED technology in 2019.

The offices are subject to local regulations on waste management and the regulations vary across our locations.

A 50% reduction in garbage landed ashore from our vessels was seen in 2021 compared to 2018. Many ports have been very restrictive in receiving waste from vessels during Covid-19 and especially in 2021. The figures are accurate, however not equal to waste produced on board. All waste is contained on board until it is possible to legally dispose of at land facilities responsibly.

GARBAGE LANDED	2018	2019	2020	2021
Total (m ₃)	3632	2622	2394	1556
Per ship/month (m ₃)	6.83	5.12	4.93	3,24
Decrease since 2018		25%	28%	50%

OUR COMMITMENTS

REDUCING PLASTICS

The Company has an established policy for the purchase, use and waste management of plastics. This policy is subordinate to the Environment Management Policy.

It is expected that with the new focus on the use and disposal of plastics and the installation of garbage compactors, reporting accuracy will improve. Based on the principle of the 3R's (Reduce, Reuse, Recycle), the Company has taken the following steps against the use of plastic on our vessels and ashore:

- Purchasers continue to engage and work with suppliers to adopt environmentally friendly packaging for delivery.
- Suppliers who comply with the Company's plastics policy will be moved under vendor classification to 'preferred supplier' in the purchasing system.
- Purchasing is looking at implementing a signed collection / disposal form as evidence that plastic waste is collected by suppliers after delivery and landed ashore for correct disposal.
- New supplier agreements will include environment specific KPIs
- Offices are engaged in recycling plastic waste, at home and at work.
- Vessels and offices are participating in environmental clean-ups with local organisations.



End waste entering the ocean

Drinking water bottles purchased directly by the vessel form a major part of the plastic waste landed from our vessels. This together with other plastics is of concern for the potential threat this has on the environment and Gearbulk needed to act.

Gearbulk has implemented plastic policies on board which include:

- Use of biodegradable wrapping foil consignments on board the vessels.
- Single use plastic items such as straws, stirring pins, glasses and cutlery are removed from the inventory lists through our vendor, Garrets,
- Each crew was supplied with metal drinking bottles with the Company logo to further promote this initiative.
- Procurement of single use plastic water bottles for sales through the bonded store were subsequently banned in the Gearbulk fleet. A small stock for pilots and visitors is allowed.

Following a successful trial of a water mineralizer unit on board one of our vessels in 2020, the Company invested in these units for our 40 vessels during 2021. A significant drop in plastic bottle consumption was achieved.

Gearbulk baseline figure in 2019 was 1.96 m3 and a drive to reduce this by 30% in 2021 was committed to during 2019. Due to several delays of installations of water mineral units onboard the objective of 1.37 was not achieved.



PLASTICS DISPOSED	2021
Total (m ₃)	668
Reduction	30% since 2019
KPI Target	1.37
Occurrence	1.39 (-29,1%)
	Target not met



OUR COMMITMENTS

RESPONSIBLE SHIP RECYCLING

The Company aims to be part of the industry that has a recognized ethical and an environmentally sound recycling practice. The Hong Kong Ship Recycling Convention was adopted in May 2009 and is yet to be ratified by a sufficient number of member states. Several Ship Recycling Facilities (SRF) have adopted the requirements of the HK convention and have been certified compliant by IACS Classification societies.

The policy is aimed to ensure that the chosen SRF operates at an acceptable standard with respect to health and safety of the workers and the protection of the environment. Gearbulk will only use ship recycling facilities which have been certified by the Hong Kong convention compliant by an IACS classification society. In preparing a ship for recycling an Inventory of Hazardous Materials must be approved by a Class society or another competent organisation.

This Inventory must as a minimum include the materials that are specified in the Ship Recycling Convention appendix 1 and 2. The Inventory must be forwarded to the selected SRF together with all relevant available information for the SRF to develop the Ship Recycling Plan (SRP). A confirmation of receipt must be obtained.

NIL VESSEL WAS RECYCLED IN 2021

OUR IMPROVEMENTS

INNOVATING OUR FLEET

HYBRID BATTERY AND SOLAR PANEL

Gearbulk recognizes the environmental impact of its activities and is currently exploring new technologies. On Emu Arrow, which will be converted to a transshipment vessel, Gearbulk will install a hybrid system battery system to reduce the number of auxiliaries engines running during cargo operations. In addition, as the vessel will be permanently based in a tropical area, 500m² of solar panels will be installed on top of her gantry crane roof to take advantage of the extensive

sunlight. These two projects combined are estimated to save over 300mt of fuel per year, equivalent to around 1,000mt of CO₂. The main purpose is for our organization to gain experience and know how, which in turn will set the stage for larger projects in the future.

500M²

SOLAR PANELS
TO BE INSTALLED

300Mt†

OF FUEL SAVED PER YEAR

PROPELLER BOSS CAP FINS (PBCF)

The advanced PBCF is an energy saving device attached to the propeller with the purpose of reducing the drag generated by the hub vortex behind the rotating propeller. The estimated energy saving is 2-3% per vessel. The higher fuel efficiency in turn reduces the emission of greenhouse gases. Gearbulk's Fuel performance system has shown a real time saving of 1.8% by way of sistership comparison on its 6th generation vessels. Picture on the left shows the PBCF (red circle) installed on a vessel.

Gearbulk has invested in PBCF on both its inhouse managed vessels and the long-term time chartered ("LTTC") fleet. The total CAPEX for this project was USD3.3M, and the estimated fuel saving for the fleet is 3,000 MT annually equivalent to around 10,000mt of CO₂.

FUEL PERFORMANCE

For fuel performance the focus has shifted from a more "rear view mirror" approach based on noon reports, to an analytical approach using high frequency data. Investment in Kyma torque meters for the propeller shafts and fuel oil flow meters has been made to source accurate and high frequency data from every vessel. Actual emissions data are being analysed daily to monitor and follow up the performance of the fleet. Gearbulk has in cooperation with G2O a high focus on speed and consumption analysis. The fleet performance is an analytic tool based on comprehensive data that integrates voyage, hull, propeller, and weather data, as well as and engine performance to identify commercial effectiveness of our fleet. By sharing commercial and technical performance data on one platform, the fleet manager and the operator can make joint decisions to optimize energy efficiency and reduce costs.

A good example of how data is utilized to make informed decisions, would be the new anti-fouling ("AF") policy. Gearbulk analysis confirms the benefit of using "top shelf" product, versus the mid-range anti-fouling. This is now the new standard AF in Gearbulk. By way of example, a high-end AF system may cost up to USD 50.000+ more, whereas the estimated saving over the 60 months docking period is 18-25 trading days gained or USD 360-500,000 depending on the freight rate being applied. In addition, Gearbulk spot blast the hull every 5 years and full blast the hull every 10 years, to have optimum hull condition. Picture on the right shows a vessel "High and Dry", with newly applied AF.



By using G2O dashboard, we can monitor the speed reduction of Gearbulk vessels between dockings. This tool allows Gearbulk to proactively plan corrective measures, as well as analyse historical data to evaluate fuel performance improvement measures.

DIGITALIZATION AND DATA MONITORING

In cooperation with Gearbulk's partners in G2O and Grieg, environmental dashboards are being developed, providing real time updates of fleet emissions. This will allow to continuously monitor and report of CII performance and simulate the effect of abatement initiatives. The dashboard will ensure understanding and learning from the historical trades, which can be utilized for future planning. By combining the different data sources available, only the imagination will set a limit for how the fleet is monitored and operated.



FEATURES INCLUDED

Ships data

Fuel calculator

Vessel schedule

Loading table

AIS tracking

DNV Veracity

Kyma data

OUR POSITIVE INITIATIVES

GEARBULK GIVING BACK

Every year, eight to twelve million metric tons of plastics enter our oceans

Gearbulk has a strong commitment to combating and reducing this problem. The Gearbulk tradition 'Giving Back' was halted for the most part in 2021 due to the Covid-19 pandemic.

Under Covid-19 restrictions and on a grey, cold and wet day, 11 volunteers from Gearbulk were able to participate in the clean-up effort in inaccessible bays on two small islands in the municipality in Askøy. The charity was organised by Bergen and Omland Friluftsråd and 'In the Same Boat', both which are dedicated to fight the pollution on our coastlines.

During the clean-up, a variety of items were found, including q-tip, plastic bags and single use plastics, candy wraps, bottle caps, ropes, nylon twine, Styro-foam, metal, glass and 2 pieces of mail in a bottle, containing children's drawings. At the end of the day, over 5 cubic metres were collected in the short span of three hours.

OFFICE INITIATIVES

Gearbulk concentrates on two main areas for its shore-based personnel: general office waste and use of electricity. Offices are fitted with motion sensitive lighting and automatic power down equipment. All personnel are encouraged to segregate office waste, monitor paper usage, and look for ways of reducing their impact on the environment in all areas of business and personal life.

There has been a sharp drop in the consumption of paper due to a reduction in staff and a significant reduction in printing of manuals mandatory for the vessels which required official stamps and Class approval. The focus is on minimising usage and recycling paper and plastic.

