

GRIEG MARITIME GROUP

Annual Report 2022



GRIEG MARITIME GROUP



PHOTO: CE EDWIN GALZITA

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About this report

Welcome to Grieg Maritime Group's 2022 Annual Report which covers our business, strategy, and performance. The report's primary purpose is to explain how we create value for our stakeholders, not only as an owner and service provider in the maritime industry, but also as a responsible employer and contributor to the society we operate in.

Also this year, we have put efforts into progressing our reporting, believing moving towards integrated reporting is an important catalyst for the organization's behavioural change and long-term thinking when working for a more sustainable future. Our ambition is to show better connectivity, allowing the reader to understand how Grieg Maritime Group's capital and human resources create value in the short, medium, and long term in the context of external trends, risks, and opportunities to our business model.

While company reporting-quality improved back in time when focus shifted from pure financials to also include risks and compliance matters, it did still not provide the broader and deeper insight that gives clarity on the factors driving value creation - given the complex, competitive and resource strained world we operate in today. When having an integrated focus to our business activities, there is also a stronger pull for the management and the board towards building sustainability targets when setting the company's objectives and key metrics. Thus, integrated reporting also enhances business resilience, enabling better and more integrated decision making, which also help to bring down internal silos, giving rise to more connected thinking across the organization.

Our 2022 Annual Report is shaped by the Company's Materiality Assessment, which was carried out for the first time in 2022. While its specifics are discussed in a separate chapter of the report, the findings strong-

ly impact which stories and parts of Grieg Maritime Group activities that are being offered to the reader. We want to share, based on what our stakeholders find important.

Grieg Maritime Group's reporting of deliveries on Environmental Social and Governance (ESG) metrics are founded on the Norwegian Shipowner Associations' "Guideline on ESG reporting in the shipping and offshore industries" and the "Greenhouse Gas Protocol". References to the Integrated Reporting and GRI standards are made when applicable, as well as our contribution to UN Global Compact's Sustainable Development Goals, where we report and measure progress against some Grieg Group set targets.

Unless otherwise indicated, the scope of the data in the report covers all our operations for the full calendar year 2022 or reflects the status as of December 2022. Where not specified, data come from our own estimates. The report has been completed with the oversight of our Board of Directors and reviewed by our Top Management Team including the CEO and CFO. Our auditor PWC has audited the financial accounts including the directors report, while the remaining part has been subject to their cursory reading and comments. We may set for a full review as a new step next year.

Integrated reporting may sound as creating additional complexity or adding an additional layer. The objective is the contrary; We aim at simplifying, telling a comprehensive value creation story - which hopefully also develop even greater trust in Grieg Maritime Group as business partner, employer and contributor to the society.

We welcome your feedback and suggestions for future improvement. Please contact us at: transparency@griegmaritime.com

FROM OUR CEO

Exceptional performance during uncertain times



MATT DUKE
CHIEF EXECUTIVE OFFICER

As we laid the final touches of last year's Annual Report, the Russian invasion of Ukraine had shaken us out of retrospect, and it was difficult to see anything but the present.

A year later, the world has been witness to the pain and suffering every war brings. We dearly hope that lasting peace can be found. The Ukraine conflict has also served to amplify the discord between China and the USA, with differing views becoming even more pronounced.

Robust leadership in uncertain times is essential. Our philosophy is to be proactive and to consider different scenarios and mitigation planning. We feel a degree of ballast has been achieved by working through the Covid-19 pandemic. Yet it is challenging for the world to deliver on the global cooperation needed to solve climate change when polarisation, populism and conflict work to make more barriers between people.

In times of war and uncertainty, we have found that focusing on our work and solving the issues we are responsible for is a welcome distraction from world events. Similarly, the charity Grieg Foundation owns 25% of Grieg Maritime Group, and we are extremely grateful for the foundation's work to provide aid to the children affected by the conflict.

