

PROPELLING FORWARD

2023

ESG REPORT

GEARBULK

2023 ESG REPORT

The ESG Report has been drafted to provide our stakeholders with insights into how we respond to ESG topics within our business.

OUR SUITE OF REPORTS



INTEGRATED REPORT

Our strategic progress and how we create value in the societies in which we operate



ESG REPORT

Our efforts to improve on environmental, social and governance performance



FINANCIAL STATEMENTS

Our financial and governmental statements

REPORTING FRAMEWORKS

IR - International Integrated Reporting Council's "IR" Standards
 ESG - In accordance with the Global Reporting Initiative (GRI)
 FS - Generally Accepted Accounting Principles (US GAAP)

FEEDBACK

Feedback is integral to improvement. If you have comments which could help us improve our report, please send us an email to stakeholderrelations@gearbulk.com.

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ABOUT OUR REPORT

This report demonstrates Gearbulk's commitment to reducing our negative impacts on the Environment and Society and describes how we work to strengthen our governance practices to support the business. This report discloses key actions taken during the year and the results of our key Environmental, Social and Governance metrics. This report is drafted in accordance with the Global Reporting Initiative (GRI) framework.

Boundary and Scope

This report provides information to our stakeholders about Gearbulk's ESG efforts against key metrics using the requirements of the GRI as reference. The period covered by this report is 1st January 2023 – 31st December 2023 (the Gearbulk financial year-end). The information contained within is purely non-financial and pertains to Gearbulk's wholly owned subsidiaries and business areas where Gearbulk has significant operational control and reflects the material business of Gearbulk, which is our shipping activities. This report excludes information already reported by our joint ventures and information from our terminal business. This follows the same approach of our Integrated Report. Information contained in this report refers merely to material topics and therefore it is advisable to read the report in parallel with the Integrated Report for the full overview of our ESG journey.

Materiality

This report has been compiled internally, and information contained within the report has not been verified by external assurance providers. The report contains information that Gearbulk deems is material in accordance with a Double Materiality Assessment that has been conducted, which is located in Gearbulk's Integrated Report. Our ambition is to obtain limited assurance on selected metrics reported in the future.

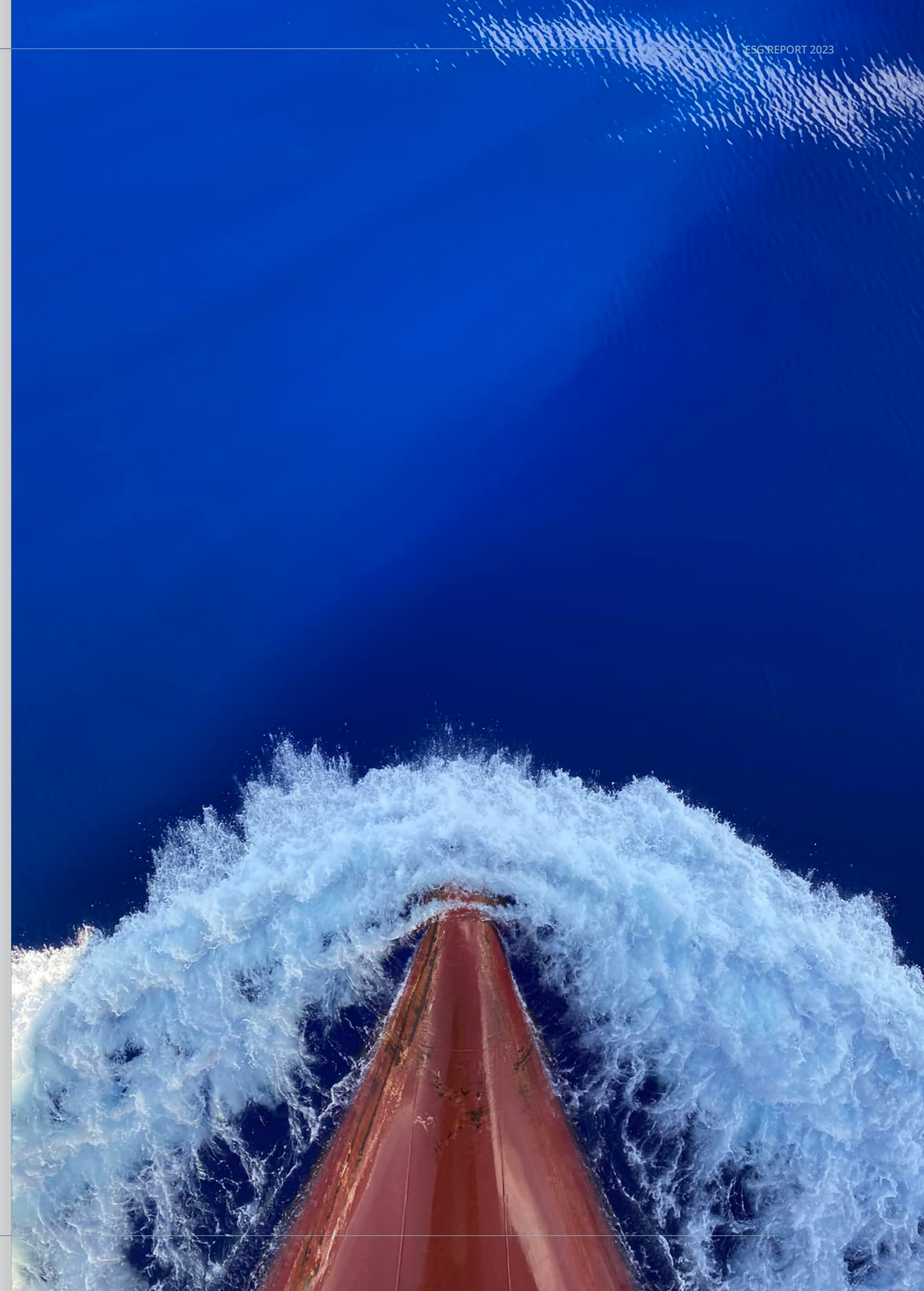
Restatement of metrics

Emissions in accordance with the GHG Protocol

During 2023 guidance on the reporting of emissions relating to Shipowners and Charterers has been come available. The guidance refers to the definition of "Operational Control" and accounting of Scope 1 emissions. According to the guidance, Shipowners are to report emissions on vessels that are Chartered as Scope 3 and the Charterer as Scope 1. Gearbulk has adopted this guidance and has therefore restated the information.

Definitions

Throughout this report "Gearbulk", "Company", "Group", "we", "us" and "our" refer to Gearbulk Holding AG and its subsidiaries. Subsidiaries comprise entities consolidated under either the voting interest method or the variable interest method..



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PART 1

OVERVIEW

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INTEGRATING ESG INTO GEARBULK

BUILDING A SUSTAINABLE LEGACY

Embedded in our strategic framework and serving as the foundational core of our business operations, ESG stands as an enduring driving force. We continuously evolve our organisation, meticulously examining current practices to optimise our role in the global mission to cultivate a prosperous world for all.

OUR APPROACH TO ESG

Gearbulk follows a step-by-step approach to ensure that we not only report our actions and the results of our actions, but also identify opportunities resulting from the ever-evolving business landscape.



ESG HIGHLIGHTS

CONSISTENTLY IMPROVING

 ENVIRONMENT

↓ **21%**

CO₂ EMISSIONS
SCOPE 1
Decrease from 2019

↓ **28%**

CO₂ EMISSIONS
SCOPE 2
Decrease from 2021

↑ **85%**

CO₂ EMISSIONS
SCOPE 3 CATEGORY 6
Increase from 2021

↓ **5%**

CO₂ EMISSIONS
SCOPE 3 CATEGORY 13
Decrease from 2019

↓ **87%**

SO_x EMISSIONS
Decrease from 2022

↓ **6%**

NO_x EMISSIONS
Decrease from 2022

↑ **7%**

PLASTIC LANDED
Increase from 2022

1,826 kg

PROCUREMENT OF
SUSTAINABLE GOODS
Increase from 2022

1

VESSEL RECYCLED
and in accordance to the new
ship recycling policy

4

SPILLS CONTAINED
Mainly from hydraulic hose
failure onboard

100%

BALLAST WATER
TREATMENT
Installed on all vessels planned

**GARBAGE
COMPACTORS**

Installed on all vessels

**WATER
MINERALISERS**

Installed on all vessels

 SOCIAL

3.07

AVERAGE NEAR
MISS REPORTS
from managed vessels each month

ZERO

FATALITIES
amongst permanent
employees and workers

ZERO

MATERIAL FINDINGS
ON HUMAN RIGHTS
As part of our
due diligence process

 GOVERNANCE

ZERO

BRIBERY EVENTS
No bribery and corruption
actual events in 2023

ZERO

CYBER-ATTACKS
No significant cyber-attacks
noted in 2023

100%

SUPPLIERS SCREENED
As part of our
due diligence process

A large, stylized blue number '2' is positioned on the left side of the page. The background of the entire page is a green gradient with vertical, slightly curved lines that create a sense of depth and movement.

PART 2

ENVIRONMENT

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CLIMATE CHANGE

REDUCING EMISSIONS

Reducing greenhouse gas emissions in the maritime industry is essential for achieving global climate goals and mitigating the impact of climate change.

WHY IT MATTERS

Climate change remains a crucial agenda point across all industries, and as the shipping industry contributes 3% to total global emissions, Gearbulk is committed to doing our part in reducing the negative impact we have on the environment. Gearbulk has committed to a net zero ambition which is evident in the strategic actions we are taking.

OUR AMBITION LEVEL

Gearbulk is committed to protecting the planet's marine life and the environment in which we operate. To achieve this, we follow strict protocols and have implemented specific environmental policies.

OUR TARGETS

- 30% Reduction of scope one emissions by 2030 in accordance with IMO guidelines
- Net Zero by 2050



POTENTIAL AND ACTUAL IMPACTS

The predominant emissions within our value chain are categorised as direct emissions or Scope 1 emissions, originating primarily from the vessels we own. These vessels utilise heavy fuel oil and marine gas oil, resulting in emissions of Carbon Dioxide (CO₂), Sulphur Oxides (SO_x) and Nitrogen Oxides (NO_x). Additionally, decreased amounts of Methane (CH₄) and Nitrous Oxide (N₂O) are released.

CO₂, identified as a primary catalyst for climate change, represents a critical global challenge, necessitating concerted efforts for reduction. Although NO_x and SO_x are not classified as greenhouse gases, they adversely impact air quality, habitats and human health. Despite shipping being acknowledged as one of the most energy-efficient mass transport modes, the substantial volumes of CO₂, NO_x, and SO_x emitted by the industry underscore the significance of our emissions.



OUR ONGOING EFFORTS TO MANAGE THE IMPACT

Gearbulk proactively manages climate change due to our significant actual and potential impacts on the economy, environment and people, including adverse effects on ecosystems, economies and human rights. The Company meticulously assesses its activities and business relationships to identify any contributions to climate change, such as greenhouse gas emissions from the fleet or indirect impacts through supply chain activities.

Gearbulk has established comprehensive policies and commitments regarding climate change, aiming to reduce its carbon footprint and contribute to global efforts to mitigate climate change. To prevent potential negative impacts, Gearbulk implements measures such as fuel efficiency improvements, adopts cleaner technologies, and optimises route planning to minimise emissions. In cases of actual negative impacts, Gearbulk takes corrective action, cooperating with regulatory bodies and stakeholders to mitigate and remediate environmental harm.

Furthermore, the Company seeks to manage potential positive impacts by investing in sustainable practices and technologies that contribute to climate change mitigation and adaptation. Gearbulk tracks the effectiveness of its actions through monitoring processes, setting goals, targets, and indicators to evaluate progress. Lessons learned from this tracking are integrated into operational policies and procedures to enhance climate change management practices continually.

Additionally, Gearbulk engages with stakeholders to gather feedback and insights, ensuring that our actions align with stakeholder expectations and contribute effectively to climate change mitigation efforts. Through these comprehensive approaches, Gearbulk demonstrates its commitment to environmental sustainability and responsible business practices in the face of climate change challenges.

CLIMATE CHANGE

DECARBONISATION EFFORTS

Throughout 2023 Gearbulk enhanced its efforts to decarbonise our fleet and allocated key resources to explore and research initiatives to bolster our decarbonisation path. These areas included but were not limited to:

ADVANCED BIOFOULING

All vessels undergo regular hull blasting and renewal of Anti Fouling. Gearbulk has extended our strategy towards applying high performance anti fouling to all vessel in our sailing fleet to maintain higher fuel efficiency.

PROPELLER CLEANING

All vessels undergo regular propeller polishing and hull cleaning when needed. In addition, we are testing different technologies towards anti fouling of the propeller to constantly ensure high performance and efficiency.

SENSOR TECHNOLOGY

All vessels in the fleet are equipped with sensor technology to measure and monitor fuel performance.

MAIN ENGINE UPGRADES

All vessels with electronically controlled main engines will be upgraded with latest developed retrofit solutions from Engine Maker, to further improve operations and save fuel.