Other areas that each office looks at are how employees can reduce, reuse, and recycle office equipment, old computers, batteries, and printer cartridges. All offices and staff are encouraged to recycle as much as they can although this is not always easy in every country that Gearbulk operates due to lack of recycling facilities.



Gearbulk coastal clean-up in Sorta, Norway

03 OUR PROGRESS

SOCIAL

Our social responsibility	36
Our reaction to the pandemic	37
Safety – Our number one priority	38
Port State Control	41
Managing threats from piracy	42
Our seafarers	43
Special focus areas training	45
Health and well-being	48
Neptune declaration	49
Our shore personnel	50
An attractive workplace	52
Introduction to ShoreTraining	53
Employee survey	54
Gearbulk Solidarity Fund	55





OUR SOCIAL RESPONSIBILITY

STRONGER TOGETHER

Without our employees, Gearbulk would not be the company it is today. Dedication, expertise, and hard work have characterised their efforts both on board vessels and ashore in 2021.

As an international company, Gearbulk provides several opportunities for growth and collaboration between colleagues across the organisation and with our business partners.

Diversity is a natural part of our organization, and during 2021 the work force consisted of 18 different nationalities, 30% females and 70% males with an average age of 41 years.

Our standpoint is that no person in Gearbulk should be discriminated against based on ethnic background, religion, age, gender, or sexual orientation.

COVID-19

OUR REACTION TO THE PANDEMIC

During the year the pandemic continued to unfold and is still causing difficulties for our seafarers and office staff. Our offices have managed the situation with combining home office and work from the office in periods where allowed.

Gearbulk also took the opportunity to introduce flexible working for many of our offices during this period as the experience is that productivity has been high also when working from home.

Our seafarers have again been at the front of this pandemic, and the different support initiatives introduced in 2020 have been carried over to also apply in 2021.

COVID-19 SUPPORT EFFORTS

At Gearbulk we stand together in Solidarity which was seen during the Covid-19 pandemic, where The Company and the employees established the Gearbulk Solidarity Fund. In total USD 74,000 were collected between The Company and employees. Out of these the fund has paid out USD 55,000 to seafarers in need for financial support.

HEALTH & WELL-BEING CAMPAIGNS

To support seafarers in this difficult situation Gearbulk has arranged several health and well-being campaigns, this relates to both physical and mental health together with healthy eating onboard the Gearbulk vessels. The feedback received from the seafarers regarding these campaigns was very good, and it was reported to have had a positive impact on crew's well-being through these challenging times.

COVID-19 CREW NEWSLETTER

Since the outbreak of the pandemic, clear and concise communication has been of outmost importance. Hence a Covid Crew Newsletter was introduced, where The Company on a regular basis has shared updates and developments on the situation with all seafarers. This was well received by the crew, and these newsletters will continue to be distributed on a regular basis until the situation is back to normal.

COVID-19 ALLOWANCE

A Covid-19 allowance was established to support seafarers who have extended contracts on board and to seafarers with extended leave. This was continued in 2021 as the pandemic still affected seafarers to a large extent.

COVID-19 ACTION COMMITTEE

A Covid-19 Action committee was established in April 2020 consisting of different divisions within the organization. The committee is tasked to support the organization on shore and at sea by establishing safety protocols and guidelines. The committee was active throughout 2022.



*Gearbulk Safety Committee
was established in December
2019*

SAFETY

OUR NUMBER ONE PRIORITY

Gearbulk has a commitment on improving the safety of our seafarers, our vessels and shore contractors. We do this by creating awareness, training our employees and regularly updating policies and procedures in line with industry standard.

The Gearbulk Safety Committee was established in December 2019. They met monthly in 2021, discussing incidents, safety measures, safety monitoring, experience transfers and proposed and implemented safety initiatives and campaigns.

In 2021, 204 experience transfers and 6 ship circulars were published to the fleet. They cover all personal injuries, specific damage cases, best practises and more.

A Safety and Quality Bulletin is published to sea and shore staff quarterly and has become a great success. It covers safety, KPI's, best practises, navigation and equipment, cargo safety, ABC and near misses amongst others. Our Marine superintendents publishes selected near misses to their vessels every two weeks, to guide and learn from others.



SAFETY

MARINE CASUALTIES

During 2021, Gearbulk did not experience any Marine Casualties where lives were lost, negative impact on the environment or vessels rendered unfit for continuation of voyages. There were four incidents requiring investigation as seen below.

FIRE & EXPLOSION

- KPI Target 2021: 0
- Occurrence: 4

There were 4 incidents relating to fire on board during 2021. No personal injuries were recorded from these events.

ACTIONS TAKEN

The two first incidents were analysed by management on board the vessel and at the office and have led to procedure and planned maintenance job description revisions. There were 2 incidents still open for investigation and repair as at the end of 2021. All incidents are shared with the relevant fleet and addressed at common safety meetings on board and at digital officer seminars.

SAFETY

LOST TIME INJURY FREQUENCY

Gearbulk measures injuries as per OCIMF injury guidelines and has a Zero Accident vision. Gearbulk believes that all injuries are preventable.

Gearbulk continues to stress on reporting all near misses as the improved accuracy of data gives the Company better analytics for continuous improvement of all safety aspects in the fleet.

Management actively promotes these reports as they are considered a leading indicator on detecting areas for improvement and actions, thus enabling the Company to identify possible safety focus areas on board, avoid injuries, property and environmental damage and increase performance during internal and external audits, including PSC (Port State Control) performance.

The LTI (Lost Time Injury) injuries has been halved year on year since 2019 and Gearbulk saw a record low in 2021. The Company's focus on safety, with a dedicated Safety Committee ashore, has presented a further significant drop in the LTIF and TRCF (Total Recorded Case Frequency) numbers during 2021. Efforts made by vessel management in implementation of procedures and official training and campaigns have contributed to the positive development of the injury statistics. An increased focus on toolbox meetings, the high number of experience transfer and the Covid pandemic can also be attributed, as crew are demonstrating more personal care for their own and others safety. The reflective learning training programme, introduced in 2019, is frequently mentioned by vessel staff and in vessel management reviews as an extremely helpful tool to improve safety.

[UPDATE TABLE: Aspect 2021]

YEAR	LTIF	TRCF	FATALITIES
2019	1,48	4,32	0
2020	0,81	3,25	0
2021	0.41	2.04	0

ASPECT 2021	TARGET	RESULT	STATUS
Lost Time Injury Frequency	Zero	0,41	X
Average Near Miss report pr. vessel.	24	36	V
Port State Control Deficiency ratio	0,9	0,77	V
Rightship rating(minimum score per vessel)	>3,0	100 %	V



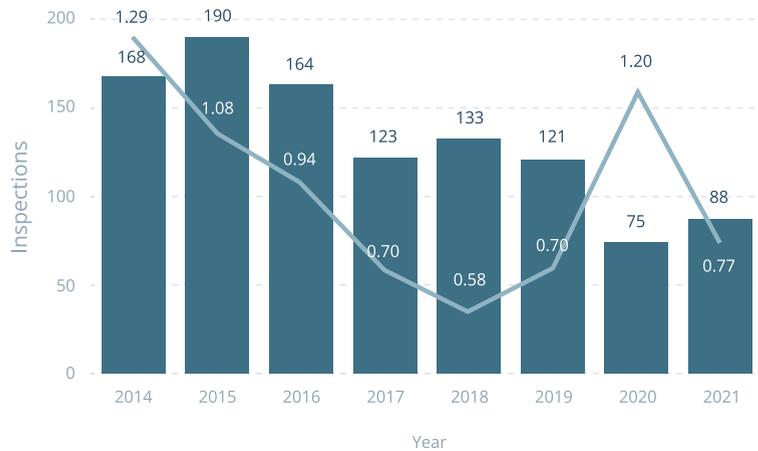
SAFETY

PORT STATE CONTROL

PSC is the inspection of vessels while in port to verify that the condition of the vessel and its equipment comply with international regulations and that it is manned and operated in compliance with these regulations.

DEFICIENCY RATIO

LTI & TRC ● Inspection ● Delivery Ratio



The results of these inspections provide a reasonable external verification of the standards of operation onboard the vessels.

In 2021 the Gearbulk managed Fleet had a total of 88 inspections with an average of 0.77 deficiencies per vessel per inspection. 67% of the inspections were recorded with NIL deficiencies. A very positive development from 2020 down from an average of 1.20 deficiencies per vessel per inspection.

The Company continued its aim to reduce deficiencies arising from PSC inspections by improved vessel inspection and reporting, increasing attention during internal audits and other visits to the vessels, during officer seminars and through regular communication with the vessels. PSC preparation documents were sent to the vessels on a regular basis.

Handling of deficiencies

For each deficiency, a comprehensive root cause analysis was conducted with corrective actions and preventive measures identified. In addition, the deficiencies are taken up during meetings on board where necessary.

Deficiencies and observations from external and internal audits are processed through same method and shared across the fleet were required and through the quarterly PSC bulletin.