Based on the experience from 2021, we planned for another year with reasonable shipping rates. We expected

2022 to be a solid year that would continue the trend from 2021 for stable markets. Instead, the dry bulk market peaked. We hit a period of imbalance in supply and demand, and the resulting utilisation rates of the global bulk fleet led to record earnings. 2022 would be our strongest performance on record, with a profit before tax of MUS\$ 155.6. A strong year has provided precisely the financial security we need to reinvest into our business, essentially making up the gap in losses we ensured before 2021.

Our performance in 2022 would not have been possible without the extraordinary efforts of our people and partners. I am extremely proud of the teams working in Grieg Maritime Group and our joint venture G2 Ocean.

Our commercial teams in G2 Ocean delivered record-breaking performance, and it was exceptionally pleasing to see Ship Management and our seafarers rise to the challenge. Despite ongoing complexities related to Covid-19, geopolitical tensions and a busy market, we delivered safe, predictable operations. Grieg Star reported their lowest ever unplanned offhire rates, and we embarked on the most extensive dry docking program in our history, delivering on time and on budget. Safety is our top priority, and we had a very strong safety performance, but we always strive to be better and will continue that trend of continual improvement in 2023.

We are acutely aware of our challenges and responsibilities. In 2008, we committed to the UN Global Compact's principles, and we stay committed to those and to the Sustainable Development Goals. Our underlying challenge is that our deep sea fleet still runs on carbon-based fuels.

Throughout 2022, our team has worked alone and with partners to find decarbonisation solutions. In this, we have the perfect partners in G2 Ocean and Gearbulk, sharing knowledge and resources to reduce the carbon emissions from our current fleet. Through the Norwegian Shipping Programme, we have been given a chance to look at ammonia as a possible fuel in a retrofit of our L-class. We are truly grateful for the cooperation with the over 20 entities supporting us in the GSP ammonia pilot in 2022.

Though we do not know for sure what the future fuels will be, there will be a global need for greatly scaled-up renewable energy to produce them. With more available energy as a pre-requisite, we strongly believe in am-

monia as one of the viable alternatives that are worth deeper study and pilot testing. In Grieg Edge, we continued working on the MS Green Ammonia and developing ammonia production facilities through our joint venture with Arendals Fossekompagni, called North Ammonia.

Our 2022 addition to the Grieg Edge portfolio is Skarv Shipping Solutions, a joint venture with the Peak Group. Skarv is looking to develop carbon-free shipping solutions for the short-sea segment. It also gives deep-sea shipping significant knowledge and a vital testing arena.

We continue our philosophy of strengthening and building the strongest possible core whilst using our Edge as a place to test ideas and new business ventures that can provide new additional, profitable and sustainable business segments for Grieg in the future. The overall aims are to balance the cyclical nature of our core deep-sea business and provide a positive contribution towards the development of new technologies.

We believe circularity in the shipping industry is far more than only the recycling phase, and we are developing Grieg Green with the wider market in mind.

I am deeply impressed by the dedication and efforts of our people. We must provide them the best opportunities to thrive in a high-performance environment. Organisational and personal development has been a critical focus area for us. The previous twelve months have been very much dedicated to developing our employees and leaders. We believe this to be one of the very best investments we can make and will continue the same into 2023.

Our focus on the people aspect of business has not gone unnoticed. We are very grateful to have received two international awards in 2022.: The Youngship "Young Corporation Award" and the Wista "Corporate Diversity Award". This recognition gives our team a boost and hunger to continue delivering on our strategy related to equality, diversity, and inclusion.

I would like to end this year's CEO message by thanking our dedicated, loyal and resourceful employees and seafarers. In turbulent times your performance and dedication are something we are incredibly proud of.

Thank you all.



VISION

Creating maritime solutions for a better future

OUR VALUES

Solid

We contribute to a stable economic foundation and thus ensure business continuity.

Proud

We contribute to the welfare of our society, nationally and internationally.

Open

We are honest, exchange ideas and seek to understand and learn from our colleagues.

Committed

We care about the job we do, work environment and the people around us.