IMPROVED EMISSIONS DATA VALIDATION FOR FUTURE CLIMATE AMBITIONS

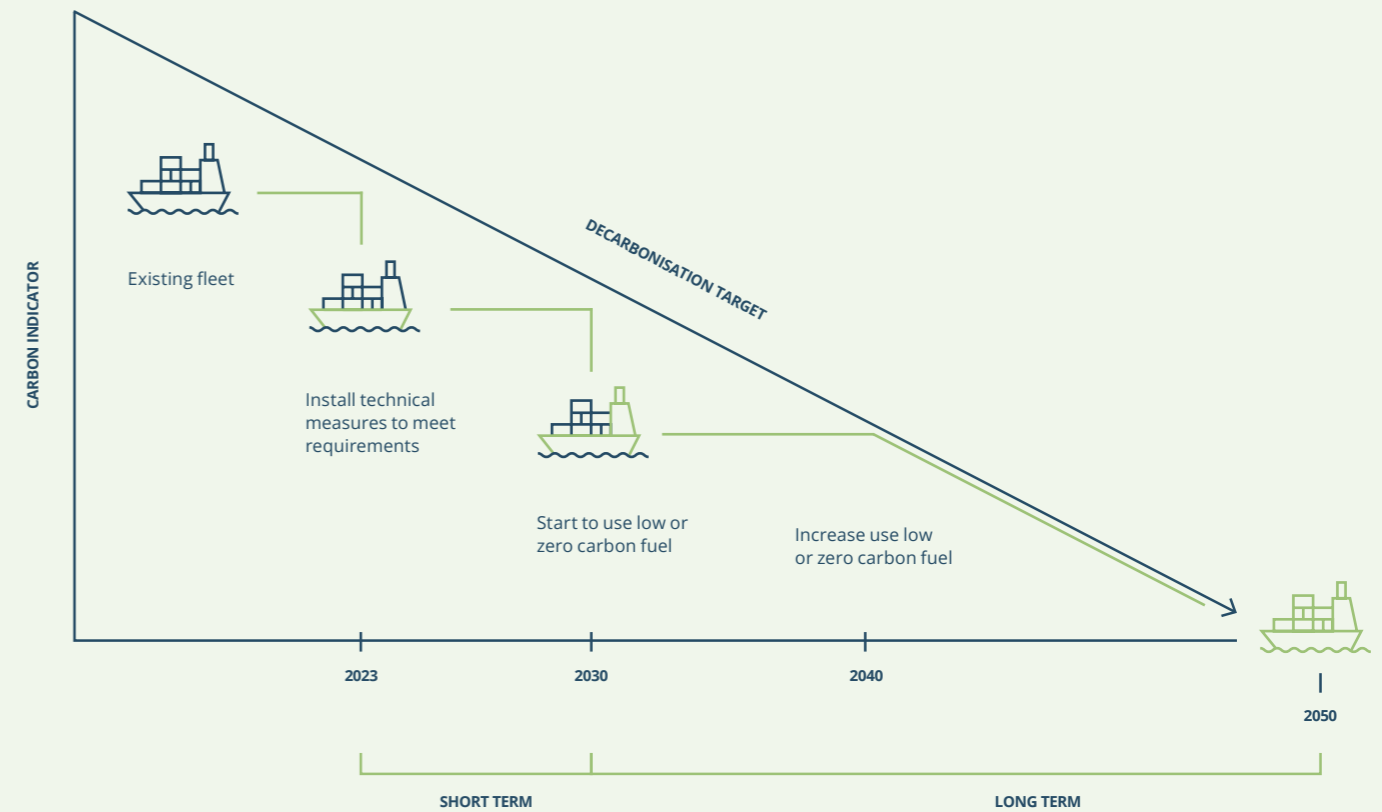
We are taking steps to not only expand the use of environmental dashboards, enabling more accurate and efficient operational planning in the future, but also to establish measures for the continuous validation and rectification of emissions data. This validated data will provide a real-time overview of our fleet's emissions.

In partnership with the supplier responsible for our data collection system and through collaboration with an independent third-party verifier, we are enhancing our daily verification and correction processes for emission data. The availability of real-time emission data will empower us to optimise the management and overview of our Carbon Intensity Indicator (CII) performance, aligning with our commitment to climate change ambitions.

DECARBONISATION PATH

We remain steadfast in our commitment to ongoing research to support our decarbonisation journey. Through our dedicated decarbonisation endeavours, we are confident in our ability to achieve the targets set forth. Gearbulk is developing a comprehensive decarbonisation plan, which we are poised to publish in the coming year.

DECARBONISATION PATH



SHORT TERM



MACHINERY



HYDRODYNAMICS



OPERATIONAL



ENERGY HARVESTING



ALTERNATIVE FUELS

LONG TERM

CLIMATE CHANGE

PROGRESS AND PERFORMANCE

OUR METHODOLOGY AND BOUNDARIES

We adhere to the concept of “operational control,” as outlined in the GHG Protocol, to consolidate emissions within Scopes 1, 2, and 3 stemming from our operations. Gearbulk accounts for 100% of greenhouse gas emissions from operations under our control, defining control operationally rather than financially.

Concerning vessel emissions (Scope 1), the reported figures encompass all cargo-carrying vessels we own and chartered. These include those under short- or long-term charter (Time Charter Vessels). Vessels chartered out to third parties are excluded, as they lie beyond our operational control.

Our understanding of the GHG Protocol has been amended to reflect this as Gearbulk has previously reported on vessels chartered to our Joint Ventures under Scope 1. New guidance has been accepted by Gearbulk and to align with the control definition, Gearbulk reports these emission in Scope 3. Throughout this report, greenhouse gas quantities related to Scopes 1, 2, and 3 have been converted into carbon dioxide equivalents (CO₂e), with all figures denoted in metric tonnes.

In 2023, Gearbulk’s greenhouse gas emissions amounted to 1,058k tons of CO₂e. Definitions, assumptions, formulas, and calculations for our Scope 1, 2, and 3 emissions are elaborated on in the reporting documentation in the appendix section on page 92.

OUR BASELINE YEAR

Scope 1 (Direct Emissions)

2019 is our baseline year for vessels we own and charter as regulations and data requirements have been satisfied to actively monitor our performance and introduce measures to reduce impacts caused by our operations.

Scope 2 (Indirect Emissions)

2021 is our baseline year as the complete dataset required to accurately report and monitor our emissions was available.

Scope 3 (Indirect Emissions - Category 6: Business Travel)

2021 is our baseline year as the complete dataset required to accurately report and monitor our emissions was available.

Scope 3 (Indirect Emissions – Category 13: Downstream leased assets)

2019 is our baseline year for vessels we own and deploy to our Joint Ventures as factors such as regulations and data requirements have been satisfied to actively monitor our performance and introduce measures to reduce impacts caused by our operations.

SUMMARY OF OUR CLIMATE CHANGE ACCOUNT

Greenhouse Gas Emissions	Unit	2022*	Change from Base Year *	2023	Change from Base Year
Scope 1 Emissions	tCO2e	17,158	-24%	17,793	-21%
Scope 2 Emissions (location based)	tCO2e	99	-11%	80.72	-28%
Scope 3 Emissions	tCO2e	1,041.4k	-4%	1,036.6k	-5%
Category 1: Purchased goods and services	tCO2e	n/a	n/a	n/a	n/a
Category 6 : Business travel	tCO2e	5,630.14	43%	7,314.62	85%
Category 13: Downstream leased assets	tCO2e	1,035.8k	-4%	1,029k	-5%
TOTAL EMISSIONS	tCO2e	1,058k	-5%	1,054k	-4.9%

* Figures have been restated to reflect the change in reporting methodology

SCOPE 1

DIRECT EMISSIONS:

CARBON DIOXIDE

Scope 1 emissions account for direct emissions from vessels under our operational control. These vessels are involved in business activities outside of the Open Hatch business and Liquid Pitch trade. Vessels owned and deployed to our Open Hatch business are chartered to our Joint Venture G2 Ocean, and our liquid pitch vessels are chartered to our Joint Venture High Heat Tankers. Emissions from these vessels are recorded as Scope 3.

We therefore had two vessels that were under Gearbulk’s operational control during 2023 which yielded a 24% decrease in emissions. The main drivers for such decrease relate primarily to replacement of one vessel with a more efficient vessel and the upgrade to high range Anti Fouling system on the second vessel.

Direct Emissions	Unit	2022	Change from Base Year	2023	Change from Base Year
CO ₂	tCO2e	17,158	-24%	17,793	-21%
HFC	tCO2e	103.2	-21%	101	-34%



SCOPE 2

INDIRECT EMISSIONS:

CARBON DIOXIDE

Scope 2 emissions cover indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by Gearbulk across all offices where we operate.

Electricity consumption

Electricity is the main energy source used by our offices. All energy sources are included in the emission data. The CO2 emission factor (kg CO2 per kWh) from our offices' local energy supplier is used where available. We have applied the market base approach to calculate the electricity consumption in the report.

During 2023 total emissions resulting from our administration buildings equalled 99.36 tCO2e. This is a decrease of 11% from the previous year mainly due to updated emission factors and the sale of our Terminal in the US.

Indirect Emissions	Unit	2022	Change from Base Year	2023	Change from Base Year
Scope 2 Emissions (location based)	tCO2e	99.36	-11%	80.72	-28%



SCOPE 3

INDIRECT EMISSIONS:

CARBON DIOXIDE

Scope 3 emissions relate primarily to the emissions generated from the vessels we charter to our Joint Venture companies G2 Ocean and High Heat Tankers.

For 2023 reporting, we have also included emissions from business travel and will continue to improve completeness of this reporting by further including additional categories as defined under the GHG Protocol. We have increased efforts not only to gather information for reporting our emissions but also to automate the process of calculating emissions generated from our operations.

Purchased goods and services

During 2023, resources have been allocated to research platforms which can support our reporting ambition. We aim to report on emission generated from purchased Goods and Services in 2024.

Business travel

Gearbulk has established an internal travel hub/ resource centre to manage travel requests. Emissions from business travel are therefore gathered from travel that has been registered and approved within this platform. In 2023 total emissions from business travel equalled 7,314 mt which is an increase from 2022. The main driver is due to business returning to normal after the COVID-19 Pandemic. However, we are committed to reducing our impact and only essential business travel which cannot be conducted via our digital platform is permitted.

Downstream leased assets

As part of our business model, vessels owned and deployed to our Open Hatch business are chartered to our Joint Venture G2 Ocean and our liquid pitch vessels are chartered to our Joint Venture High Heat Tankers. During 2023 total emissions relating to these assets equalled 1,029,301 mt which is a decrease of 5%.

Category 6: Business travel	Unit	2022	Change from Base Year	2023	Change from Base Year
CO2e	tCO2e	5,630	43%	7,314	85%

Category 13: Downstream leased assets	Unit	2022	Change from Base Year	2023	Change from Base Year
CO2	tCO2e	1,035,835	-4%	1,029,301	-5%
HFC	tCO2e	2,426	-70%	3,701	-55%

OTHER IMPORTANT METRICS

AER
(ANNUAL EFFICIENCY RATION)

With the Greenhouse Gas Strategy towards 2050 for international shipping, the IMO has set the goal to reduce the total carbon emission by minimum 20% for the next decade up to 2030, by minimum 70 by 2040 and by being Net Zero in 2050. The GHG Strategy was approved by the IMO in 2018 and revised in 2023. The reduction rates are related to the baseline of 2008. One of the measures implemented by the IMO to achieve the goal is the Carbon Intensity Indicator (CII), which is a measure of how efficiently a ship transports goods. This is referred to as the Annual Efficiency Ration (AER) and is calculated on a ship-by-ship basis.

Gearbulk has adopted reporting of the AER in accordance with the IMO goals, and to represent this in the ESG report, the fleet average has been calculated.

EEXI
(EFFICIENCY EXISTING SHIP INDEX)

Our focus goes beyond absolute emissions figures; we aim to enhance transportation efficiency for each unit of CO₂ emitted. Our key metric, the Environmental Efficiency Operational Index (EEOI), ensures a consistent year-on-year comparison, accounting for changes in fleet activity. It reflects our commitment to voyage energy efficiency, where advancements in emission reduction and operational efficiency positively influence the score. This strategy aligns with our ongoing dedication to continually maximise the environmental efficiency of our operations.

Other metrics	Equation	2022	Change from Base Year	2023	Change from Base Year
Nautical mile	nm	3,618,430	-3%	3,759,140	1%
Fuel cons	mt	356,180	-5%	352,802	-6%
AER	ton CO2/ DWT*nm	5.80	2%	5.51	-3%
EEOI	ton CO2/ mil t*nm	10.83	4%	10.39	-0.1%

OTHER SIGNIFICANT AIR EMSIONS

SULPHUR & NITROUS OXIDES

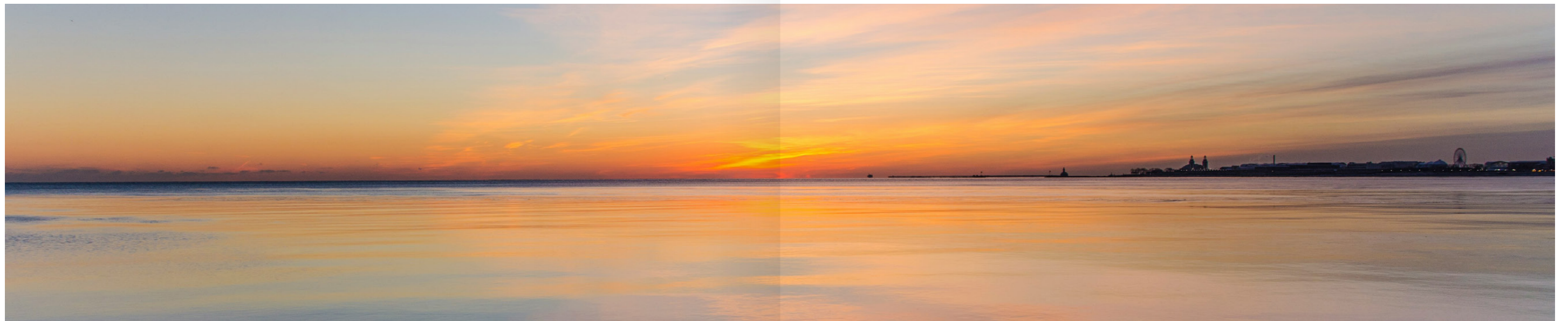
Combustion of fossil fuels onboard vessels produces Sulphur Oxides (SOx) and Nitrogen Oxides (NOx), in addition to Carbon dioxides, soot and water. NOx and SOx are considered greenhouse gases (GHG) and can have an adverse effect on the environment. Both NOx and SOx form during combustion and are emitted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

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

SOx 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, states a maximum of 0.5% sulphur limit, as well as emission-controlled areas (ECA) ensuring a maximum of 0.1% sulphur limit. Consequently, SOx emission has decreased dramatically.

Since 2017, Gearbulk has reduced the SOx emission by 91% (from 12,310 to 1,088 tonnes) and our NOx by 51% (from 22,286 to 10,918 tonnes) in 2023.

Other air emissions	Unit	2022	Change from Base Year	2023	Change from Base Year
NOx	mt	31,787	-5%	31,423	-6%
SOx	mt	1,957	-87%	1,937	-87%



FUTURE ACTIONS

Mitigate climate change through carbon capture technology

In 2023, a dedicated team investigated the potential of applying Carbon Capture technology onboard our vessels. The initial assessment was promising, prompting us to proceed with a feasibility study. This study aims to provide a comprehensive overview of the benefits associated with implementing such technologies and explore the feasibility of integrating Carbon Capture into our operations, thus aligning with our commitment to climate change mitigation.