Technical and Marine Superintendents were still prevented from visiting the vessels due to travel restrictions, effectively removing the hands on and important maintenance planning and physical audits of the vessels.

PSC inspections were significantly reduced worldwide as a result of the Covid-19 pandemic.

RIGHTSHIP

Rightship is an independent vetting company which was formed to monitor safety, quality, and environmental awareness in the dry bulk fleet sector. It assesses the risk of all vessels over 500 tons using multiple information sources and historical data, resulting in a score that assigns a 'star' rating from 1 to 5.

During 2021, 20 vessels were inspected by Rightship, and findings and recommendations were processed in same manner as a PSC inspection. The average rating for the Gearbulk managed fleet was 4.18 by end of year. Gearbulk's target is to maintain a minimum rating of 3 or above for each vessel.

SIRE INSPECTIONS

The Company operates 3 pure tanker vessels, which require regular SIRE inspections to maintain their safety / operational / commercial ability. There were 6 Sire inspections in 2021, 2 for each vessel for the 3 pure tanker vessels. An average of 2,83 findings per inspection was recorded. None of the findings were a major concern and processed as for PSC deficiencies. The findings were analysed and used to improve training, procedures, and checklists.



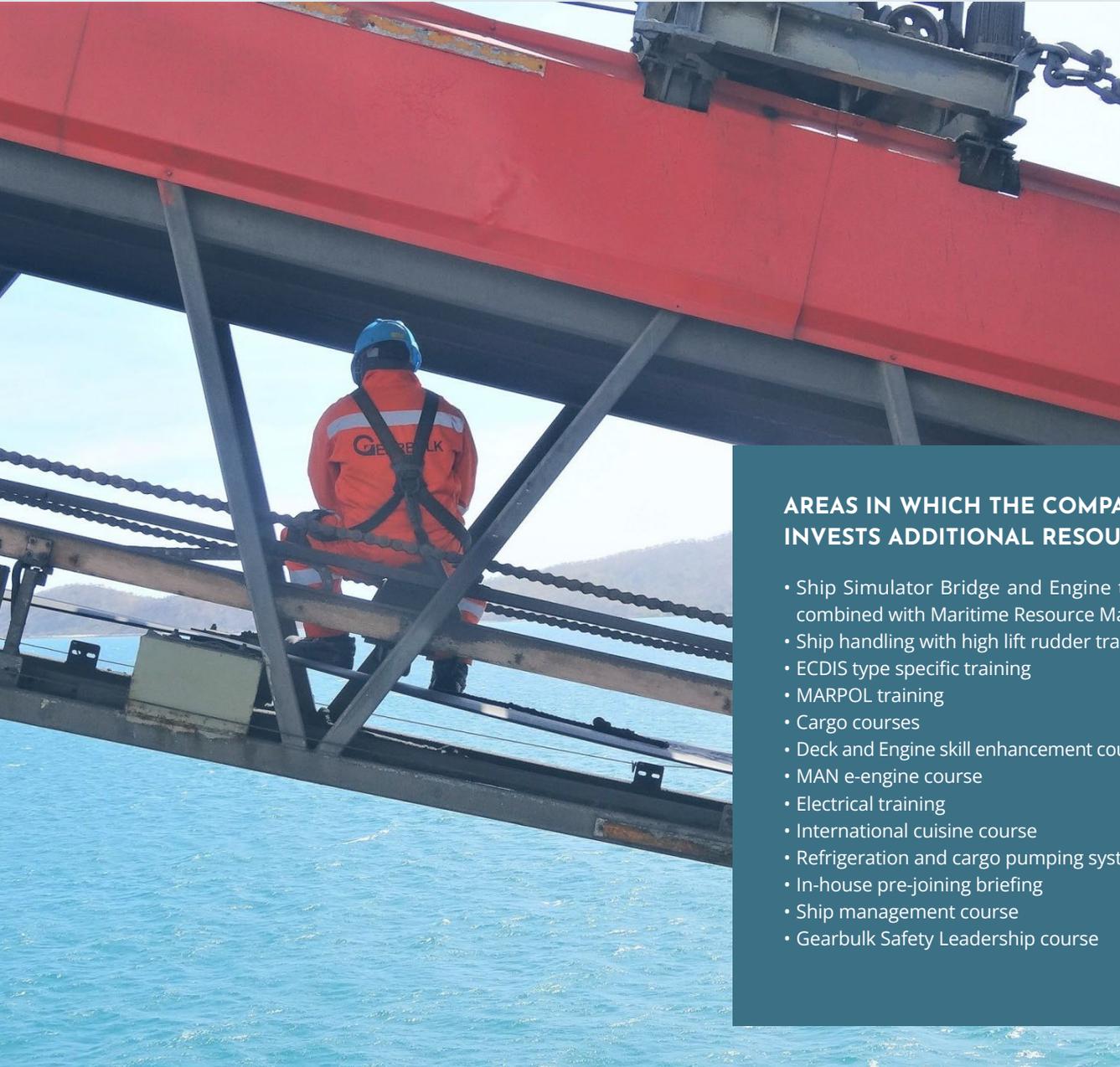
SAFETY

MANAGING THREATS FROM PIRACY

The threat of Piracy in the Gulf of Aden & Indian Ocean remained at a low level in 2021 and only the occasional suspicious craft was reported.

The geopolitical tensions with Iran escalated and several incidents in the Arabian Gulf/Hormuz were attributed to this. Gearbulk had limited activity in the area in 2021, and all transits were incident free, maintaining the same alertness and vigilance for each voyage. In Southeast Asia, primarily in Malacca straits and Indonesian waters, the risk of Piracy has maintained a status quo, where risks are mostly present at anchorages. The presence of piracy and kidnapping for ransom in Gulf of Guinea is a concern, and potential voyages are assessed on a case-by-case basis.

For each voyage scheduled in the various areas with potential threats, Gearbulk carries out a Risk Assessment based on the current situation in those areas, recommendations from DNK (war insurance) and other security providers. An anti-piracy kit is issued to the respective vessels undertaking voyages in High-Risk areas.



OUR SEAFARERS

HARD WORK AND COMMITMENT

2021 was another challenging year for the maritime industry in general, and for seafarers especially. The Gearbulk workforce counts about 1,485 seafarers from 8 different nationalities.

AREAS IN WHICH THE COMPANY INVESTS ADDITIONAL RESOURCES

- Ship Simulator Bridge and Engine team training combined with Maritime Resource Management
- Ship handling with high lift rudder training
- ECDIS type specific training
- MARPOL training
- Cargo courses
- Deck and Engine skill enhancement course for ratings
- MAN e-engine course
- Electrical training
- International cuisine course
- Refrigeration and cargo pumping systems
- In-house pre-joining briefing
- Ship management course
- Gearbulk Safety Leadership course

The Gearbulk seafarers have been in the front of this pandemic, and over the period great commitment and loyalty has been shown from the crew. Good communication, trust and living the Gearbulk values has been key during this period, with limited possibility to visit the vessel from the shore staff. Gearbulk would like to extend a warm appreciation for all the hard work and commitment shown by our seafarers through another challenging year.

In order to meet our business objectives and provide opportunities for career development of our dedicated seafarers, Gearbulk provides additional training beyond the Standards of Training, Certification and Watch-keeping (STCW) and Flag state requirements.

The Company is also providing a comprehensive Computer based training system (Seagull) which covers a wide range of topics. All seafarers must complete and re-take the relevant modules within a certain time frame and required assessment score.

Unfortunately, last two years (2020 and 2021) were very challenging as the Covid-19 outbreak has affected all training and courses planned by the Company. However, new digital technologies have allowed us to take advantage of alternative solutions for hosting in-house and external online training until the prevailing circumstances are over.

SEAFARERS BY NUMBERS

Gearbulk is committed to internal growth and offering opportunities for seafarers to grow with The Company.

AVERAGE SENIORITY WITH THE COMPANY

- 20 years (Masters)
- 14 years (Chief Officers)
- 11 years (2nd Officers)
- 8 years (3rd Officers)
- 5 years (Junior 3rd Officers)
- 18 years (Chief Engineers)
- 12 years (2nd Engineers)
- 10 years (3rd Engineers)
- 5 years (4th Engineers)
- 6 years (Junior 4th Engineers)
- 11 years (ETOs)

Developing our seafarers will continue to be a key focus area for Gearbulk.

613.5

DAYS

Number of training days

1,485

SEAFARERS

59%

OFFICERS DEVELOPED

through the Gearbulk
Cadet program

99.12%

RETENTION RATE

Officers & Ratings 2020

41

INTERNAL PROMOTIONS

Senior Officer positions

13

EXTERNAL RECRUITMENTS

Senior Officer positions

SPECIAL FOCUS AREAS TRAINING 2021

“This course has been of a great help to me for my leadership skills. Onboard we may be doing some of this leadership tools that we didn't notice, but now my ideas increased further and surely this will be implemented onboard to have a good camaraderie and harmonious relationship.”

2E Jose Tapiculin Lanzarote Jr

GEARBULK SAFETY LEADERSHIP ONLINE TRAINING

Through a successful running of the Gearbulk Safety Leadership online training during the pandemic, this was continued also in 2021 with remote sessions with crew attending when on leave from their homes around the world. Gearbulk conduct safety leadership training with the intention to further increase focus on safety and to operate our business safely.

Based on the statements received from our crew and a desire to enhance safety onboard our vessels, in 2019 Gearbulk implemented a mandatory 1.5-day Safety Leadership Training in cooperation with Green-Jacobsen, a 3rd party Safety training provider, for all Senior Officers onboard as well as managers ashore, including Technical and Marine superintendents.

The tailor-made course introduces the participants to safety leadership, especially the necessary behaviours and skills a person should possess and embody to become an effective safety leader, including best practices in driving crew performance and safety culture.

To increase the proximity to our crew and employees and make the training as relevant as possible, The Company decided to train its own trainers. Eight employees and managers received a “train-the trainer” certificate.

As the Covid-19 pandemic has hit the industry globally, there was no opportunity for conducting shore training. Instead, Company has organized 10 online training courses during the last two years and all of them were very interactive. 180 senior officers have undergone this online training.

Though virtual training can never replace the value of face-to-face training, the feedback from the seafarers was very positive, and they appreciated the opportunity to take part in shaping alternative methods for seafarer training. Gearbulk will continue this training and once all our senior officers will be trained, the training will be further extended to also be provided to our junior officers as well as they are key to our operations.





GEARBULK OFFICERS MINI ONLINE SEMINARS

The long traditional annual Senior Officer's Seminars had to be cancelled due to the pandemic crisis and global travel restrictions hence the successful virtual seminar sessions were held also in 2021 for Gearbulk Senior Officers.

Another six seminars took place before the year's end. In total, 97 Senior Officers and a large number of shore personnel participated across the six sessions.

Topics discussed during the seminars included:

- Company updates
- Covid Pandemic measures sea and shore
- Safety
- Repatriation of seafarers
- Training & well-being
- Technical & operational issues

Our Chairman, Mr. Kristian Jebsen joined five officer mini seminars presenting Company insights and thoughts on the future, the pandemic, the environment, and the economy.

These open forums brought up good discussions with constructive feedback between ship and shore representatives.

ECDIS TRAINING TRAINING

ECDIS on board training is carried out on a weekly basis, including discussions between Deck Officers and Cadets related to The Company's ECDIS Quick Reference guide.

Progress is reported to the Training Manager ashore through company reporting software (Sertica). During 2021, 1257 reports on the training outcome have been sent by vessels. This training resulted in fewer findings during audits and more proactive bridge teams, and will remain a continuous focus in Gearbulk

"By doing regular ECDIS Training & Familiarization with on board Deck Officers this will enhance their ECDIS knowledge & ability to use this Nav Aid to its full function."

Capt. Wayne Varias Vidallon

"The current weekly training program and QRG provides sufficient guidance for the use of ECDIS in safe Navigation."

Capt. Pattabiraman Sadhasivam



REFLECTIVE LEARNING

Reflective learning involves looking back at something; an experience or an idea and then critically analysing the event. Gearbulk has adapted this process to create a tailor made, interactive Reflective Learning program for the fleet.

The activity is a face-to-face (F2F) facilitated group discussion, supported by simple and engaging materials (to make the emotional connect). In the group discussion, attendees reflect on “how can similar things happen on my vessel” and their own behaviours such as “what can I do differently to prevent a similar incident.”

In 2019 the Company prepared a Reflective Learning programme for the fleet. Since then, monthly onboard training regime took place, containing relevant and varied topics. The vessels have been provided with supporting training material for each topic, such as videos, PowerPoint presentations and a facilitator guide. The aim of the videos provided is to create an interactive learning experience for the seafarers by examining root cause(s) of provoking incidents, as well as suggesting actions which may have prevented incidents from happening or to mitigate their consequences.

Creating a positive atmosphere

To achieve open and sound group discussions, it is important to create a positive atmosphere, where all group members can express their views. This encourages sharing of individual knowledge and personal experiences. Highlighting issues through personal sharing helps identify differences in perception and perspective among crew members and creates a common understanding of the issues, which is important in establishing a strong safety culture and more knowledge-based behaviour.

Feedback

The feedback from the fleet and internal auditors has been very good. Vessels report their training outcomes, including suggestions for improvement, through company reporting software (Sertica); 1068 reports were received from fleet in 2021. All reports are evaluated by the Office and follow-up actions such as changes to existing training modules, safety awareness campaigns and procedural changes are taken to continuously support the onboard sessions as they have proven effective in enhancing the overall onboard safety awareness.

“Training onboard like this must continue. A very big impact on the safety working onboard.”

Capt. Frio Clarence R. Gotangco

“The presentation and healthy interactive session among participants certainly contributes to enhance personal safety onboard.”

Capt. Sanderson Anthony Abreo

BALLAST WATER TREATMENT SYSTEM ONLINE FAMILIARIZATION

Invasive aquatic species present a major threat to the marine ecosystems, and shipping has been identified as a major pathway for introducing species to new environments.

Thus, the Ballast Water Management (BWM) Convention came into force in September 2017. Since its inception, the Convention stipulates that by 2024 all vessels with 400 gross tonnage and above should manage their ballast water and sediment according to a D2 Performance Standard.

Gearbulk has partnered with the Greek Ballast Water Treatment System (BWTS) manufacturer ERMA FIRST to fit its system onboard a number of vessels within the fleet.

Proper training plays an important role in ensuring that crew are familiar with the Convention requirements and how to properly use the Ballast Water Treatment System that is installed onboard. Training is provided by the manufacturer during the system’s installation onboard and a comprehensive CBT library is left onboard for further crew training.

To supplement this initial training, the Company has created its own online (familiarization) course for senior officers before joining vessels fitted with the ERMA FIRST BWTS. This tailor-made, one day course covers topics related to operational aspects of the system. The Company started this course in 2020 and continued throughout 2021. As at the end of 2021, six training sessions took place whereby 51 officers participated.

This online training sessions will be continued.



OUR SEAFARERS

HEALTH AND WELL-BEING

As an initiative to promote health and well-being amongst our employees, we continued to run the health and well-being campaign over a few months onboard in Q4 (Oct 17th - Dec 31st). This was the third campaign for our seafarers starting from year 2020 with the further intention getting exercise and healthier eating a part of our culture.

In addition to the Maitaca Arrow crew, winners of the exercise campaign, 5 vessels (Corella Arrow, Kuljak Arrow, Macuru Arrow, Swift Arrow and Tanchou Arrow) with the highest number of healthy meals prepared will receive an additional funding for their welfare. Each member of the galley department onboard these vessels will also receive a Gearbulk T-shirt as a recognition for their great work.

Company will continue promoting further health and well-being initiatives as part of commitment to support our employees.



NEPTUNE DECLARATION

TEAM UP FOR RESOLUTION

In 2021 Gearbulk joined forces with more than 450 companies and organisations to help resolve the humanitarian crisis that has left 400,000 seafarers stranded onboard ships around the world.



The COVID-19 pandemic has significant impacts on seafarers around the world. To prevent virus infection, many countries have imposed bans or restrictions on travel and crew changes, making it difficult for seafarers to join their ships or return home.

In December 2020, the International Maritime Organization (IMO) announced that approximately 400,000 seafarers were stranded on ships beyond the expiry of their contracts, while another 400,000 seafarers were unable to get to work.

To protect the rights and well-being of the seafarers, Gearbulk signed the Neptune Declaration on Seafarers Well-Being and Crew Change – a global call to action to end the ongoing crew change crisis.

The Maritime Industry Crew Change Taskforce developed the declaration after the Global Maritime Forum's 2020 Virtual High-Level Meeting.

Overcoming the seafarer crisis

The declaration is a joint global "call to action" to revitalise and underline the ongoing crewing crisis. It focuses on actions needed to ensure crew changes and safeguard global supply chains:

- Recognise seafarers as key workers and give them priority access to Covid-19 vaccines.
- Establish and implement a gold standard health protocol based on existing best practice.
- Increase collaboration between ship operators and charterers to facilitate crew changes.
- Ensure airline connectivity between key marine hubs for seafarers.

The present situation for seafarers worldwide clearly shows that they have not yet received the status of being Key Workers. The challenges continue, both related to legislation and actions taken in port, and actions taken by cargo owners and charterers.

The Neptune Declaration is developed by The Maritime Industry Crew Change Taskforce which consists of organisations such as the Global Maritime Forum, International Chamber of Shipping, International Maritime Employers' Council, and the World Economic Forum.

Learn more about the Neptune Declaration and see the full list of undersigning companies and organisations (Globalmaritime-forum.org)



OUR SHORE PERSONNEL

EQUALITY AND DIVERSITY

Gearbulk in 2021 remained a very lean organisation, focusing on retention of key talent and supporting our employees facing the challenges of prolonged periods of lock downs and mandated working from home arrangements.