Transition to carbon-neutral fuel for future climate action

Anticipating the imperative for climate action, Gearbulk is charting a course towards the adoption of alternative fuels. In 2023, at MEPC 80, the IMO officially endorsed the use of sustainable Biofuel as a carbon-neutral alternative, contingent on specific criteria, effective from October 1st, 2023. Looking ahead, Gearbulk is committed to furthering this initiative, with plans to expand the use of sustainable Biofuel in strict adherence to these criteria. This forward-looking commitment reflects our dedication to environmentally responsible practices and aligns seamlessly with the industry's larger movement towards embracing sustainable and carbon-neutral fuel sources.

Advance climate responsibility through fuel optimisation

In acknowledgment of the environmental impact of our activities, we are actively engaging in the exploration of new technologies to significantly curtail our greenhouse gas (GHG) emissions in 2024. As part of our commitment, a number of our vessels have been equipped with Yara's Fuel optimisation system, specifically designed to enhance energy efficiency and operational performance. These vessels are currently undergoing testing to evaluate the system's efficiency. Upon the conclusion of these tests, the performance data will be thoroughly analysed, paving the way for potential expansion of this technology to other vessels. This forward-looking approach underscores our dedication to advancing sustainable practices and aligns with our ongoing efforts to comply with climate change initiatives.

Create awareness of climate change

By fostering a greater understanding of the environmental challenges we face, individuals, communities, and businesses can collectively advocate for and implement sustainable practices. Increased awareness encourages the adoption of eco-friendly technologies, energy-efficient solutions, and a reduction in carbon-intensive activities. Moreover, it empowers stakeholders to actively engage in supporting and complying with climate change regulations, influencing policy decisions and industry standards. Education campaigns, community outreach, and corporate initiatives that prioritise climate change awareness not only contribute to a more informed and environmentally conscious society but also play a crucial role in achieving broader regulatory compliance and fostering a global commitment to combating climate change.



POLLUTION

REDUCING WASTE

It's our earthly responsibility to protect our planet and reduce pollution through robust waste management solutions.

WHY IT MATTERS

Pollution is a crucial concern for the maritime industry given its substantial environmental impact and the increasing global emphasis on sustainability. The maritime industry significantly contributes to air and water pollution, affecting marine ecosystems and air quality.

OUR AMBITION LEVEL

Gearbulk aims to source sustainable products and recycle all waste, thereby contributing to the circular economy.

OUR TARGETS

- Reduction of waste generation by increasing sourcing of sustainable product
- Zero oil spills
- Ship recycling in accordance with ship recycling policies



POTENTIAL AND ACTUAL IMPACTS

Waste generation within the shipping industry has wide-ranging implications, impacting operational efficiency, environmental sustainability, and regulatory adherence. Excessive waste production not only drives up operational costs but also escalates the risk of marine pollution if not responsibly managed. Failure to recycle waste results in its deposition in landfills, significantly harming the environment.

Within Gearbulk, various waste categories are pertinent, including vessel components (post-recycling), maintenance-related parts, onboard consumables, and office waste. All waste onboard vessels undergoes thorough categorization and disposal in compliance with relevant legislation. However, when waste is transferred ashore for disposal by third parties, Gearbulk lacks oversight, relying solely on reports received during ship recycling, which could potentially impact the environment.



OUR ONGOING EFFORTS TO MANAGE THE IMPACT

Gearbulk demonstrates proactive pollution management by acknowledging its potential adverse effects on the economy, environment, and human rights. The company evaluates its operations and business partnerships to identify any involvement in negative impacts and takes steps to prevent or mitigate them.

Gearbulk has instituted robust policies and commitments concerning pollution management, which include adherence to supplier code of conduct, procurement policies and procedures, ship recycling policies and procedures, and third-party risk management policies and procedures. These measures underscore the company's dedication to environmental sustainability and regulatory compliance. To effectively manage pollution, Gearbulk employs strategies such as adopting eco-friendly technologies, complying with emission control standards, and investing in pollution prevention initiatives. The company evaluates the effectiveness of these measures through rigorous monitoring processes, establishing goals, targets, and indicators to gauge progress. Insights obtained from this monitoring determine updates to operational policies and procedures, facilitating continual enhancement of pollution management practices.

Moreover, Gearbulk actively engages with stakeholders to solicit feedback and insights, which inform its actions and efficacy assessments. This ensures alignment with stakeholder expectations and regulatory mandates. Through these comprehensive approaches, Gearbulk underscores its commitment to responsible pollution management and sustainable shipping practices.

POLLUTION

PROGRESS AND PERFORMANCE

Our relentless dedication to environmental stewardship and sustainability drives significant progress in reducing pollution. This commitment is evident through rigorous assessment, strategic planning, and innovative actions across diverse sectors, reflecting our pledge to safeguarding ecosystems and fostering a healthier planet for future generations.

The increase in total waste generated can be attributed to the fact that the managed fleet increased from 40 to 54 vessels during the year. Meanwhile, the individual vessel average has decreased from 2023, demonstrating the effectiveness of our ongoing initiatives to reduce waste such as using onboard garbage compactors and sourcing sustainable goods.

Waste generated (from vessels)	Unit	2019	2020	2021	2022	2023
Fleet Total	m ³	2,622	2,394	1,556	1,921	2,199
Per ship/month	m ³	5.12	4.93	3.24	4.00	3.93

OIL POLLUTION

In 2023 (2022: NIL) there were no reported incidents involving Gearbulk managed vessels.



SHIP RECYCLING

During 2023 Gearbulk revised its Ship Recycling Policy in accordance with various legislation, and particularly the Hong Kong Shipping Convention. The policy is aimed to ensure that the chosen Ship Recycling Facilities (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 SRF which have been certified by the Hong Kong convention and are compliant by an IACS classification society. In preparation of a ship's 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.

During 2023, one vessel was recycled in accordance with the policy.



FUTURE ACTIONS

Implement an updated Environmental Policy

Implementing an updated Environmental Policy can significantly support efforts to reduce our negative impacts on waste and pollution. By revising and strengthening policies to incorporate stricter regulations, incentives for sustainable practices, and enforcement mechanisms, organizations can foster a culture of environmental responsibility. A robust Environmental Policy provides clear guidelines and standards for waste management, pollution control, and resource conservation, encouraging proactive measures to minimize environmental harm. Furthermore, it promotes transparency, accountability, and continuous improvement, ensuring that businesses and industries prioritize sustainability in their operations. Through effective implementation of an updated Environmental Policy, we can drive meaningful progress towards a cleaner, greener future for all.

Research technologies and applications to be implemented

Researching technologies and applications for implementation plays a pivotal role in minimising our negative impacts on waste and pollution. By exploring innovative solutions, we can identify more efficient and sustainable

methods for waste management, pollution prevention, and resource utilization. Whether it's developing advanced recycling processes, implementing clean energy technologies, or designing eco-friendly products, research enables us to find practical solutions to pressing environmental challenges. Through continuous investigation and adoption of these technologies, we can significantly reduce our ecological footprint, mitigate environmental degradation, and work towards a cleaner, healthier planet for current and future generations.

Evaluate possible partnerships to support our ambition

We are planning to conduct a thorough assessment of several NGOs to align with our commitment to reducing waste and pollution, a key component of our upcoming report. This evaluation involves scrutinizing each NGO's methodologies, historical projects, and overall efficacy in tackling environmental issues. We prioritize organizations showcasing a dedication to innovative approaches, community involvement, and tangible outcomes. Our goal is to identify NGOs closely aligned with our mission and values, thus amplifying our impact in the global endeavour to combat waste and pollution, ultimately fostering a healthier planet.

BIODIVERSITY

PROTECTING OUR OCEAN

A flourishing planet hosts a diverse symphony of species, warranting preservation and protection for the benefit of future generations.

WHY IT MATTERS

The ocean is one of Earth’s most valuable natural resources, and it is important to manage it in a sustainable way. Gearbulk understands the impact of our operations on the ocean, and we are committed to doing all we can to protect this resource and ensure its benefits are preserved for future generations.

OUR AMBITION LEVEL

Gearbulk is committed to protecting the planet’s marine life and the environment in which we operate. We will continue to support laws and regulations and invest where needed to protect our oceans.

OUR TARGETS

- Avoid spread of invasive species through use of appropriate technologies
- Minimise and avoid operations in protected areas



POTENTIAL AND ACTUAL IMPACTS

Shipping operations can exert substantial pressure on biodiversity through various means, including ballast water discharge, underwater noise pollution, and the risk of oil spills. Ballast water, often taken on in one location and released in another, can introduce invasive species to new ecosystems, disrupting local biodiversity and ecological balances. Additionally, underwater noise from shipping activities can interfere with marine life, particularly marine mammals that rely on sound for communication and navigation.



OUR ONGOING EFFORTS TO MANAGE THE IMPACT

Gearbulk adopts a holistic strategy in addressing both the negative and potential impacts on biodiversity, acknowledging their profound significance to the economy, environment, and human rights. The Company meticulously evaluates its operations and partnerships to identify any adverse effects on biodiversity, ensuring adherence to regulations and ethical standards.

With robust policies in place, Gearbulk emphasizes the preservation and protection of natural ecosystems, employing proactive measures like sustainable practices and habitat preservation to mitigate negative impacts. In instances of actual harm, Gearbulk takes swift action, collaborating with authorities to restore affected ecosystems. Moreover, the Company actively promotes positive impacts by investing in conservation efforts and biodiversity restoration projects. Rigorous monitoring processes track the effectiveness of these actions, facilitating continual improvement in biodiversity management. Engaging with stakeholders ensures alignment with expectations and effective addressing of biodiversity concerns, reinforcing Gearbulk’s commitment to sustainability and biodiversity conservation.

In terms of preventing invasive species in ballast water, Gearbulk demonstrates a proactive stance by adhering to global conventions for pest control. Significant strides have been made in implementing ballast water treatment systems across the fleet to minimise the potential transfer of invasive species across ecosystems. Gearbulk’s commitment to meeting the requirements of the Ballast Water Management Convention by 2024 underscores its dedication to environmental stewardship and sustainable shipping practices.

Furthermore, Gearbulk prioritises the protection of whales and ocean habitats, particularly in environmentally sensitive marine areas. Vessels comply with mandatory speed reduction schemes and voluntarily implement additional measures to minimise the risk of whale strikes and disturbance during breeding seasons. Digital navigational tools are utilised to avoid protected areas, ensuring compliance with regulations and fostering responsible marine practices.

BIODIVERSITY

PROGRESS AND PERFORMANCE

Our commitment to environmental sustainability and protecting marine ecosystems is evident through various efforts.

BALLAST WATER TREATMENT SYSTEM (BWTS)

The purpose of the Ballast Water Convention (BWM) is to prevent the spread of invasive species during vessel operation. The BWM requires all vessels to treat ballast water ensuring the requirements in the D2 discharge standard of the BWM are met during discharge.

At the end of 2023, Gearbulk fulfilled its commitment to honouring this convention and all Gearbulk vessels have been fitted with the technology to comply to the D2 discharge standard.

ANTI FOULING (AF)

Anti fouling applied to vessel hulls will protect the environment by preventing the growth of marine organisms on the hull, thereby limiting the spread of invasive species. Minimal growth will also reduce the added resistance while sailing, thus ensuring a higher fuel efficiency and resulting in lower GHG emissions.

Gearbulk has a high focus on good hull performance across our managed vessels. At the end of 2023, along with our partner Grieg Star and Joint Venture partner G2 Ocean, after extensive analysis of our vessels' performance it was decided to extend the strategy towards using High Range Anti fouling as the results proved positive outcome on the negative impacts we create.

PROPELLER AND HULL CLEANING (PC) (HC)

Propeller cleaning is another important action Gearbulk takes to protect the ocean. Over time, marine growth occurs on the propeller which can negatively impact the efficiency and performance of the propulsion system on a vessel. Reduced efficiency results with increased fuel consumption, thus a lower fuel efficiency for the ship. This is done on a regular basis for all our vessels.

Gearbulk, along with our Joint Venture G2 Ocean, places a significant emphasis on optimising hull performance across our fleet. Continuous monitoring allows us to promptly identify any decline in performance, prompting necessary hull cleaning when needed. Moreover, we diligently adhere to regulations governing hull cleaning for vessels entering Australian waters, underscoring our commitment to environmental responsibility and maritime compliance.

ROUTE PLANNING AND NAVIGATION

Gearbulk follows strict rules in compliance with the IMO regulations. Trades in marine protected areas do occur from time to time, and information on days spent in these areas is currently being developed for future reporting.



FUTURE ACTIONS

Research and monitor relevant technologies

We will continue our efforts to research and monitor available technologies which can support our journey to reduce potential and negative impacts that are caused by our organisation. These technologies could include updates of current technologies already in use or implementation of new innovative technologies that have been thoroughly researched.

Implement our Environmental Policy and relevant training

Gearbulk has developed an Environmental Policy which is to be implemented within 2024. The policy supports our efforts to reduce the negative impacts we, as an organisation, might have on Biodiversity. As part of this, training on this policy will be provided to all shore staff.

Explore Corporate Social Responsibility (CSR) partnerships

During 2024 Gearbulk will begin assessing potential partners that we could work with to support our ambition of limiting any negative impacts which our operations may incur. The assessment will include numerous organisations and consider potential synergies, as this is paramount to the partnership.

Assess additional noise reduction measures

Currently Gearbulk has implemented measures such as slow steaming to reduce possible noise disturbance in addition to route planning and navigation. We aim to further reduce our impact by assessing alternative options that could further support noise reduction in protected areas.

3

PART 3

SOCIAL

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HEALTH AND SAFETY

NUMBER ONE PRIORITY

Gearbulk is strongly committed to 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 standards.

WHY IT MATTERS

The maritime industry involves inherently risky operations, including vessel navigation, cargo handling, and maintenance activities. Prioritising health and safety is not only an ethical responsibility but also a crucial element of sustainable and responsible business practices.

OUR AMBITION LEVEL

Gearbulk strives to create a working environment which ensures that our personnel are safe - life matters more than our operations.

OUR TARGETS

- Zero LTIF injuries
- Zero fatalities
- 100% attendance of health and safety campaigns



OUR ONGOING EFFORTS TO MANAGE THE IMPACT

Gearbulk places a paramount emphasis on health and safety management, recognising its significant impact on the economy, environment, and human rights. The Company conducts thorough assessments of its operations and partnerships to identify and mitigate any potential negative impacts on health and safety, ensuring compliance with regulations and industry standards. With a commitment to prioritising the well-being of its employees and stakeholders, Gearbulk has implemented comprehensive policies and commitments regarding health and safety.