Our commitment to diversity remains strong in our culture and people policies such as recruitment, retention, and promotions. We support equal access to learning, training, and development for all our employees, growing talent from within whenever possible, and fair access to job opportunities irrespective of gender, ethnic background, religion, age or sexual orientation. As an organisation we are always looking ahead to identify and address skill gaps in best possible way both for the short- and long-term sustainable operations. Our shore personell include both corporate amd terminals employees of which 81 of the employees represent a male demographic as the natrue of role is labour intensive and is a requirement from a legal persepctive.

OUR SHORE PERSONNEL BY NUMBERS

DEMOGRAPHIC



45

FEMALE



120

MALE

of which 81 are laborers on terminals

EMPLOYEES

165

HEADCOUNT

8

HIRED

8

TERMINATED

HEADCOUNT BY CITIZENSHIP

American	4	Latvian	1
Australian	1	Norwegian	33
Brazilian	94	Polish	2
British	6	Singaporean	8
Croatian	2	South African	1
Filipino	1	Mexican	1
German	1	Russian	1
Greek	1	Swedish	1
Indian	2	Swiss	2
Japanese	3		



GEARBULK

AN ATTRACTIVE WORKPLACE

Our Sustainability Commitment drives our efforts to maintain an attractive, modern, and flexible work environment for our people, conducive of developing our human potential. In 2021 we have embraced the new working styles emerging during the pandemic, introducing hybrid working models.

Our employees have now the opportunity to combine home and office work on permanent or voluntary basis, depending on their job location. This model has been well received by most of our workforce and had also been an important factor in attracting new talent to our business. In 2021 we hired 8 new employees to our shore team worldwide, including one student trainee. All new employees undergo an extensive, world-class onboarding program, where they are introduced to the Gearbulk organization step-by-step. The training includes meeting up with the Head of every department, structured and comprehensive training on the work tools and being assigned a 'buddy' as well as having a regular follow up sessions with local HR representative to ensure smooth onboarding.

Growing and developing our people from within the organization has remained our top priority, with 7 of our colleagues receiving a promotion, bringing their personal and professional development to a new level. Promotion in Gearbulk is awarded based on one or more of the following: a recognition for achieving higher

performance level, taking on extra responsibilities, proactively developing in current role or bringing new and fresh ideas that are deemed to be taking Gearbulk in the right direction. Our people receive support, training, feedback, and recognition for their efforts regularly and through our systematic appraisals.

In 2021 we have seen some of our colleagues deciding to leave the team, for several personal or professional reasons. Unprecedentedly Covid lockdowns, and the consequences it had on personal circumstances, working environment, and changing working patterns played a role in some of these departures. We have bid farewell to 8 of our colleagues worldwide, bringing our turnover rate to 6,98%.

Our Health and Wellbeing initiatives gained extra attention and became yet another tool that we wholeheartedly embraced to connect with people under prevailing circumstances. Digital competitions, positive team reinforcements and flexible working patterns helped us to keep the overall sick rate at 0,86%.

INTRODUCTION TO SHORE TRAINING



Gearbulk continued to invest in shore training in 2021. Several different initiatives and training sessions were conducted during 2021. This included identification of training needs, creation of training material, formation of learning platforms and implementation of the training. Key highlights are found below.

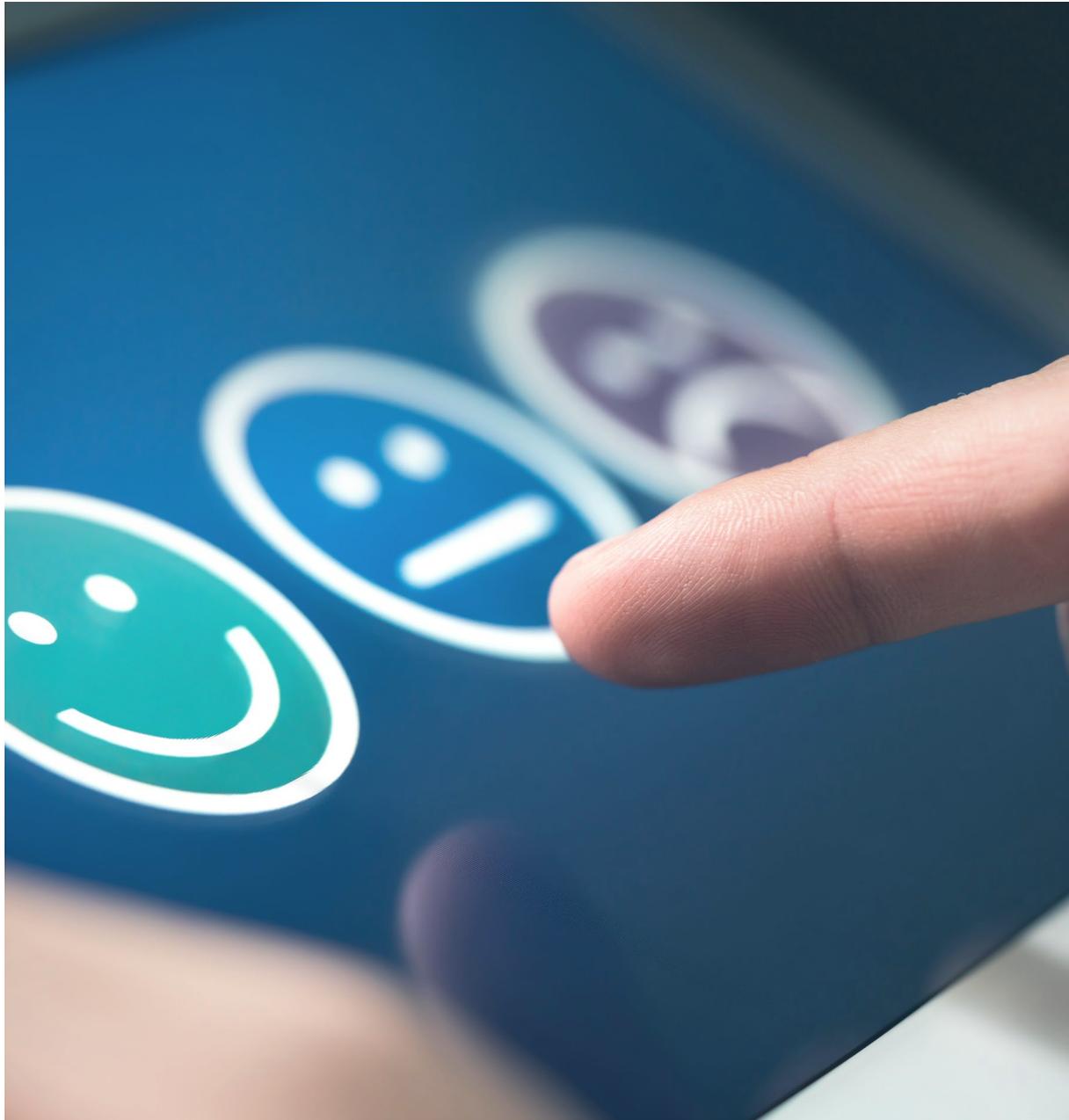
COMPETENCE MATRIX SHORE

The Gearbulk Training Department officially launched an updated Competence Matrix for Shore staff in 2021. The updated version included specific mandatory and recommended training for each department, including our Santos terminal and our JV, High Heat Tankers. All staff added completion of training as an objective, and deadline for completing all modules were set to Q1, 2022. The updated Matrix aims to increase knowledge about Compliance, Cyber Security, Human Relations and key maritime laws and regulations.

ONBOARDING/OFFBOARDING PROJECT

The Gearbulk Training Department launched a new project in late Q3, 2021 focusing on onboarding and offboarding of staff. A project group was established where important changes to our onboarding was made to increase the newcomers' experience and at the same time reduce the time spent on onboarding administration. Key changes included aromatisation of Key processes, clearer roles and responsibilities and a new structure for delivering introduction to Gearbulk sessions.

The team also reviewed our offboarding process where the aim was to reduce time spent on administration and data privacy including the retention of records for leavers.



EMPLOYEE SURVEY

LEARNING FROM EXPERIENCE

The Covid-19 pandemic has put our seafarers around the world in precarious situations, and global travel restrictions mean some cannot always leave their ships, be repatriated home, or even receive urgent medical assistance. In the meanwhile, our shore employees have mostly been working from home and interactions with other colleagues and vessels have in most cases been done via MS TEAMS.

As the Covid-19 situation continued to unfold into 2021, our top priority remained the safety and well-being of our crew and shore employees. Therefore, we decided in Q2 2021 to ask our own seafarers and shore employees how they have experienced the last year with a global pandemic and what Gearbulk could do to improve the current situation. We also asked our crew and shore employees to share their perception of how Gearbulk is handling safety, the environment and internal communication.

The survey was divided into the following sections:

- Mental Health during last 12 months (General Health Questionnaire (GHQ-12))
- Working from home (for shore employees only)
- Safety Performance
- Engagement levels
- Internal Communication
- Environment and sustainability
- Travel (for shore employees only)
- Covid-19 handling

The key findings from both surveys were presented to the crew and shore employees with specific action plans to improve selected focus areas decided by the HSEQ and the HR department.

SUPPORTING THE SOCIETY WE OPERATE IN

GEARBULK SOLIDARITY FUND

70K

**USD DOLLARS RAISED
THROUGH FUNDRAISING**

to support colleagues financially
affected by Covid-19

126

**DONATORS
CONTRIBUTED**

to the fundraising

14,5K

**USD DOLLARS WERE
DISTRIBUTED**

to seafarers in need, after the
'Odette' typhoon

42

**SEAFARERS GOT
FINANCIAL HELP**

after the 'Odette' typhoon

With the outbreak of the COVID-19 virus during 2020, none of us were prepared for the dramatic effects it would have globally on both businesses and individuals.

The pandemic's impact was felt in every corner of the globe, including the heart of Gearbulk, our seafarers, who have the most crucial role in our business - keeping our vessel operations alive. Countless port restrictions coupled with the limited availability of flights made crew changes nearly impossible. This prolonged difficult situation resulted in many seafarers with overdue contracts, and equally as many at home with no income for months on end. The complex situation presented different challenges for each, and for the latter, it meant extra financial hardship.

In response to this, Gearbulk decided to act swiftly and established the Gearbulk Solidarity Fund with the aim to provide financial aid to Gearbulk seafarers affected by the COVID-19 pandemic.

The effort was launched in early May 2020, and within the first two weeks tremendous progress was made across the organisation, both sea and shore. Individuals

from all Gearbulk offices contributed, together with the seafarers onboard, who understood more than anyone the drastic consequences the situation had on their colleagues stuck at home. Coordination efforts from various departments together with our crewing agents enabled the donation and fund disbursement process to run smoothly and efficiently.

Management kicked off the fundraising, making an initial contribution of USD 25,000. Following this, all donations from vessels and Gearbulk employees helped us to exceed our initial goal, and collectively we managed to raise USD 70,000. It was truly heart-warming to see how quickly everyone came together to show solidarity and empathy for our fellow colleagues in need.

We closed 2020 year with a total of 126 donators having contributed to the cause. The Gearbulk Solidarity fund has disbursed a total of USD 37,800 so far, and we are

prepared to respond to future challenges the pandemic may present in early 2021. Despite vaccination efforts and progress, next year will presumably still be challenging, but the GBSF is ready to further help and support those who may need an extra helping hand.

In addition to support provided to the Seafarers, in 2021, the fund was extended to also support seafarers affected by the typhoon Odette which hit the Philippines and destroyed houses and properties for our seafarers. USD 14,500 were distributed to 42 seafarers impacted by typhoon 'Odette'.

04 OUR PROGRESS
GOVERNANCE

Charged with Governance	57
Board of Directors	58
Audit committee	58
Gearbulk leadership team	58
Our Ethics	59
Our Ethical commitments	61
Protecting our organization	63
Sustainable business development	65
GRI indicator	66





CHARGED WITH GOVERNANCE

CORPORATE GOVERNANCE IN GEARBULK

A strong and consistent corporate governance makes it possible for Gearbulk to realize its Corporate Aspiration and Values.

"We at Gearbulk are dedicated to conducting all of our business activities with the highest level of ethical standards, therefore compliance with all laws is a fundamental part of our corporate values."

Kristian Jebsen, Chairman



BOARD OF DIRECTORS

Gearbulk is governed by its Board of Directors, which sets overall strategy. The board meets on a quarterly basis.

BOARD OF DIRECTORS INCLUDE:

Kristian Jebsen

Hans Olav Lindal

Hans Petter Aas

Toshiyuki Katagiri

Toshinobu Shinoda



AUDIT COMMITTEE

The Board's Audit Committee is comprised of non-executive directors who oversees financial reporting, internal controls, risk management, audit processes, compliance monitoring and business conduct. The committee meets at least once a year.

AUDIT COMMITTEE INCLUDE:

Hans Olav Lindal

Hans Petter Aas

Toshinobu Shinoda



GEARBULK LEADERSHIP TEAM

Under Board mandate, the Gearbulk Leadership Team guides implementation of strategies developed and approved by the Board and coordinates group activities. The Leadership team meets on a frequent basis.

LEADERSHIP TEAM INCLUDE:

Kristian Jebsen

Tadashi Imai

Ketil Andreassen

Paal Minne

Daniel De Chiaro

OUR ETHICS

DOING BUSINESS RESPONSIBLY

Gearbulk is committed to building a sustainable business based on sound and effective corporate governance structures.

We strive to be a responsible corporation, creating effective policies and procedures and implementing sound controls to help us achieve this. By creating awareness among our employees and empowering them, we can build an environment where our individual actions will have a positive effect on our sustainable business practices.



OUR OBJECTIVE

- Compliance with laws and regulations.
- Promote awareness on how we conduct business and with whom we do business with.

ACHIEVING THE OBJECTIVE

- Implementation of policies and procedures and training to prevent non-compliance.
- All suppliers Gearbulk conducts business with to acknowledge and sign the Supplier code of conduct.
- Gearbulk has developed policies and procedures to manage risks related to sanctions.
- Adherence to the Gearbulk code of conduct is mandatory for all employees. Employees are to sign an acknowledgement of understanding.
- Participation in BIMCO membership.

MEASURING OUR ACHIEVEMENT

- Number of non-compliance occurrences and fines paid.
- Number of reported breaches in the Supplier code of conduct.
- No violations of sanction list.
- Number of stakeholders acknowledging the Gearbulk Code of Conduct.

As we believe that a sustainable business is built on a good ethical foundation, we have developed policies to promote awareness. Understanding our policies is a mandatory requirement for all employees and training in place supports our

commitment to promote awareness. We have a no tolerance threshold for any breaches in policies and procedures which can lead to disciplinary action and even termination of the relationship.

OUR ETHICS BY THE NUMBERS

0

NUMBER OF VIOLATIONS TO
NON-COMPLIANCE

Policies and procedures are regularly reviewed and updated to support Gearbulks commitment to comply with laws and regulations. Training is then provided to create awareness and educate employees on the policies and procedures. During 2021, Gearbulk had no reported violations to non compliance to laws and regulations and furthermore no fines were paid due to non compliance.

0

TRANSACTIONS WITH
SANCTION LIST COUNTRIES

When choosing business partners various checks are performed using a database to evaluate whether the intended business partner is either on or associated with a country, legal entity or individual that is on the sanctioned list. Reports are generated on a regular basis and business partners are flagged whereby management are to react. During 2021 no transactions have been reported with sanctioned entities.

0

REPORTED SUPPLIER CODE
OF CONDUCT BREACHES

When onboarding suppliers a due diligence process is undertaken to ensure that business partners chosen meet the requirements of Gearbulk code of conduct. Supplier base is reviewed on an annual basis and risks are evaluated and communicated to the supplier to correct. During 2021 no supplier breaches have been noted. Gearbulk is currently actively improving processes for data collection and monitoring to ensure that the Gearbulk Code of conduct is adhered to at all times.

100%

ACKNOWLEDGEMENT OF
GEARBULK CODE OF CONDUCT

When joining Gearbulk all new joiners are required to read and sign the code of conduct as proof of the acknowledgement of understanding. During 2021 all new joiners have signed the code of conduct. Training is also provided which is mandatory and part of the on boarding process which was completed by all new joiners.

OUR ETHICAL COMMITMENTS

ZERO TOLERANCE FOR UNETHICAL PRACTICES

Gearbulk follows strict protocols and ensure that policies and procedures are regularly reviewed and updated to combat unethical business practices.

OUR OBJECTIVE

- Promote transparency and awareness on unethical business practices.
- Promotion of transparency and awareness on prohibition on facilitation payments.

ACHIEVING THE OBJECTIVE

- Regular review of policies and procedures ensuring policies take into account recent events.
- Training of employees on policies and procedures.
- Subscription to MACN and reporting of incidents during the year.
- Regular review and update on Gearbulk ABC policies.
- Training provided to employees on MACN and ABC Policies

MEASURING OUR ACHIEVEMENT

- Number of reported bribery and corruption cases.
- Number of employees that received training.
- Number of Compliance Committee meetings conducted.
- Number of incidents reported to MACN together with severity and resolution of cases.
- Number of employees trained on ABC policy.

THE GEARBULK COMMITMENT

“With our zero tolerance to unethical business we don’t accept any activity that leads to bribery and corruption and activities leading to unethical behaviours has serious consequences”

KEEPING OUR EMPLOYEES SAFE

0

ABC INCIDENTS OCCURRED 2021

TARGET: 0

By creating awareness to our employees, we provide a safe environment to report any actual or suspected incidents where bribery or corruption is present. During 2021, 17 cases were reported and after investigation the cases were deemed not to have met the definition of an ABC incident and therefore resolved.

4

**OUT OF 4 COMPLIANCE
MEETINGS WERE CONDUCTED**

TARGET: 4

Each quarter the compliance committee meets to ensure that compliance matters are dealt with, and any breaches of policies are discussed. During 2021 all meetings were held and attended by the members.