To effectively manage health and safety, Gearbulk proactively implements measures such as providing training, enforcing safety protocols, and conducting risk assessments. In cases of actual negative impacts, the Company takes swift action to address them, cooperating in remediation efforts and continuously improving its practices. Additionally, Gearbulk identifies and manages potential positive impacts on health and safety, fostering a culture of continuous improvement and employee well-being.

Gearbulk rigorously monitors the effectiveness of its health and safety initiatives through robust tracking processes, setting goals, targets, and indicators to measure progress. Lessons learned from this monitoring are integrated into operational policies and procedures to enhance health and safety management continually. Moreover, Gearbulk actively engages with stakeholders to gather feedback and insights, ensuring that its actions align with stakeholder expectations and contribute to a safe and healthy work environment.

The Gearbulk Safety Committee convenes monthly to discuss updated statistics, recent incidents, safety measures, and proposed initiatives. Experience transfers and ship circulars are regularly published to the fleet, covering personal injuries, best practices, and more. Quarterly publications such as the Safety and Quality Bulletin and Near Miss Bulletin provide valuable information to sea and shore staff, while the Safety Management System serves as the foundational framework for safety performance initiatives.

Gearbulk also organises safety-focused events such as Safety Days for vessels and a Safety Week for shore staff, promoting discussions, drills, and activities aimed at strengthening safety cultures and fostering shared safety behaviours. These initiatives underscore Gearbulk's unwavering commitment to promoting a safe and healthy work environment for its employees and stakeholders.



POTENTIAL AND ACTUAL IMPACTS

Daily life onboard a vessel with the various task can be dangerous should health and safety not be a priority or ignored. We strive to ensure the safety of our crew and maintain strict policies and procedures in accordance with international and IMO standards. Although, these are adhered to, injuries still occur and it's our top priority to continue reducing the risk of injury onboard our vessels.

HEALTH AND SAFETY

PROGRESS AND PERFORMANCE

Gearbulk has a Zero Accident vision and believes that all injuries are preventable. Any injuries which do occur are measured as per OCIMF injury guidelines.

OUR COMMITMENT TO SAFETY

Our organisation's implementation of a Safety Management System (SMS) for seafarers contracted through manning agents is a comprehensive effort in compliance with international maritime regulations. Mandated under the International Maritime Organization's (IMO) ISM Code, our SMS encompasses requirements from key conventions such as the STCW Code, SOLAS, MLC Code, MARPOL, and associated FLAG requirements.

Furthermore, we have incorporated industry best practices collected from leading bodies to enhance our safety standards. The SMS is audited and certified annually by both external and internal entities to ensure adherence to legal requirements and recognised standards. All seafarers, without exception, are covered by this system. Moreover, all shore employees responsible for our fleet management are covered, amounting to 47% of our shore employees.

Our SMS has received external certification, further validating its effectiveness. No workers have been excluded from this disclosure, as our commitment to safety extends universally across all personnel involved in our operations. The compilation of this data adheres to stringent standards and methodologies, providing stakeholders with transparent insights into our safety management practices.

Gearbulk continues to stress the importance on reporting all near misses as the improved data accuracy provides Gearbulk with 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 Gearbulk 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.

Hazard identification, risk assessment, and incident investigation

Gearbulk uses various methods and tools to identify and assess work-related hazards and risks, such as Risk Assessment Matrix (RAM), Hazard and Operability Study (HAZOP), and Hazard Identification (HAZID). Gearbulk encourages and enables its workers to report work-related hazards and hazardous situations and protects them from any reprisals or retaliation.

Gearbulk investigates work-related incidents using a standardised and systematic process, involving and consulting with the relevant stakeholders, and learning and sharing the lessons from the incidents. Gearbulk uses the results of hazard identification, risk assessment, and incident investigation to evaluate and improve its occupational health and safety management system, by establishing and monitoring KPIs and targets, implementing and reviewing corrective and preventive actions, integrating these processes into the business planning and decision-making, and engaging and consulting with the workers and their representatives, the customers, the suppliers, and the regulators.

Occupational health services

Gearbulk provides occupational health services to its employees that aim to identify and eliminate hazards and minimize risks in the workplace. These services include regular health assessments, medical examinations, health promotion programs, and emergency response. Gearbulk ensures the quality of these services by following the standards and guidelines of the International Maritime Organization, the International Labour Organization, and the World Health Organization. Gearbulk also facilitates workers' access to these services by providing them with information, training, and support.



Worker participation, consultation and communication on occupational health and safety

Gearbulk is committed to ensuring the health and safety of its workers and stakeholders through effective participation, consultation and communication processes. The company has established a health and safety management system that involves workers at all levels in the development, implementation and evaluation of policies, procedures and practices. Workers are consulted through regular meetings, surveys, feedback mechanisms and training sessions. They are also encouraged to report any hazards, incidents or concerns to their supervisors or health and safety representatives. The company provides access to and communicates relevant information on occupational health and safety to workers through various channels, such as newsletters, posters, intranet, notice boards and toolbox talks. Gearbulk has also formed joint management-worker health and safety committees at each of its operational sites. These committees are responsible for reviewing health and safety performance, identifying and addressing risks, monitoring compliance and recommending improvements. The committees meet at least quarterly and have the authority to make decisions on health and safety matters. All workers are represented by these committees, either directly or through their elected representatives.

Promotion of worker health

We value the health and well-being of our workforce and we support them by providing access to medical and healthcare services that are not related to their work. We also offer voluntary services and programs that promote health and address the major health risks that our workers may face outside of work. We think that by investing in the health and wellness of our workers, we can create a safer, more productive, and more sustainable work environment.

Gearbulk provides its workforce with comprehensive insurance coverage. Moreover, the Company has a high focus on mental health and has launched regular campaigns to raise awareness among workers about the importance of taking care of their health, both physical and mental, and seeking medical help when necessary. These sessions include information about the insurance resources available, preventive measures and wellness initiatives. We also encourage physical activity and a healthy lifestyle among workers by offering exercise classes, recreational activities, incentives and rewards for participating in fitness challenges and wellness initiatives.

Worker training on occupational health and safety

Gearbulk is committed to providing a safe and healthy work environment for all its workers, and to prevent occupational injuries and illnesses. To achieve this, Gearbulk offers various types of occupational health and safety training to its workers, covering both generic and specific topics. The training includes:

- Basic health and safety awareness and procedures, such as emergency response, fire safety, first aid, and personal protective equipment.
- Identification and assessment of work-related hazards, such as ergonomic, chemical, physical, biological, and psychosocial hazards.
- Prevention and control of work-related hazards, such as hazard elimination, substitution, engineering controls, administrative controls, and safe work practices.
- Specific training on hazardous activities or situations, such as working at heights, confined spaces, electrical safety, manual handling, and driving.

The training is delivered through various methods, such as online courses, classroom sessions, on-the-job coaching, and toolbox talks. The training is tailored to the needs and roles of different workers, and is updated regularly to reflect changes in legislation, standards, and best practices. The training is also evaluated for its effectiveness and impact on workers' knowledge, skills, and behaviour.

HEALTH AND SAFETY

PROGRESS AND PERFORMANCE

Continuously monitoring our progress, we are relentlessly working towards achieving a safer tomorrow, where every individual can work and thrive without the fear of injury or harm.

LOST TIME INJURY FREQUENCY

Our Methodology for the calculation

In our performance calculation methodology, we employ widely recognised metrics within our industry. Specifically, we utilise the Lost Time Injury Frequency (LTIF) and Total Recordable Case Frequency (TRCF), both prevalent in our sector.

When applying these metrics, we begin by assuming 1,000,000 working hours, which we then divide by the product of the following factors: the manhours worked per vessel (24 hours in our case, reflecting the workday aboard the vessel), the number of vessels, the crew count on each vessel, and 365 days (representing our year-round operation). We only include crew in the manhours as the data on the hours is controllable by Gearbulk.

Performance in 2023

The LTIF has been halved year on year since 2019 and Gearbulk saw a record low in 2021. It was therefore unfortunate to see a continued hike in injuries during 2023. Each case was investigated and shared with the fleet through experience transfers.

Gearbulk is adamant in reversing the trend and the development has only enhanced Gearbulk's focus on achieving an improved safety performance amongst its employees. Increased Management level visits onboard, enhanced focus on toolbox meetings, the Safety Leadership training programme, and Risk Management are all focus areas for 2024.

Year	LTIF	TRCF	Fatalities
2020	0.81	3.25	0
2021	0.41	2.04	0
2022	0.70	2.93	0
2023	0.81	3.26	0

Aspect 2023	Target	Result
Lost Time Injury Frequency	0	0.81
Average Near Miss reports pr. Vessel pr. Month	2	3.07

TRCF and LTIF



MARINE CASUALTIES

During 2023, Gearbulk experienced two marine casualties where vessels were rendered unfit for normal continuation of voyages and one casualty alongside during freak weather-

er which was repaired prior to departure. No employees were hurt during these three incidents. The incidents requiring investigation can be seen in the table.

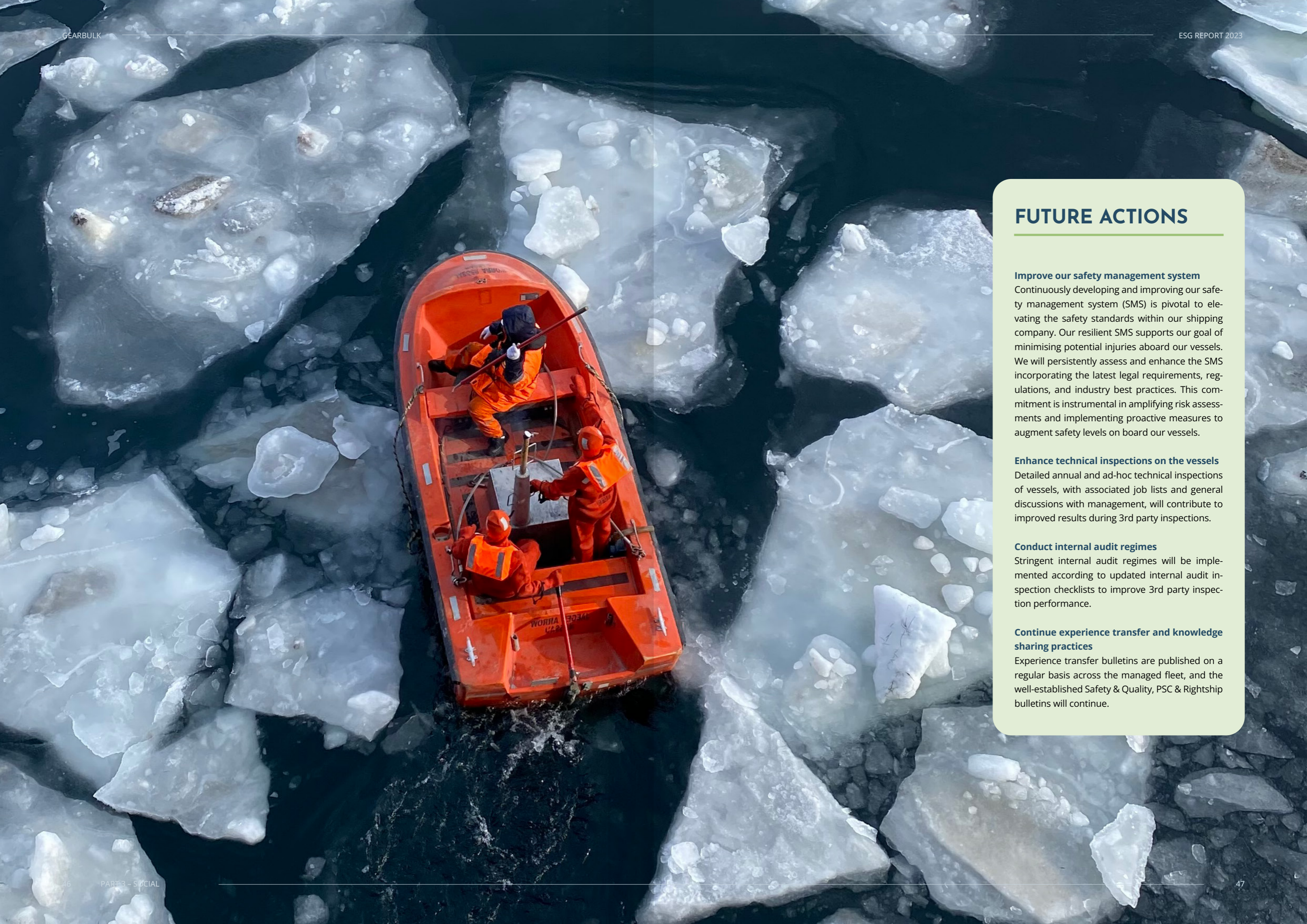
Vessel	Incident	Action
Weaver Arrow	Mooring incident	Change mooring pattern, repair vessel and shore crane
Jaeger Arrow	ME damage	Repair alongside
Kingbird Arrow	ME damage	Repair in (scheduled) yard stay

PORT STATE CONTROL DEFICIENCIES

Gearbulk prioritises the utmost adherence to international regulations and the highest standards of maritime safety. Port State Control (PSC) inspections stand as a cornerstone of our commitment to excellence in maintaining compliance and minimising deficiencies.

In 2023, Gearbulk encountered 134 deficiencies across 117 inspections, with an additional three vessels being detained due to notable deficiencies. This unfortunate occurrence stemmed primarily from intensified inspection protocols in China and maintenance shortcomings observed in newly acquired vessels. It's noteworthy that the number of inspections has returned to pre-Covid levels.

Item	2021	2022	2023
Inspections	88	85	117
Deficiencies	68	66	134
Deficiency Ratio	0.77	0.78	1.15
PSC Detentions	0	0	3
Flawless	59	54	70



FUTURE ACTIONS

Improve our safety management system

Continuously developing and improving our safety management system (SMS) is pivotal to elevating the safety standards within our shipping company. Our resilient SMS supports our goal of minimizing potential injuries aboard our vessels. We will persistently assess and enhance the SMS incorporating the latest legal requirements, regulations, and industry best practices. This commitment is instrumental in amplifying risk assessments and implementing proactive measures to augment safety levels on board our vessels.

Enhance technical inspections on the vessels

Detailed annual and ad-hoc technical inspections of vessels, with associated job lists and general discussions with management, will contribute to improved results during 3rd party inspections.

Conduct internal audit regimes

Stringent internal audit regimes will be implemented according to updated internal audit inspection checklists to improve 3rd party inspection performance.

Continue experience transfer and knowledge sharing practices

Experience transfer bulletins are published on a regular basis across the managed fleet, and the well-established Safety & Quality, PSC & Rightship bulletins will continue.

HUMAN RIGHTS

ENCHANCING OUR BUSINESS PRACTICES

Human rights support our moral compass which guides societies towards justice, equality, and dignity, underscoring their paramount importance in fostering a world where every individual is treated with inherent respect and fairness.

WHY IT MATTERS

Maintaining high standards of business ethics is essential for building a successful and sustainable business.

OUR AMBITION LEVEL

Gearbulk aims to ensure that all third parties accepted within the Gearbulk network adhere to Human Rights laws and regulations both locally and internationally.

OUR TARGETS

- 100% of “high-risk” suppliers to be screened and audited by 2030



OUR ONGOING EFFORTS TO MANAGE THE IMPACT

Gearbulk is diligent in managing its impacts on human rights, recognising their significance across various sectors. The Company acknowledges the potential negative impacts stemming from its activities and business relationships and is dedicated to proactively addressing them.

With robust policies in place, Gearbulk emphasizes fair treatment, diversity, and inclusion, implementing measures such as employee training and due diligence on suppliers to prevent potential negative impacts. In instances of actual negative impacts, Gearbulk swiftly takes corrective action, cooperating with stakeholders to address violations. Moreover, the organisation actively cultivates a culture of respect and dignity to manage potential positive impacts within its operations and supply chain. Rigorous monitoring processes track the effectiveness of these actions, with lessons learned integrated into operational policies for continuous improvement. Engagement with stakeholders ensures alignment with expectations, reinforcing Gearbulk's commitment to upholding human rights across its operations.

In 2022, Gearbulk introduced a comprehensive policy for Human Rights and decent working conditions, delineating principles and standards to uphold and safeguard human rights throughout its operations. This policy articulates the guiding principles in interactions with employees, contractors, suppliers, partners, and impacted communities. Furthermore, Gearbulk demonstrated transparency by publishing its first annual account in compliance with the Transparency Act requirements. This account details the assessment of potential risks and actions taken to mitigate them. Notably, no human rights violations were reported in 2023. Continuously enhancing governance practices, Gearbulk is developing third-party risk management policies and procedures to bolster its efforts further.

Please refer to our website for more information.



POTENTIAL AND ACTUAL IMPACTS

Gearbulk is committed to applying high standards of business and personal ethics to detect, manage risks and address adverse human rights impacts. It is the policy of Gearbulk to always comply with any applicable laws and regulations including internationally recognised conventions regarding the protection of human rights.

HUMAN RIGHTS

PROGRESS AND PERFORMANCE

Our business activities intersect with various dimensions of human rights, encompassing the well-being of our employees with regards to working conditions and safety, ethical recycling practices on our vessels and responsible usage of digital data and technologies.

FOCUS ON HUMAN RIGHTS

Our commitment to Human Rights is articulated in our Human Rights Policy, serving as a guiding framework for our operations. The ethical conduct of our suppliers is an integral aspect of this framework. It is crucial to acknowledge that our actions, both internally and within our extensive network of business relationships, carry significant societal impact, both positive and negative. The evolving regulatory landscape and heightened expectations from our stakeholders underscore the material importance of human rights as a fundamental consideration in our business operations.

In 2023, we prioritised the education of our organisation on Human Rights, utilising the e-learning platform to conduct training sessions. These sessions equipped our employees with a deeper understanding of Human Rights principles and imparted the necessary knowledge for adherence. 81% of employees completed the training on the e-learning platform.

Our commitment extends to continuous screening of Third Parties, with a particular focus on identifying and addressing concerns related to Human Rights. As part of our due diligence processes in 2023, no material concerns were identified, demonstrating our proactive efforts in upholding Human Rights standards throughout our supply chain and business relationships.

For more information on our performance please refer to our Annual Account published on our website [gearbulk.com](https://www.gearbulk.com).





FUTURE ACTIONS

Ensure continuous stakeholder engagement and reporting

We are committed to endeavours which support fair business practices in alignment with stringent protocols and various legislations surrounding Human Rights.

To achieve our ambitions, we will increase our ongoing efforts to cultivate a culture of transparency, ensuring that all stakeholders, including investors, customers, and employees, have access to clear and comprehensive information regarding our operations, policies, and their direct impact on Human Rights.

Our commitment extends to proactive engagement with stakeholders, seeking insights into concerns that may affect human rights, and conducting regular risk assessments to identify and mitigate potential risks to our organisation.

Adhering to the Norwegian Transparency Act, we will diligently monitor and report on our human rights performance, underscoring our dedication to accountability and continuous improvement. Furthermore, we will allocate resources to enhance human rights training for our employees and integrate human rights considerations into our decision-making processes, fostering a pervasive culture of respect for human rights across all levels of our organisation.

DIVERSITY AND INCLUSION

CREATING EQUAL OPPORTUNITIES

At Gearbulk we have a Zero Tolerance to discrimination, and we continuously assess our Human Resource processes to ensure respect and fairness towards current and prospective employees in our business operations.

WHY IT MATTERS

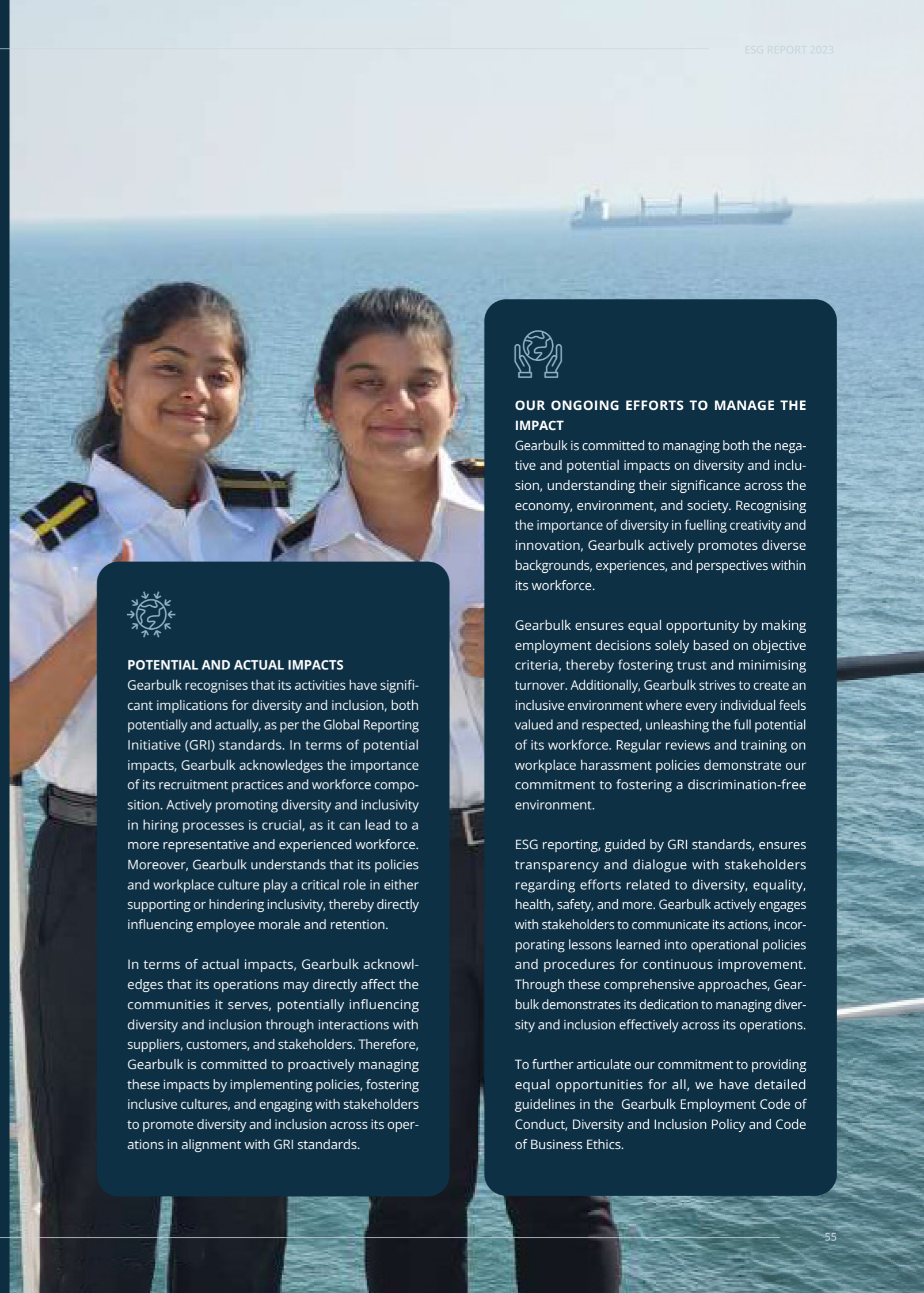
Diversity and inclusion in the maritime industry is imperative not only for fostering a culture of equality but also for aligning various legislative requirements, as it contributes to our social responsibility sustainable development within the industry we operate.

OUR AMBITION LEVEL

Gearbulk strives to create and cultivate a workplace that does not discriminate on any level regardless of gender, race, religion, sexual orientation and cultural believes.

OUR TARGETS

To ensure that our recruitment process is fair and presents no discrimination and the employment decision is based purely on merit.



POTENTIAL AND ACTUAL IMPACTS

Gearbulk recognises that its activities have significant implications for diversity and inclusion, both potentially and actually, as per the Global Reporting Initiative (GRI) standards. In terms of potential impacts, Gearbulk acknowledges the importance of its recruitment practices and workforce composition. Actively promoting diversity and inclusivity in hiring processes is crucial, as it can lead to a more representative and experienced workforce. Moreover, Gearbulk understands that its policies and workplace culture play a critical role in either supporting or hindering inclusivity, thereby directly influencing employee morale and retention.

In terms of actual impacts, Gearbulk acknowledges that its operations may directly affect the communities it serves, potentially influencing diversity and inclusion through interactions with suppliers, customers, and stakeholders. Therefore, Gearbulk is committed to proactively managing these impacts by implementing policies, fostering inclusive cultures, and engaging with stakeholders to promote diversity and inclusion across its operations in alignment with GRI standards.



OUR ONGOING EFFORTS TO MANAGE THE IMPACT

Gearbulk is committed to managing both the negative and potential impacts on diversity and inclusion, understanding their significance across the economy, environment, and society. Recognising the importance of diversity in fuelling creativity and innovation, Gearbulk actively promotes diverse backgrounds, experiences, and perspectives within its workforce.

Gearbulk ensures equal opportunity by making employment decisions solely based on objective criteria, thereby fostering trust and minimising turnover. Additionally, Gearbulk strives to create an inclusive environment where every individual feels valued and respected, unleashing the full potential of its workforce. Regular reviews and training on workplace harassment policies demonstrate our commitment to fostering a discrimination-free environment.

ESG reporting, guided by GRI standards, ensures transparency and dialogue with stakeholders regarding efforts related to diversity, equality, health, safety, and more. Gearbulk actively engages with stakeholders to communicate its actions, incorporating lessons learned into operational policies and procedures for continuous improvement. Through these comprehensive approaches, Gearbulk demonstrates its dedication to managing diversity and inclusion effectively across its operations.

To further articulate our commitment to providing equal opportunities for all, we have detailed guidelines in the Gearbulk Employment Code of Conduct, Diversity and Inclusion Policy and Code of Business Ethics.

DIVERSITY AND INCLUSION

PROGRESS AND PERFORMANCE

Our shore workforce is comprised of both permanent employees and contractors (workers), with staff situated across various locations. As defined in our boundaries and scope, the information below only includes employees in our shore business who support our material business segment and therefore excludes information from our Terminals.

SHORE DEMOGRAPHIC

(combined permanent and contractors)



38

FEMALE



53

MALE

PERMANENT EMPLOYEE PROFILE

81

HEADCOUNT

11

HIRED

10

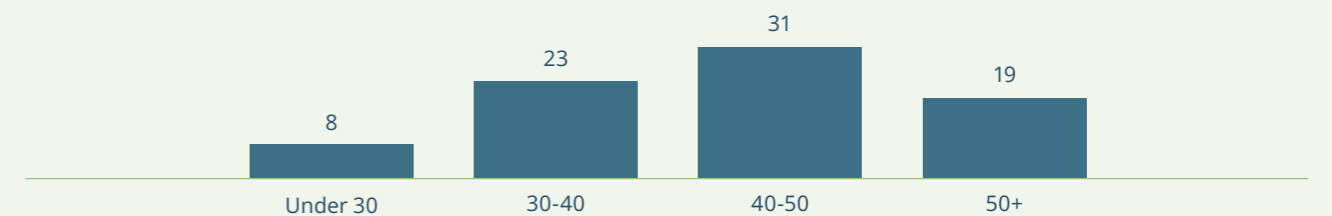
TERMINATED

HEADCOUNT BY CITIZENSHIP

Australian	1	Latvian	1
Brazilian	14	Norwegian	35
British	5	Polish	1
Croatian	1	Singaporean	9
Filipino	3	Slovak	1
Greek	2	South African	1
Indian	2	Swedish	1
Japanese	3	Swiss	1

* The table accounts for personnel who have an employment agreement with Gearbulk in business units which are in scope for reporting purposes. As of the date of reporting, the employees included were all permanent, full time employees.

HEADCOUNT BY AGE GROUP (PERMANENT EMPLOYEES)



FUTURE ACTIONS

Advocate for a secure workplace

We have recently revised our Diversity and Inclusion policy and pledge to consistently advocate for it by unequivocally expressing our opposition to discrimination, harassment, and any form of bias.

Regular training sessions on diversity, equality, and inclusion will be conducted to not only raise awareness among employees but also empower them with the knowledge needed to cultivate an inclusive culture. Our focus includes fostering open dialogue and enhancing accessible channels for incident reporting, thereby creating a trusting environment. Our recruitment practices to provide fair, transparent advancement opportunities based on merit are ongoing efforts to instil a sense of belonging. Regular solicitation of employee feedback through surveys enables us to assess the effectiveness of our initiatives, and we are dedicated to making continuous improvements through frequent assessments and enhancements.

Conduct managerial training for Diversity and Inclusion

Recognising the pivotal role managers play in promoting inclusion, we will continue to prioritise annual training sessions for our managerial team. This ongoing training aims to ensure that our management fully comprehends and actively supports diversity and inclusion, fostering a culture that aligns with our commitment to a secure working environment. The training sessions will be conducted regularly to consistently reinforce our organisational efforts in this regard.