31%

**OF EMPLOYEES HAVE RECEIVED
TRAINING ON ANTI BRIBERY
AND CORRUPTION**

TARGET: 100%

During 2021 the organization reviewed and updated policies and procedures relating to ABC and training was rolled out in Q4-2. The goal is to have 100% training rate on the policy however as at the end of 2021 only 31% were trained. The Company intends to have 100% rate during Q1 of the 2022 year.

0

**INCIDENTS WERE REPORTED
TO MACN IN 2021**

TARGET: 0

As a member of MACN, Gearbulk creates awareness to the employees on what to do when faced with an ethical dilemma. This platform further creates a safe environment to report any actual or suspected cases where the employee is faced with difficult decisions that could breach the code of ethical conduct. It is Gearbulks goal to have no incidents reported.

PROTECTING OUR ORGANIZATION

COMBATTING CYBER CRIME

Together with our Joint Venture G2O and Joint Venture Partner Grieg we strive to protect our organization data from various threats arising from Cyber Crime.

As a multinational organization with a magnitude of different IT infrastructure we use in the organization, the likelihood of cyber-attacks increases daily, and the loss and manipulation of data can have a significant impact on our organization. Gearbulk commits to prevention and management of Cyber Crime by contributing as a member to Norma Cyber.



At Gearbulk we are aware that the risk cannot be eliminated however we believe by implementing controls reducing the risk is possible and we have done so by:

1. Implementation of IT systems that are robust
2. Enhancement of security measures for remote working
3. Conducting simulated phishing attacks and reporting thereof
4. Robust testing of the potential vulnerability of the IT environment

OUR OBJECTIVE

- Robust policies and procedures and providing training
- Secure IT environment over all platforms

ACHIEVING THE OBJECTIVE

- Training of employees on Gearbulk Policies and Cyber Security Behaviour
- Using of live training examples in training environment to support learning experiences.
- Regular review and update of IT policies taking account new possible risks
- Increase in IT security controls to reduce possible threats

MEASURING OUR ACHIEVEMENT

- Number of employees that received training
- Percentage of simulated phishing attacks missed
- Number of attacks registered in the organization.



OUR PROGRESS BY THE NUMBERS

59%

OF EMPLOYEES
REGISTERED

During 2020 employees were required to register for training that is provided on an ongoing basis and by the use of sophisticated software, where employees have access to various interactive e-learning experiences. At the end of 2021, 104 employees were registered.

100%

OF EMPLOYEES
RECEIVED TRAINING

It is mandatory that all employees join the cyber security training and failure not to do so has serious consequences as Gearbulk takes Cyber Security very seriously. Training is provided on an ongoing basis where employees are kept up to date of the new developments that could affect the daily operations.

93%

OF SIMULATED ATTACKS
SPOTTED BY EMPLOYEES

Simulated hacking attacks are created on a regular basis whereby the employees are tricked with attacks currently seen in the workplace. The employee has the option to delete or report the email. It is Gearbulks target to reduce the failed attacks to a minimum which in combination with the learning environment is possible.

150

ACTUAL INCIDENTS IN 2021
COMPARED TO 1 INCIDENT IN 2020

Cyber attacks have increased in the 2021 year due to various components in the market. The increase in actual incidents were attributable to modern ways hackers operate tricking the individual to actual day to day ordinary business scenarios. Together with increasing awareness, IT Security infrastructure and various e-learning, the Company is confident to reduce the incidents in 2022.

SUSTAINABLE BUSINESS DEVELOPMENT

OUR COMMITMENT TO ESG REPORTING

“Gearbulk started the journey of ESG reporting in 2021 and established an ESG committee which meets monthly to assess, implement, and monitor the company performance on achieving a robust ESG reporting framework. Gearbulk is currently completing the materiality assessment of which topics will then be prioritized, KPI’s and targets set (in addition to the metrics Gearbulk already report on) and strategies (to meet the KPI’s and Targets) concluded on”

GRI INDICATOR

This report has been compiled with reference to the guidelines of the Global Reporting Initiative (GRI).

GRI CONTENT INDEX

Statement of use: Gearbulk Holding AG has reported the information cited in this GRI content index for the period from 1st January 2021 to 31st December 2021 with reference to the GRI Standards. The GRI 1 - Foundation 2021 is used. GRI is notified that we use the standard. The GRI index below includes references to topics addressed in the report, how-

ever please be informed that the reporting is not complete as per the GRI requirements. Gearbulk's long-term target is an integrated report in accordance with GRI. We trust this index is helpful for the reader and it also allows us to identify areas of improvement. For the 2022 report our aim is to develop the reporting to be more complete.

Disclosure number	Disclosure	Location	Comment
GRI 2 - GENERAL DISCLOSURES 2021			
2-1	Organisational details	Gearbulk Holding AG Headquarter: Switzerland 4, 12	
2-2	Entites included in the organization's sustainability reporting	74	
2-3	Reporting period, frequency and contact point	1 January 2021 - 31 December 2021 Annual Shahn Bothma, ESG and Risk Manager	
2-4	Restatement of information	No	
2-5	External assurance	No	
2-6	Activities, value chain and other business relationships	4, 10, 11 No major changes in sector or value chain occurred in the reporting period	
2-7	Employees	4, 12, 44, 51-52	
2-8	Workers who are not employees	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.

Disclosure number	Disclosure	Location	Comment
2-9	Governance structure and composition	58	
2-10	Nomination and selection of the highest governance body	58 The highest governance body is the Board of Directors. The Board of Directors are elected by the company's shareholders according to the process described by applicable law, by-laws and the shareholder agreement.	
2-11	Chair of the highest governance body	58	
2-12	Role of the highest governance body in overseeing the management of impacts	58	
2-13	Delegation of responsibility for managing impacts	6, 58, 65	
2-14	Role of the highest governance body in sustainability reporting		
2-15	Conflicts of interests	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.
2-16	Communication of critical concerns	Gearbulk has implemented a whistleblowing policy and system where any incidents are reported to those charged with Governance.	
2-17	Collective knowledge of the highest governance body	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.
2-18	Evaluation of the performance of the highest governance body	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.
2-19	Remuneration policies	Confidentiality constraints	The remuneration policies are subject to confidentiality clauses in employment agreements.
2-20	Process to determine remuneration	Information unavailable / incomplete	The information is currently incomplete. This will be investigated for the 2022 report.
2-21	Annual total compensation ratio	Confidentiality constraints	Compensation is subject to confidentiality clauses in employment agreements.
2-22	Statement on sustainable development strategy	6-7	
2-23	Policy commitments	59-62	
2-24	Embedding policy commitment	59-62	
2-25	Processes to remediate negative impacts	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.
2-26	Mechanisms for seeking advice and raising concerns	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.
2-27	Compliance with laws and regulations	59-60	
2-28	Membership associations	59, 61-63	
2-29	Approach to stakeholder engagement	2, 65	
2-30	Collective bargaining agreements	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.

Disclosure number	Disclosure	Location	Comment
GRI 3 - MATERIAL TOPICS 2021			
3-1	Process to determine material topics	7, 19, 65	
3-2	List of material topics	The below GRI topics are considered material for Gearbulk: 205: Economic Performance, 205: Anti-corruption, 302: Energy, 303: Water and Effluents, 305: Emissions, 306: Effluents and Waste, 308: Supplier Environmental Assessment, 401: Employment, 403: Occupational Health and Safety, 404: Training and Education, 405: Diversity and Equal Opportunities, 406: Non-discrimination, 413: Local Communities	Gearbulk is currently completing a full materiality assessment according to GRI which will be disclosed for 2022.
3-3	Management of material topics	<p>“The management approach to each material topic is described on the following pages:</p> <p>205: Economic Performance 205: Anti-corruption p. 61-62 302: Energy p. 22-23, 25, 31-32 303: Water and Effluents p. 26 305: Emissions p. 2, 21-23, 31-32 306: Effluents and Waste p. 27-30 308: Supplier Environmental Assessment p. 28-30 401: Employment: p. 52 403: Occupational Health and Safety p. 19, 37-40, 45-49 404: Training and Education p. 43-47, 53 405: Diversity and Equal Opportunities p. 36, 51 406: Non-discrimination p. 36 413: Local Communities p. 34, 55</p>	
GRI 201 - ECONOMIC PERFORMANCE 2016			
201-1	Direct economic value generated and distributed	Confidentiality constraints	The group's annual accounts are not public.
201-2	Financial implications and other risks and opportunities due to climate change	6, 24	

Disclosure number	Disclosure	Location	Comment
201-3	Defined benefit plan obligations and other retirements plans	Confidentiality constraints	Benefit / retirement plans are subject to confidentiality clauses in employment agreements.
201-4	Financial assistance received from government	None	

GRI 205 - ANTI-CORRUPTION 2016

205-1	Operations assessed for risks related to corruption	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.
205-2	Communication and training about anti-corruption policies and procedures	62	
205-3	Confirmed incidents of corruption and actions taken	62	

GRI 206 - ANTI-COMPETITIVE BEHAVIOR 2016

206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	None	
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GRI 302 - ENERGY 2016

302-1	Energy consumption within the organization	22-23, 25	
302-2	Energy consumption outside of the organization	Information unavailable / incomplete	The information is currently unavailable, Gearbulk will start data collection in 2023.
302-3	Energy intensity	Information unavailable / incomplete	The information is currently unavailable, will be disclosed for 2022.
302-4	Reduction of energy consumption	22-25, 31-32	
302-5	Reductions in energy requirements of products and services	22-25, 31-32	

GRI 303 - WATER AND EFFLUENTS 2018

303-1	Interactions with water as a shared resource	26	
303-2	Management of water discharge-related impacts	26	
303-3	Water withdrawal	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.
303-4	Water discharge	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.
303-5	Water consumption	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.