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PART 4

GOVERNANCE

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ANTI-BRIBERY AND CORRUPTION

ZERO TOLERANCE OF UNETHICAL BEHAVIOUR

Gearbulk is dedicated to actively contributing to the global effort against bribery and corruption. This commitment is essential to upholding our enduring values of sustainability and social responsibility.

WHY IT MATTERS

Unethical behaviour in any organisation carries not only the financial burden of non-compliance and potential fines but also results in numerous disadvantages for the communities it serves. Beyond the immediate financial consequences, such behaviour erodes trust and tarnishes the reputation of the organisation, impacting its relationships with stakeholders, customers, and the public. Additionally, unethical practices can lead to suboptimal service delivery and a negative impact on the quality of products or services provided to communities. This, in turn, hampers community well-being and can contribute to a broader erosion of societal trust in institutions.

OUR AMBITION LEVEL

Gearbulk commits to collaborate with its stakeholders to eliminate bribery and corruption in our operations.

OUR TARGETS

- Zero bribery and corruption actual incidents.
- Regular training on anti-bribery and corruption for all employees.



POTENTIAL AND ACTUAL IMPACTS

We conduct business in few regions where corruption levels are elevated, presenting challenges associated with local officials who may be operating under certain corruption practices. In such high-risk countries, the inclination to resort to bribery and corruption for expediting the import and export processes of cargo is particularly noticeable. The global nature of the shipping industry involves numerous stakeholders and jurisdictions, amplifying the potential for bribery and corruption. Material risks could include under-invoicing, bribes for securing contracts, illicit payments to marine surveyors, facilitation payments to customs officers, and the illegal purchase of letters of credit.

By acknowledging the inherent risks, we recognise that individuals involved in our operations may be exposed to bribery and corruption. The Company is committed to implementing preventive measures, both independently and collaboratively with industry partners. The objective is not only to mitigate these risks but to proactively prevent any form of bribery and corruption, aligning with the Company's dedication to ethical business practices and responsible global operations.



OUR ONGOING EFFORTS TO MANAGE THE IMPACT

Gearbulk rigorously manages corruption and bribery, recognising their potential negative impacts on the economy, environment, and human rights. The Company conducts thorough assessments of its activities and business relationships to identify any involvement in corruption or bribery, ensuring compliance with anti-corruption laws and regulations. Gearbulk maintains robust policies and commitments regarding these material topics, emphasising ethical conduct and integrity in all business dealings.

To prevent potential negative impacts, Gearbulk implements stringent measures such as employee training on anti-corruption policies, due diligence procedures for business partners, and transparent financial reporting practices. In cases of actual negative impacts, Gearbulk takes immediate action to address them, cooperating with authorities and implementing remedial measures. Furthermore, the Company actively manages potential positive impacts by promoting a culture of transparency and accountability.

Gearbulk tracks the effectiveness of its actions through comprehensive monitoring processes, setting goals, targets, and indicators to evaluate progress. Lessons learned from this tracking are integrated into operational policies and procedures to enhance anti-corruption practices continually. Moreover, Gearbulk engages with stakeholders to gather feedback and insights, ensuring that its actions align with stakeholder expectations and effectively combat corruption and bribery. Through these comprehensive measures, Gearbulk demonstrates its commitment to ethical business practices and integrity in all aspects of its operations.

In support of its zero-tolerance approach to bribery and corruption, Gearbulk has implemented various measures. These include promoting awareness through onboarding and training, conducting regular reviews of related policies and procedures, maintaining active membership with the Maritime Anti-Corruption Network (MACN), conducting regular risk assessments and reporting, empowering employees through an independent whistleblowing channel, and collaborating with Joint Venture Partners.

ANTI-BRIBERY AND CORRUPTION

PROGRESS AND PERFORMANCE

Our unwavering commitment to ethical conduct and transparency fuels substantial efforts towards mitigating bribery and corruption risks. Stringent policies, comprehensive training and ongoing vigilance exemplify our pledge to uphold integrity and accountability across all areas of our operations.

Assessing operations for risks related to bribery and corruption

Gearbulk thoroughly and periodically evaluates the business risks embedded in all its operations, including but not limited to bribery and corruption risks. Gearbulk identifies the probability and severity of the risk, existing control measures, effectiveness of the existing control measures and planned strategies to enhance awareness and mitigation actions. Frequent collaboration with our operational joint ventures through joint committees and a proactive approach of the fleet management, ship owning, and terminals business segments guarantees that all operations all fully and continuously assessed in terms of material compliance risks.

Identifying significant risks related to corruption through the risk assessment

Gearbulk operates in several countries which have an increased risk to bribery and corruption such as China, Argentina, Brazil, India, Pakistan, Indonesia, Papua New Guinea and Turkey. This leads to the risk of potential bribery and corruption incidents that may lead to financial losses, reputational damages, possible fines and penalties and even halting or obstructing local operations.

Anti-corruption policies and procedures communication and training by region

SHORE EMPLOYEES

Region	Completed training per employee	Average of Completion
APAC	12	100%
Europe	53	94%
Middle East	4	100%
South America	12	92%
Total	81	96.5%

GOVERNANCE BODY MEMBERS (SENIOR MANAGEMENT)

Region	Completed training per Management	Average of Completion
APAC	1	100%
Europe	15	80%
South America	1	100%
Total	17	93.33%

ACTIVE VENDORS BOUND TO SUPPLIER'S CODE OF CONDUCT

Region	Number	Average of Completion
Africa	7	0.81%
APAC	373	43.27%
Europe	362	42.00%
Middle East	28	3.25%
North America	47	5.45%
Central America	3	0.35%
South America	42	4.87%
Total	862	100%

0

ACTUAL ABC RELATED EVENTS, LEGAL CASES AND TERMINATIONS

TARGET: 0

No cases meeting the actual definition of an ABC incident took place in 2023. No dismissal or disciplinary action to employees in connection to corruption practices. No incidents with active vendors related to corruption. No legal cases regarding corruption have been brought against the organisation nor its employees.

89%

EMPLOYEES TRAINED ON ANTI-BRIBERY AND ANTI-CORRUPTION

TARGET: 100%

Our ABC policy has been recently reviewed to provide clear guidance in relation to bribery and corruption topics. Crew and shore employees shall take mandatory training on anti-corruption principles and risks considering their specific activities. The computer-based training modules are frequently revised, and the Company monitors the training completion rate annually.

At the end of 2023, 89% of shore employees and 18% of crew officers had successfully completed the training. The decrease in the completion rate, when comparing to 2022, can be attributed to personal changes in the organisation and will be addressed by a thorough ABC awareness program to occur in 2024. Crew also receive anti-corruption guidance regularly through emails and quarterly SEQ Bulletins. Gearbulk further provides a safe and independent global whistleblowing channel for all stakeholders to submit concerns.

100%

POTENTIAL INCIDENTS REPORTED TO MACN

TARGET: 100%

Gearbulk is a member of the Maritime Anti-corruption Network (MACN) and cooperate with like-minded industry companies to promote compliance with anti-corruption laws and eliminate corrupt practices.

Currently, the MACN organisation is the ABC industry reference to over 190 companies globally and is still growing. MACN has at least two meetings each year, and Gearbulk's representatives have participated in meetings held since 2018. MACN encourages members to report any actual or suspected corruption incidents so that MACN can focus combating initiatives in areas with increased risks.

All potential occurrences to date have been reported to MACN, supporting the Gearbulk's preventive practices in affected areas.



FUTURE ACTIONS

Monitor our risks continuously

Gearbulk's commitment to maintaining a zero-tolerance stance on bribery and corruption is a key element within our future endeavours. In line with this commitment, Gearbulk assess bribery and corruption risks and the efficiency of related control measures regularly. This involves maintaining a close collaboration with Gearbulk's operational joint ventures and ensuring a proactive approach within fleet management, shipowning and terminal business segments.

Enhance awareness on anti-bribery and corruption

Gearbulk will launch a comprehensive anti-bribery and corruption program aimed at raising internal awareness and solidifying our zero-tolerance commitment for anti-bribery and corruption practices. This initiative will actively involve both shore employees and crew, emphasising the importance of maintaining ethical standards in all our operations.

As part of the ABC program, Gearbulk will conduct a thorough review of the existing anti-bribery and corruption training programs and monitor attendance and completion rates, ensuring the increase of the number of employees and crew duly informed by the latest industry standards and legal requirements. Gearbulk will also seek external insights from stakeholders, fostering a collaborative approach to enhance the anti-corruption measures. By engaging our entire workforce and considering external perspectives, we aim to fortify our stance against unethical practices, fostering a corporate culture that prioritizes integrity and transparency.

CYBER SECURITY

PROTECTING OUR ORGANISATION

In today's digital age, the necessity to prioritise cybersecurity is increasing. Doing so will not only safeguard sensitive data but also foster trust, resilience, and ethical practices in the increasingly interconnected landscape of business and technology.

WHY IT MATTERS

Cybersecurity is paramount for our company as it safeguards sensitive information and ensures the integrity and continuity of our operations. By prioritising robust cybersecurity measures, we not only protect our stakeholders and maintain their trust but also contribute to sustainable and ethical practices.

OUR AMBITION LEVEL

Gearbulk aims to integrate ethical cybersecurity practices to ensure a resilient digital landscape that prioritises accountability and sustainable cybersecurity measures.

OUR TARGETS

- 100% of employees to be trained on Gearbulk Policies and Procedures
- 100% of employees to be registered on the e-learning software
- Fail rate of less than 5% on simulations



POTENTIAL AND ACTUAL IMPACTS

We acknowledge the significant threat that cyber threats pose to the shipping industry, and we have proactively implemented a range of security measures to safeguard against potential cyberattacks. Our ongoing investment in robust security controls not only minimises our vulnerability to cyber threats but also ensures a more reliable and secure service for our customers. By diligently identifying and addressing potential system vulnerabilities, we strive to mitigate disruptions to our operations, offering our customers the assurance that their cargo will be delivered punctually and without interruption.

We actively engage in the exchange of cyber threat intelligence with various security entities in the Maritime and Shipping sector, including the Norwegian Maritime Cyber Resilience Centre, as well as renowned national and global organisations. The information obtained from threat intelligence is thoroughly assessed and utilised to enhance detection capabilities and reduce overall cyber risk. Additionally, our participation in various initiatives and regular engagement in cybersecurity forums allow us to share knowledge and stay informed about emerging threats affecting our industry.



OUR ONGOING EFFORTS TO MANAGE THE IMPACT

Gearbulk places a high priority on cybersecurity management due to its significant actual and potential impacts on various aspects of society, including the economy, environment, and human rights. Recognising the potential breaches that may compromise human rights and safety, the Company diligently assesses its activities and business relationships to identify vulnerabilities or risks related to cybersecurity, ensuring the protection of sensitive data and critical systems.

Gearbulk has established robust policies and commitments regarding cybersecurity, emphasising the importance of data protection and risk mitigation strategies. To prevent potential negative impacts, proactive measures such as regular cybersecurity assessments, employee training on cyber threats, and the implementation of cybersecurity protocols and technologies are put in place. In cases of actual negative impacts, such as data breaches, Gearbulk takes swift action to address them, cooperating with authorities and implementing remedial measures to minimise the impact and prevent future incidents.

Additionally, Gearbulk continuously enhances its cybersecurity measures to adapt to evolving threats and technologies, managing potential positive impacts by strengthening its cybersecurity practices continually. The effectiveness of these actions is tracked through rigorous monitoring processes, with goals, targets, and indicators used to evaluate progress. Lessons learned from this tracking are incorporated into operational policies and procedures to further bolster cybersecurity practices.

Furthermore, Gearbulk engages with stakeholders to gather feedback and insights, ensuring that its actions align with stakeholder expectations and effectively protect against cyber threats. Despite the evolving nature of technology and its associated impacts, Gearbulk remains committed to continuously enhancing its IT security. Measures implemented include robust IT systems, enhanced security measures for remote working, simulated phishing attacks, vigorous testing of potential vulnerabilities in the IT environment, and regular cybersecurity training and awareness campaigns for employees. Through these comprehensive approaches, Gearbulk demonstrates its commitment to maintaining cybersecurity resilience and safeguarding its operations, stakeholders, and data from potential cyber risks.

CYBER SECURITY

PROGRESS AND PERFORMANCE

We prioritise the continuous enhancement of our cyber security measures and management. Through proactive initiatives and ongoing vigilance, we are committed to safeguarding our digital infrastructure and protecting sensitive information from evolving threats in today's dynamic cyber landscape.

92%

OF EMPLOYEES
REGISTERED FOR TRAINING

To ensure our employees are equipped with the necessary knowledge and skills, Gearbulk utilises advanced e-learning software to deliver interactive cyber security training. Our employees are required to participate in regular training sessions to stay up-to-date with the latest developments in cyber security.

100%

OF EMPLOYEES
RECEIVED TRAINING

To mitigate cyber security risks, Gearbulk has implemented a mandatory cyber security training program. This will ensure that our employees are equipped with the knowledge and skills necessary to protect our digital systems and maintain the smooth operation of our daily activities.

4.1%

FAILRATE ON SIMULATED
ATTACKS

Gearbulk employs advanced cyber security tools to conduct regular simulated hacking attacks via email. Disguised as phishing emails, simulated hacking attacks are created on a regular basis, and the employee has the option to delete or report the suspicious email. With ongoing training, our fail rate is low at 4.1%.

0

ACTUAL MAJOR INCIDENTS
OCCURRED

Cyber attacks increased dramatically in 2022. The increase in actual incidents can be attributed to modern methods hackers utilise to trick the individual in actual day-to-day business scenarios. However, through a combination of increased awareness, strengthened IT Security infrastructure and regular e-learning, the Company is confident to further contain the impact of major incidents in 2023.

FUTURE ACTIONS

Increase our security measures

Gearbulk recognises the need for an effective and robust cyber security management strategy in accordance with relevant regulations and best practices, to ensure the safety and security of seafarers, the environment, the cargo, and the ships.

Cyber security management is about creating and implementing a unified data security strategy so that data remains safe no matter how the infrastructure evolves. It is about nurturing a safety-first organisational culture that puts security at the heart of everything we do. This includes accounting for cyber security risk management in our safety management systems, in compliance with the ISM code.

SUPPLY CHAIN MANAGEMENT

RESPONSIBLE BUSINESS PRACTICES

Remaining proactive in development of initiatives which ensure efficiency, resilience, and ethical practices is essential to navigate the complexities of today's globalised markets.

WHY IT MATTERS

Cultivating relationships with suppliers entails nurturing ethical partnerships, maintaining transparent communication, and promoting fair practices. Effective supplier management, guarantees dependable sourcing, quality, and sustainability, recognizing that neglecting these aspects may result in disruptions and unethical sourcing practices.

OUR AMBITION LEVEL

Gearbulk aims to exclusively engage in business collaborations with supply chain partners who demonstrate a genuine commitment to addressing environmental and social impacts. Together, we seek to uphold shared objectives focused on minimising adverse effects and promoting sustainable practices.

OUR TARGETS

- 100% of all new suppliers screened for environmental and social topics
- Develop and implement policies and procure for third party risk management/ due diligence procedures



POTENTIAL AND ACTUAL IMPACTS

Gearbulk's impact on supply chain management extends far beyond mere financial transactions; it profoundly influences both economic dynamics and environmental considerations within the local communities where it operates. Through its procurement activities, Gearbulk engages with a diverse array of suppliers worldwide, contributing to their financial stability and growth. This ripple effect encompasses various facets, including job creation, economic development, and tax contributions, which play pivotal roles in shaping the socioeconomic landscape of these communities. Additionally, Gearbulk's operations leave a tangible environmental footprint, encompassing aspects such as pollution and resource consumption. For instance, the transportation of goods via Gearbulk's vessels may result in emissions and other environmental impacts, affecting air and water quality. Therefore, Gearbulk acknowledges its responsibility to manage these impacts responsibly, striving to minimize environmental harm through sustainable practices and continuous improvement initiatives within its supply chain management framework. By addressing both economic and environmental aspects, Gearbulk aims to foster positive outcomes for both its suppliers and the communities in which they operate, reflecting its commitment to ethical and sustainable supply chain practices.



OUR ONGOING EFFORTS TO MANAGE THE IMPACT

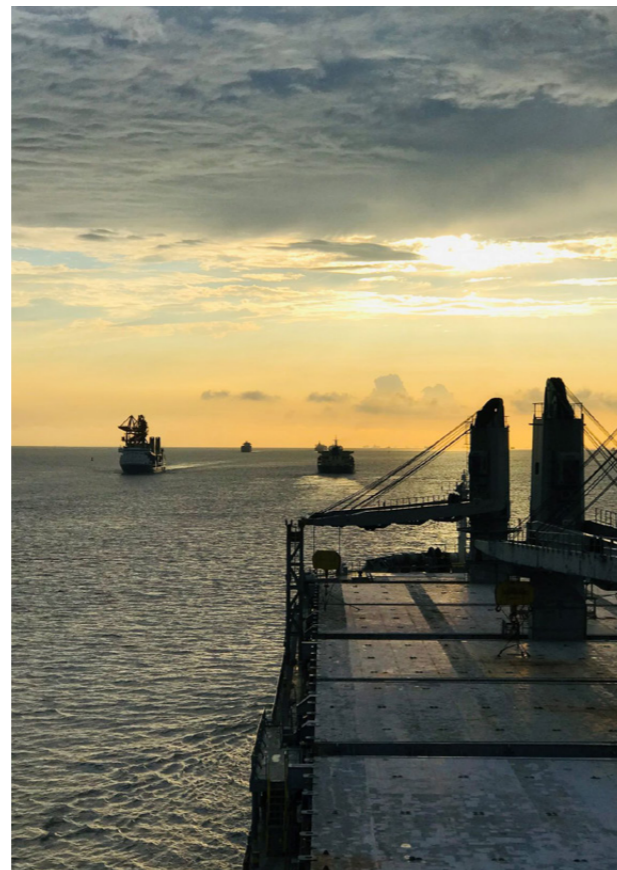
At Gearbulk, effective supply chain management utmost important. We meticulously assess both actual and potential impacts across the economy, environment, and people, including human rights considerations, ensuring transparency by reporting any involvement in negative impacts arising from our activities or business relationships. Our supply chain management policies prioritise responsible sourcing, environmental stewardship, and upholding human rights. Proactively, we implement a supplier code of conduct, conduct regular audits and swiftly address any negative impacts in collaboration with stakeholders. Furthermore, we actively manage positive impacts by engaging with local communities, promoting sustainable practices and continuously tracking progress using defined processes and indicators. Through stakeholder engagement, we ensure our actions align with expectations, aiming for effective supply chain management that mitigates risks and maximises positive impact, reflecting our commitment to responsible and sustainable practices at Gearbulk.

SUPPLY CHAIN MANAGEMENT

PROGRESS AND PERFORMANCE

Taking proactive steps towards sustainable practices, we actively collaborate with key suppliers to manage waste and reduce carbon emissions throughout our operations.

In collaboration with our primary supplier, we have been able to effectively coordinate the retrieval of used plastic wrapping generated during delivery of consumable supplies. Subsequently, the collected plastic waste undergoes proper onshore disposal procedures. Additionally, we initiated a pilot programme with our rope supplier in China to recycle used mooring rope into agricultural film. We have also partnered with our freight forwarder to reduce our carbon emissions, using the GLEC Framework to map and measure them. The Freight forwarder calculated Gearbulk's 2023 transport footprint, totaling 454,462 kg CO2-e. To offset these emissions, the Freight Forwarder contributes to 'Justdiggit' – a land restoration organisation in Tanzania.



58

SUPPLIERS SIGNED SUPPLIER CODE OF CONDUCT

Our supplier code of conducts is imperative to keep our supplier responsible to uphold our ethical and responsible business standards. Signing the supplier code of conducts supports the supplier's commitment to our goals.

100%

OF SUPPLIERS SCREENED

Gearbulk due diligence process include a digital screening tool, assessing our suppliers for any negative environmental and social impacts prior to engaging with the supplier. During 2023 no material flags have been identified with new or existing suppliers.

1,826KGs

PLASTIC WASTE COLLECTED DUE TO SUSTAINABLE PROCUREMENT

Through various partnerships and frequent collaboration with our suppliers, we strive to ensure the procurement of sustainable goods and services. As a result, key suppliers have successfully delivered on this commitment by adjusting the nature and method of delivery of goods and services.

FUTURE ACTIONS

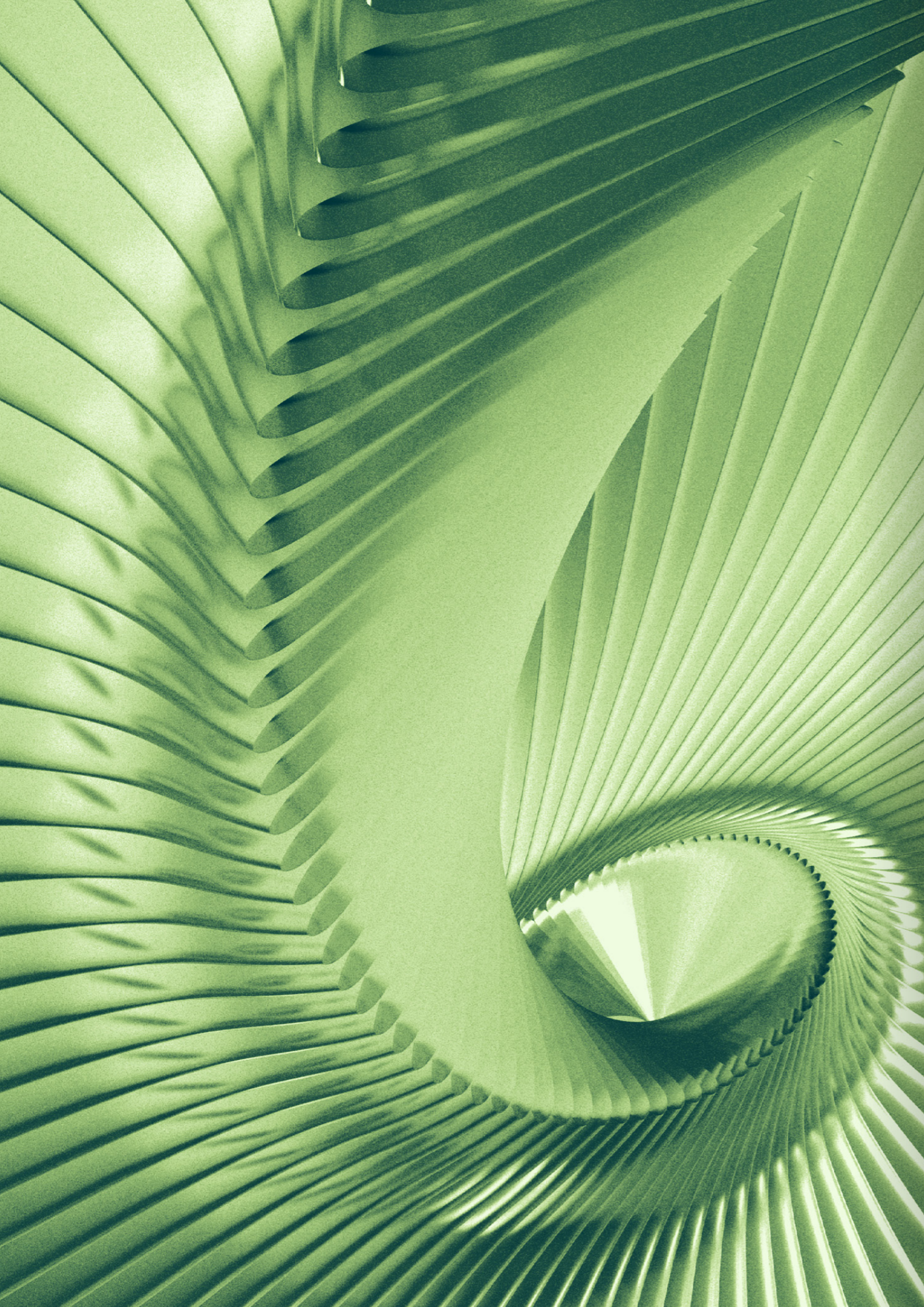
Boost Third-Party Risk Management Policy and Procedures

Gearbulk has finalized the update of its Third-Party Risk Management policies and procedures. Under this revised framework, Gearbulk is committed to ongoing assessments of all suppliers, both new and existing, focusing on their environmental and social impacts. The objective is to diligently evaluate these impacts and collaborate closely with suppliers to proactively minimize or eliminate any potential negative consequences.

This comprehensive assessment will play a pivotal role in shaping Gearbulk's strategic procurement practices in the future, aligning with our Environmental, Social, and Governance (ESG) goals. By consistently engaging with suppliers to address and mitigate adverse impacts, we are actively working towards a sustainable and responsible approach to procurement. This commitment underscores our dedication to fostering positive environmental and social outcomes in the evolving landscape of our business operations.

Expand our commitment to sustainable procurement

We will actively expand our sustainable procurement network, undertaking ongoing assessments of our suppliers. Through collaborative efforts with our suppliers, we aim to ensure that the goods and services we procure exert no significant negative impact on the environment and society. This encompasses not only the final products but also the production processes involved in delivering these goods and services. By fostering continuous engagement and cooperation, we aspire to mitigate and eventually eliminate any adverse effects associated with our procurement activities. This forward-looking approach underscores our dedication to minimising environmental and social impacts in the future.



APPENDICES

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GLOSSARY OF TERMS AND ACRONYMS

- **ABC:** Anti Bribery and Corruption
- **AER:** Annual Efficiency Ratio
- **AF:** Anti Fouling
- **AI:** Artificial Intelligence
- **Biofouling:** The accumulation of plant and animal organisms on wetted surfaces.
- **BoD:** Board of Directors
- **BWM:** Ballast Water and Sediments
- **BWTS:** Ballast Water Treatment System
- **CBT:** Computer based training
- **CEO:** Chief Executive Officer
- **CFO:** Chief Financial Officer
- **CH4:** Methane
- **CII:** Carbon Intensity Indicator
- **CMS:** Crew Management System
- **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.
- **CSR:** Corporate Social Responsibility
- **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.
- **EBITDA:** Earnings before interest, tax, depreciation and amortisation
- **ECA:** Emission Control Area, areas with more stringent regulation of emissions such as SOX and NOX for environmental and/or human health issues.
- **ECDIS:** Electronic Chart Display and Information System
- **EEDI:** Energy Efficiency Design Index
- **EEOI:** Energy Efficiency Operational index
- **ESG:** Environmental Social Governance
- **ETS:** Emission Trading System
- **EU:** European Union
- **EUA:** European Carbon Allowances
- **EQ:** Emotional intelligence
- **FC:** Financial Capital
- **FE:** Facilities and Equipment
- **FFA:** Forward Freight Agreements
- **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.
- **FS:** Financial Statements
- **GBSF:** Gearbulk Solidarity Fund
- **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.
- **GRI:** Global Reporting Initiative
- **HAZID:** Hazard Identification
- **HAZOP:** Hazard and Operability Study
- **HC:** Human Capital
- **HFC:** Hydrofluorocarbon
- **HR:** Human Resources
- **HSEQ:** Health, safety, quality and environment policy
- **IACS:** Integrated Administration and Control System
- **IC:** Intellectual Capital
- **ICS:** International Chamber of Shipping
- **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.
- **IR:** Integrated Report
- **ISM: International Safety Management**
- **ISO:** International Organisation for Standardisation.
- **JV:** Joint Venture
- **KPIs:** Key performance indicators
- **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 practice 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.
- **MC:** Manufactured Capital
- **MEPC:** Marine Environment Protection Committee
- **MLC:** Maritime Labour Convention
- **Mt:** Metric tonnes.
- **NC:** Natural Capital
- **NGOs:** Non-Government Organisation, an organisation which operates independently from any form of government and is not a conventional for-profit business.
- **NORMA:** Norwegian Maritime Cyber Resilience Centre
- **NOX:** 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.
- **OCIMF:** Oil Companies International Marine Forum
- **OHGC:** Open Hatch Gantry Crane.
- **OHJC:** Open Hatch Jib Crane.
- **OPEX:** Operating expenses or operating costs
- **PC / HC:** Propellor and Hull Cleaning
- **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.
- **RAM: Risk Assessment Matrix**
- **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.
- **SOLAS:** International Convention for the Safety of Life at Sea
- **SOX:** 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.
- **SRC:** Social and Relationship Capital
- **SRF:** Ship Recycling Facility
- **SRP:** Ship Recycling Plan
- **SOLAS:** International Convention for the Safety of Life at Sea
- **STCW:** Standards of Training, Certification and Watch-keeping. 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.
- **TPM:** Ton per mil
- **TRC:** Total Recordable Cases
- **TRCF:** Total Recordable Cases Frequency
- **Twendecker:** Vessel which has its holds divided by a 'tween' deck which creates upper and lower holds.
- **USG:** United States Gulf (of Mexico)
- **VSAT:** Very Small Aperture Terminals

GRI INDEX

GRI CONTENT INDEX

Statement of use: Gearbulk Holding AG has reported in accordance with the GRI Standards for the period 1 January 2023 - 31 December 2023. GRI is notified that we use the standard.