Disclosure number	Disclosure	Location	Comment
GRI 305 - EMISSIONS 2016			
305-1	Direct (Scope 1) GHG emissions	22-23, 25	
305-2	Energy indirect (Scope 2) GHG emissions	Information unavailable / incomplete	The information is currently unavailable, will be disclosed for 2022.
305-3	Other indirect (Scope 3) GHG emissions	Information unavailable / incomplete	The information is currently unavailable, Gearbulk will start data collection in 2023.
305-4	GHG emissions intensity	Information unavailable / incomplete	The information is currently unavailable, Gearbulk is calculating the carbon intensity for its fleet and will disclose this as per the IMO regulations.
305-5	Reduction of GHG emissions	2, 31-32	
305-6	Emissions of ozone-depleting substances (ODS)	Information unavailable / incomplete	The information is currently unavailable, Gearbulk will start data collection in 2023.
305-7	Nitrogen oxides (Nox), sulfur oxides (SOx), and other significant air emissions	25	
GRI 306 - EFFLUENTS AND WASTE 2016			
306-3	Significant spills	22	
GRI 306 - WASTE 2020			
306-1	Waste generation and significant waste-related impacts	27-30	
306-2	Management of significant waste-related impacts	27-30	
306-3	Waste generated	27-30	
306-4	Waste diverted from disposal	27-30	
306-5	Waste directed to disposal	27-30	
GRI 308 - SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
308-1	New suppliers that were screened using environmental criteria	Information unavailable / incomplete	The information is currently unavailable, will be disclosed for 2022.
308-2	Negative environmental impacts in the supply chain and actions	28-30	

Disclosure number	Disclosure	Location	Comment
GRI 401 - EMPLOYMENT 2016			
401-1	New employees hires and employee turnover	52	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Confidentiality constraints	Benefits to employees are subject to confidentiality clauses in employment agreements.
401-3	Parental leave	Information unavailable / incomplete	The information is currently unavailable, will be disclosed for 2022.
GRI 403 - OCCUPATIONAL HEALTH AND SAFETY 2018			
403-1	Occupational health and safety management system	38	
403-2	Hazard identification, risk assessment, and incident investigation	19, 39	
403-3	Occupational health services	19, 37	
403-4	Worker participation, consultation and communication on occupational health and safety	19, 37-38, 48-49	
403-5	Worker training on occupational health and safety	45-47, 54	
403-6	Promotion of worker health	19, 37-38, 48	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	19	
403-8	Workers covered by an occupational health and safety management system	Information unavailable / incomplete	The information is currently unavailable, will be disclosed for 2022.
403-9	Work-related injuries	40	
403-10	Work-related ill health	Information unavailable / incomplete	The information is currently unavailable, will be disclosed for 2022.
GRI 404 - TRAINING AND EDUCATION 2016			
404-1	Average hours of training per year per employee	Information unavailable / incomplete	The information is currently incomplete, will be disclosed for 2022.
404-2	Programs for upgrading employee skills and transition assistance programs	43, 45-47, 53	
404-3	Percentage of employees receiving regular performance and career development reviews	100%	

Disclosure number	Disclosure	Location	Comment
GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY 2016			
405-1	Diversity of governance bodies and employees	51	
405-2	Ratio of basic salary and remuneration of women to men	Confidentiality constraints	The group's annual accounts are not public.
GRI 406 - NON-DISCRIMINATION 2016			
406-1	Incidents of discrimination and corrective action taken	None	
GRI 413 - LOCAL COMMUNITIES 2016			
413-1	Operations with local community engagement, impact assessment and development programs	34, 55	
413-2	Operations with significant actual and potential negative impacts on local communities	Information unavailable / incomplete	The information is currently unavailable, will be disclosed for 2022.
GRI 415 - PUBLIC POLICY 2016			
415-1	Political contributions	None	
GRI 418 - CUSTOMER PRIVACY 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None	

DEFINITIONS

Biofouling

The accumulation of plant and animal organisms on wetted surfaces.

CBT

Computer based training.

COA

Contract of Affreightment, a contract requiring the carriage of a determined quantity of a specified cargo over a given period of time.

CO²

Carbon Dioxide – major Greenhouse gas. An atmospheric increase of 35% since pre-industrial levels has been attributed to burning of fossil fuels and deforestation, causing global warming. This increased level is also responsible for increased acidification of the oceans.

Dunnage

Material used to support and secure cargo during transportation.

DWT

Deadweight tonnage is a measure of the sum of the weights a vessel can carry including cargo, fuel, ballast, fresh water, and stores.

ECA

Emission Control Area, areas with more stringent regulation of emissions such as SO_x and NO_x for environmental and/or human health issues.

ECDIS

Electronic Chart Display and Information System

EEDI

Energy Efficiency Design Index.

EEOI

Energi Efficiency Operational index

Fleximax

Vessels with open hatch, box shaped holds but having fixed jib cranes rather than travelling gantry cranes. This gives rise to small overhangs on four hold bulkheads incorporating the crane support structure.

GHG

Greenhouse Gases, generic name for a range of gases which absorb and reflect thermal radiation back to the earth's surface which would otherwise have escaped into space, thus leading to global warming.

GLT

Gearbulk Leadership Team.

IHM

Inventory of Hazardous Materials.

IMO

International Maritime Organisation, United Nations agency responsible for the safety and security of shipping and the prevention of pollution from ships.

ISO

International Organisation for Standardisation.

LTIF

Lost Time Injury Frequency, the number of Lost Time Injuries per million man-hours worked during the reporting period.

MACN

Maritime Anti-Corruption Network, a global network promoting good prac-

tice in the maritime industry by tackling bribes, facilitation payments and other forms of corruption.

MARPOL

Abbreviation for marine pollution and refers to IMO's International Convention for the Prevention of Pollution from Ships which covers pollution caused by oil, noxious liquids in bulk, pollutants carried in packaged form, sewage, garbage, and air pollution.

Mt

Metric tonnes.

NO_x

Generic term for nitric oxides and nitrogen dioxide formed during the combustion process. Forms acid rain and destroys the earth's protective ozone layer. Inhalation can cause or worsen respiratory diseases such as bronchitis, emphysema and aggravate heart disease.

NGOs

Non-Government Organisation, an organisation which operates independently from any form of government and is not a conventional for-profit business.

OCIMF

Oil Companies International Marine Forum

OHGC

Open Hatch Gantry Crane.

OHJC

Open Hatch Jib Crane.

DEFINITIONS

PSC

Port State Control, the inspection of foreign ships in national ports to verify the condition of the ship and its equipment comply with the requirements of international regulations and that the ship is manned and operated in compliance with these rules.

SEEMP

Ship Energy Efficiency Management Plan, a tool which incorporates best practices and continual improvement for the energy efficient operation of a vessel. Introduced by IMO.

Semi-open

Vessels with hatch openings slightly smaller than the cargo hold, causing minor overhangs.

SO_x

Sulphur oxides, broad term referring to a range of sulphur and oxygen containing compounds which can be generated naturally (volcanoes) and from man-made sources such as burning of fossil fuels.

STCW

Standards of Training, Certification and Watchkeeping. The IMO Convention for STCW prescribes minimum standards relating to training, certification and watchkeeping for seafarers.

Supramax

Bulk carrier in 50,000 to 60,000 dwt range.

TEFC

Totally Enclosed Forestry Carrier.

Tweendecker

Vessel which has its holds divided by a 'tween' deck which creates upper and lower holds.

COMPANIES IN GEARBULK

Gearbulk Holding AG

Gearbulk Shipowning Limited

Gearbulk Shipping Singapore Pte. Ltd.

Gearbulk Shipmanagement Limited

Gearbulk Shipping AS

Gearbulk Pool Limited

Gearbulk Norway AS

Gearbulk AG

Gearbulk Limited

Arrow Terminals Inc.

Gearbulk Terminais (Brasil) Ltda.

Gearbulk Management Switzerland AG

Gearbulk (UK) Limited

Gearbulk Maritima Ltda.

Gearbulk Services Japan Ltd.

Gearbulk Inc.

Gearbulk Pool Limited - Dubai Branch

Gearbulk Shipping Singapore Pte. Ltd. - PNG Branch

Gearbulk Shipowning Limited. - PNG Branch



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