The GRI index below includes references to material topics addressed in the report.

When reading the below, please note we refer to the Integrated Report as "IR," the ESG Report as "ESG" and the Financial Statements as "FS."

Disclosure number	Description	Reference	Requirement(s) omitted	Reason for omission	Comment
GRI 2 - GENERAL DISCLOSURES 2021					
2-1	Organisational details	IR p. 14- 17			
2-2	Entities included in the organisation's sustainability reporting	IR 5, 14-15, ER p.4			
2-3	Reporting period, frequency and contact point	ER p. 4			Reporting frequency: Annual Publication date: Contact point: Shahn Bothma, ESG and Risk Manager stakeholderenquiries@gearbulk.com
2-4	Restatement of information	ER p.4			
2-5	External assurance	ER p. 4, IR p. 30			
2-6	Activities, value chain and other business relationships	IR p. 10-11, 36-45, ER p. 74 - 79			No major changes in sector or value chain occurred in the reporting period
2-7	Employees	IR p. 100-105 ER p. 56-57			
2-8	Workers who are not employees	IR p. 100-105 ER p. 56-57	2-8-b-c		Due to the increase in managed vessels there has been a slight increase in workers however the full extent is to be noted in 2024.
2-9	Governance structure and composition	IR p. 26 - 31			

Disclosure number	Description	Reference	Requirement(s) omitted	Reason for omission	Comment
GRI 2 - GENERAL DISCLOSURES 2021					
2-10	Nomination and selection of the highest governance body	IR p. 26- 31	2-10	Not applicable	Not applicable for Gearbulk due to the company being privately held by only two shareholders. Hence, the nomination to the highest governance body and its committees is decided by the shareholders. The shareholders' agreement for Gearbulk regulate how many directors each shareholder can nominate to the board of directors
2-11	Chair of the highest governance body	IR p.26 - 31	2-11	Not applicable	According to the shareholders agreement, for as long as Halberton Holding AG is the majority shareholder (currently holding 51%) of the company, Halberton shall be entitled to nominate the President of the company. Matters where there are conflict of interest shall be disclosed, ref. article 25 of the company's Articles of Association and Clause 4.2 of the Organisational Regulations. Transactions with Related Parties are also disclosed in the annual report. [Currently reporting on Kristian in the IR Report. To review the description to ensure completeness of the requirements.]
2-12	Role of the highest governance body in overseeing the management of impacts	IR p.26 - 31	2-12	Information unavilable /incomplete	As part of the Gearbulk Strategy Process, management of impacts was embedded into the company's Strategic Goals, ref. E1 to E4 (Enable the Green, Blue and Circular Economics). To be documented into the IR report for 2023
2-13	Delegation of responsibility for managing impacts	IR p. 20			The CEO and Chairman has implemented a structure to support in management of impacts
2-14	Role of the highest governance body in sustainability reporting	IR p. 20			
2-15	Conflicts of interest	IR p. 30			

Disclosure number	Description	Reference	Requirement(s) omitted	Reason for omission	Comment
GRI 2 - GENERAL DISCLOSURES 2021					
2-16	Communication of critical concerns	IR p. 30			
2-17	Collective knowledge of the highest governance body	IR p. 28			
2-18	Evaluation of the performance of the highest governance body	N/A	2-18	Information unavailable/incomplete	There is no particular process for evaluation, including independent evaluation, of the board performance in overseeing the management of impact. However, it is considered to have outside audit of the company's impact reporting.
2-19	Remuneration policies	IR p. 29, 45, 76	2-19	Confidentiality constraints	This is not information Gearbulk shares publicly due to considerations of remuneration policy confidentiality.
2-20	Process to determine remuneration	IR p. 29, 45, 76	2-20	Confidentiality constraints	This is not information Gearbulk shares publicly due to considerations of remuneration policy confidentiality.
2-21	Annual total compensation ratio	N/A	2-21	Confidentiality constraints	Compensation is subject to confidentiality clauses in employment agreements.
2-22	Statement on sustainable development strategy	IR p. 56 -71 ER p. 8-9			
2-23	Policy commitments	IR p.116, 122 ER p. 10, 24,28, 31, 37, 49, 50,55, 59, 65, 79			Please refer to our website gearbulk.com for policies that are publically available.
2-24	Embedding policy commitments	IR p. 6-9 40,116,122 ER p. 8-11 48-50, 59, 64-69, 76-79			

Disclosure number	Description	Reference	Requirement(s) omitted	Reason for omission	Comment
GRI 2 - GENERAL DISCLOSURES 2021					
2-25	Processes to remediate negative impacts	IR p. 6-7, 36-40, 89, 113, 116, 118, 126-130 ER p. 41, 49, 62-67, 74-79			
2-26	Mechanisms for seeking advice and raising concerns	IR p. 116 ER p. 50-53, 65			
2-27	Compliance with laws and regulations	ER p. 48			During 2023 no fines were paid due to non compliance.
2-28	Membership associations	IR p. 116,122			
2-29	Approach to stakeholder engagement	IR p. 44-45 ER p.: 15, 27, 33, 41, 53, 55, 63, 67, 69,75			
2-30	Collective bargaining agreements	N/A	2-30	Not applicable	No employees under a bargaining agreement during 2023.

Disclosure number	Description	Reference	Requirement(s) omitted	Reason for omission	Comment
GRI 3 - MATERIAL TOPICS 2023					
3-1	Process to determine material topics	IR p. 6-7			
3-2	List of material topics	IR p. 4- 7, 56-57 GRI Topic Standards that contain relevant indicators for disclosure for the topics considered most material for Gearbulk: - 305: Emissions - 306: Waste - 403: Occupational Health and Safety - 205: Anti-corruption - 418: Customer privacy			
GRI 3 - MATERIAL TOPICS					
Material Topic 1 - Climate change					
3-3	Management of material topic	ER p. 14-25			
GRI 305 - Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	IR p. 126-131 ER p. 18-19			
305-2	Energy indirect (Scope 2) GHG emissions	IR p. 126-131 ER p. 18,20			
305-3	Other indirect (Scope 3) GHG emissions	IR p. 119, 126-131 ER p. 18, 21			
305-4	GHG emissions intensity	IR p 130 ER p. 17			
305-5	Reduction of GHG emissions	IR p. 126 ER p. 18			
305-6	Emissions of ozone-depleting substances (ODS)	N/A	305-6	Information unavailable/incomplete	This information is not accessible by Gearbulk however Gearbulk to investigate measures to obtain information to report on.
305-7	Nitrogen oxides (Nox), sulfur oxides (SOx), and other significant air emissions	ER p. 8, 10, 12			

Disclosure number	Description	Reference	Requirement(s) omitted	Reason for omission	Comment
GRI 3 - MATERIAL TOPICS					
Material Topic 2 - Pollution					
3-3	Management of material topic	IR p. 4-6, 126-230 ER p. 26 - 31			
GRI 306 - Waste 2020					
306-3	Significant spills	ER p. 26-31			
GRI 306 - Effluents and Waste 2016					
306-1	Waste generation and significant waste-related impacts	ER p. 26-31			
306-2	Management of significant waste-related impacts	IR p. 39, 126-130 ER p.26-31	306 -2 a	Information unavailable/incomplete	Gearbulk is consistently increasing measures to reduce its impact. These measures are defined in our actions and as information becomes more available Gearbulk intends to adapt processes to ensure manment of thethe impact.
306-3	Waste generated	ER p. 13, 14			
306-4	Waste diverted from disposal	ER p. 26-31	306-4 a-e	Information unavailable/incomplete	This information is not accesable by Gearbulk however Gearbulk to investigate measures to obtain information to report on.
306-5	Waste directed to disposal	ER p. 26-31	306-5 a-d	Information unavailable/incomplete	This information is not accesable by Gearbulk however Gearbulk to investigate measures to obtain information to report on.

Disclosure number	Description	Reference	Requirement(s) omitted	Reason for omission	Comment
GRI 3 - MATERIAL TOPICS					
Material Topic 3 - Occupational health and safety					
3-3	Management of material topic	IR p. 46-47, 60-61, 98-110 ER p. 40-47			
GRI 403 - Occupational Health and Safety 2018					
403-1	Occupational health and safety management system	ER p. 40-47			
403-2	Hazard identification, risk assessment, and incident investigation	ER p. 42-43			
403-3	Occupational health services	ER p. 42			
403-4	Worker participation, consultation and communication on occupational health and safety	ER p. 43			
403-5	Worker training on occupational health and safety	ER p. 43			
403-6	Promotion of worker health	ER p. 43			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ER p. 40-47			
403-8	Workers covered by an occupational health and safety management system	IR p. 55, 118 ER p. 42			
403-9	Work-related injuries	ER p. 44-47 IR p. 79,108			
403-10	Work-related ill health	ER p. 44-47			

Disclosure number	Description	Reference	Requirement(s) omitted	Reason for omission	Comment
GRI 3 - MATERIAL TOPICS					
Material Topic 4 - Corruption and bribery					
3-3	Management of material topic	IR p. 6-7, 31, 73, 116, 122 ER p. 62 - 67			
GRI 205 - Anti-Corruption 2016					
205-1	Operations assessed for risks related to corruption	ER p. 64			
205-2	Communication and training about anti-corruption policies and procedures	ER p. 64-65			
205-3	Confirmed incidents of corruption and actions taken	ER p. 65			
Material Topic 5: Cyber security					
3-3	Management of material topic	IR p. 6-7, 71, 116-122 ER p.68-73			
GRI 418 - Customer Privacy 2016					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	IR p.120-122 ER p. 68-73			

REPORTING METHODOLOGIES

Description	Methodology	Scope/ Exclusions	Unit of reporting
ENVIRONMENT			
Emissions			
Energy consumption and intensity ratios			
Energy Efficiency Operational Indicator (EEOI)	<p>The EEOI is calculated based on IMO MEPC.1/Circ.684, with the formula: $EEOI = (\text{fuel consumption} \times \text{carbon factor}) / (\text{distance} \times \text{cargo carried})$</p> <p>The carbon factors used are as follows: Heavy fuel oil: 3.1144 Light fuel oil: 3.151 Diesel oil: 3.206</p> <p>Source: IMO lifecycle and carbon intensity guidelines</p>	EEOI only uses CO2 factor for the fuel, not CO2e	mt CO2/ mill mt cargo*nm
Annual Efficiency Ratio (AER)	<p>The AER is calculated based on MEPC.336(76) guideline, with the formula: $AER \text{ for the fleet} = (\text{Annual fuel consumption} \times \text{carbon factor of the fuel}) / \text{total transport work (Distance sailed} \times \text{average DWT of G2 Ocean's fleet)}$</p> <p>The carbon factors used are as follows: Heavy fuel oil: 3.1144 Light fuel oil: 3.151 Diesel oil: 3.206</p>	AER only uses CO2 factor for the fuel, not CO2e	
SOx per transport work	<p>The SOx emissions are divided by transport work (distance*cargo carried) to give a fair comparison year by year.</p> <p>See separate description for calculation of SOx emissions.</p>		
NOx per transport work	<p>The NOx emissions are divided by transport work (distance*cargo carried) to give a fair comparison year by year.</p> <p>See separate description for calculation of NOx emissions.</p>		
Scope 1 emissions			
CO2 equivalents (CO2e) from fuel consumption	<p>The carbon factors used are as follows: Heavy fuel oil: 3.1144 Light fuel oil: 3.151 Diesel oil: 3.206</p>		

Description	Methodology	Scope/ Exclusions	Unit of reporting
ENVIRONMENT			
Sox and NOx emissions			
Sulphur oxides emissions (SOx)	<p>The mass of SOx emitted by the vessel is calculated by multiplying the given fuel type consumption (in metric tons) with the sulphur content of each fuel type (%) and sulphur content factor per metric ton of fuel.</p> <p>The sulphur content factor is a fixed parameter of 1.99782 per metric ton and, given the fuel type, the sulphur content percentage is expressed as an absolute value. The emitted mass of SOx will then be: $\text{Consumption [MT]} \times \text{Sulphur content [\%]} \times \text{Sulphur Content Factor } 1.99782 \text{ per mt}$</p> <p>Source: Norwegian Oil and Gas Association, Recommended guidelines for discharge and emission reporting, No:44</p>	MT NOx	
Nitrogen Oxides (NOx)	<p>The mass of NOx emitted is calculated using the following assumptions: - All main engines <200 rpm, this equals 100 kg of NOx per metric ton fuel used. - All auxiliary engines (1000< rpm<1500), this equals 50kg of NOx per metric ton fuel used. - All Boilers 9.6kg of NOx per metric ton fuel used.</p> <p>The fuel distribution between the main engines, auxiliary engines and boilers are calculated based on actual figures. NOx factors depend on the type of engine. The fuel type does not affect the emissions.</p> <p>Source: Norwegian NOx Fund</p>		MT NOx
Scope 2 emissions			
Consumption of purchased energy for heating, cooling, lightning, and gas.	<p>Electricity is the main energy source used by our offices. All energy sources are included in the emission data. The CO2 emission factor (tCO2 per kWh) from our offices' local energy supplier is used where available. We have applied the market base approach to calculate the electricity consumption in the report.</p>	The company's total Scope 2 emissions include emissions from offices in Brazil, Japan, Norway, Singapore and Switzerland.	CO2e
Scope 3 emissions			
Emissions from business travel	<p>We use information provided by service provider to calculate our scope 3 emissions. Our travel service providers provides an annual overview of all flights booked via their online portal and by phone to their operators. In their annual summary all flights are categorised by flight length (domestic / international) and ticket class. In addition to this we receive the total emissions per year from our crewing agency to report on.</p>		CO2e
Downstream Leased Assets	<p>The carbon factors used are as follows: Heavy fuel oil: 3.1144 Light fuel oil: 3.151 Diesel oil: 3.206</p>	Covers the emissions from all GB vessels chartered out of the G2 Ocean fleet, not including well-to-tank emissions.	CO2e