OUR BUSINESS AREAS



Shipowning



Shipping



Ship Management



Sustainability services



Future Business

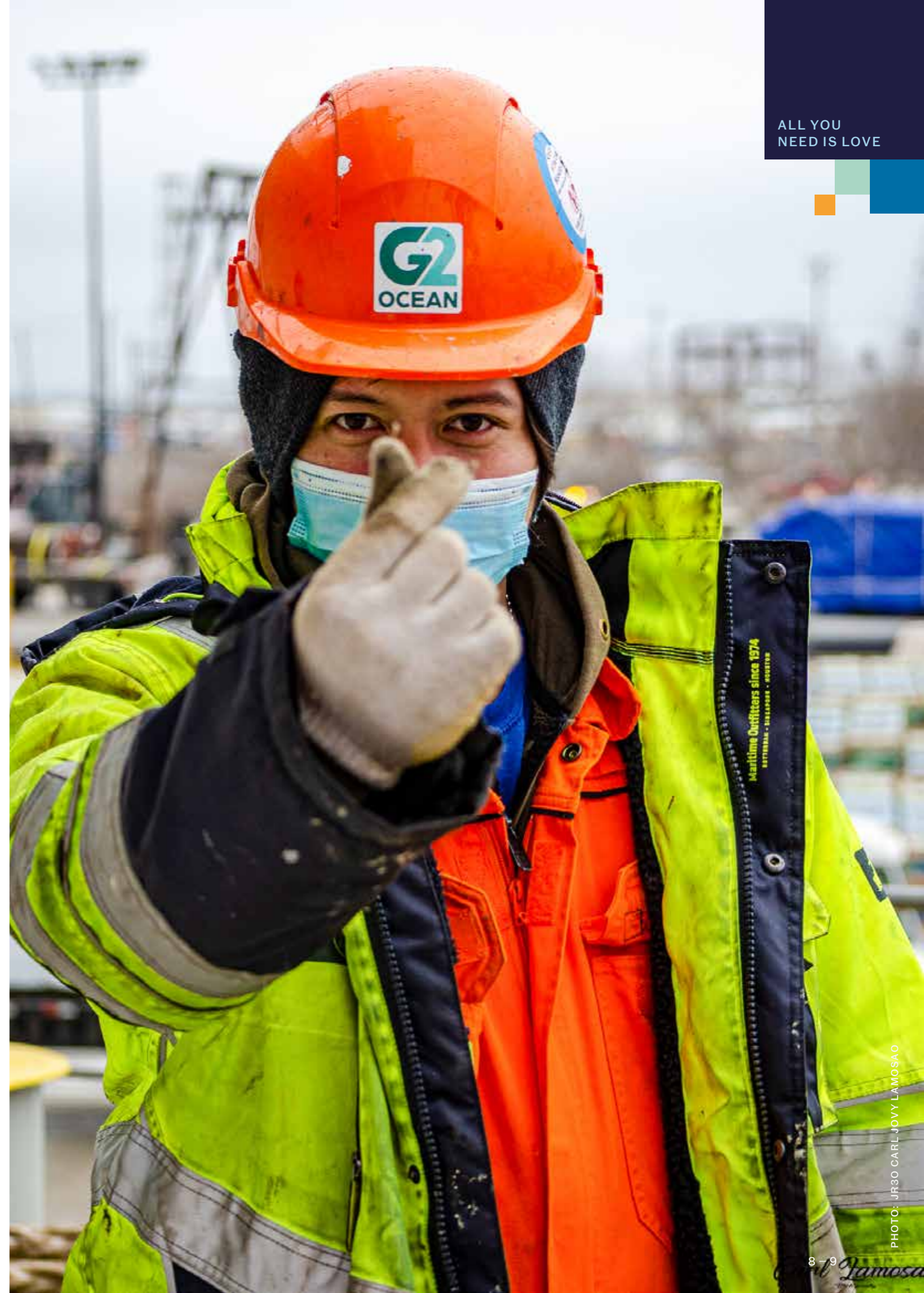
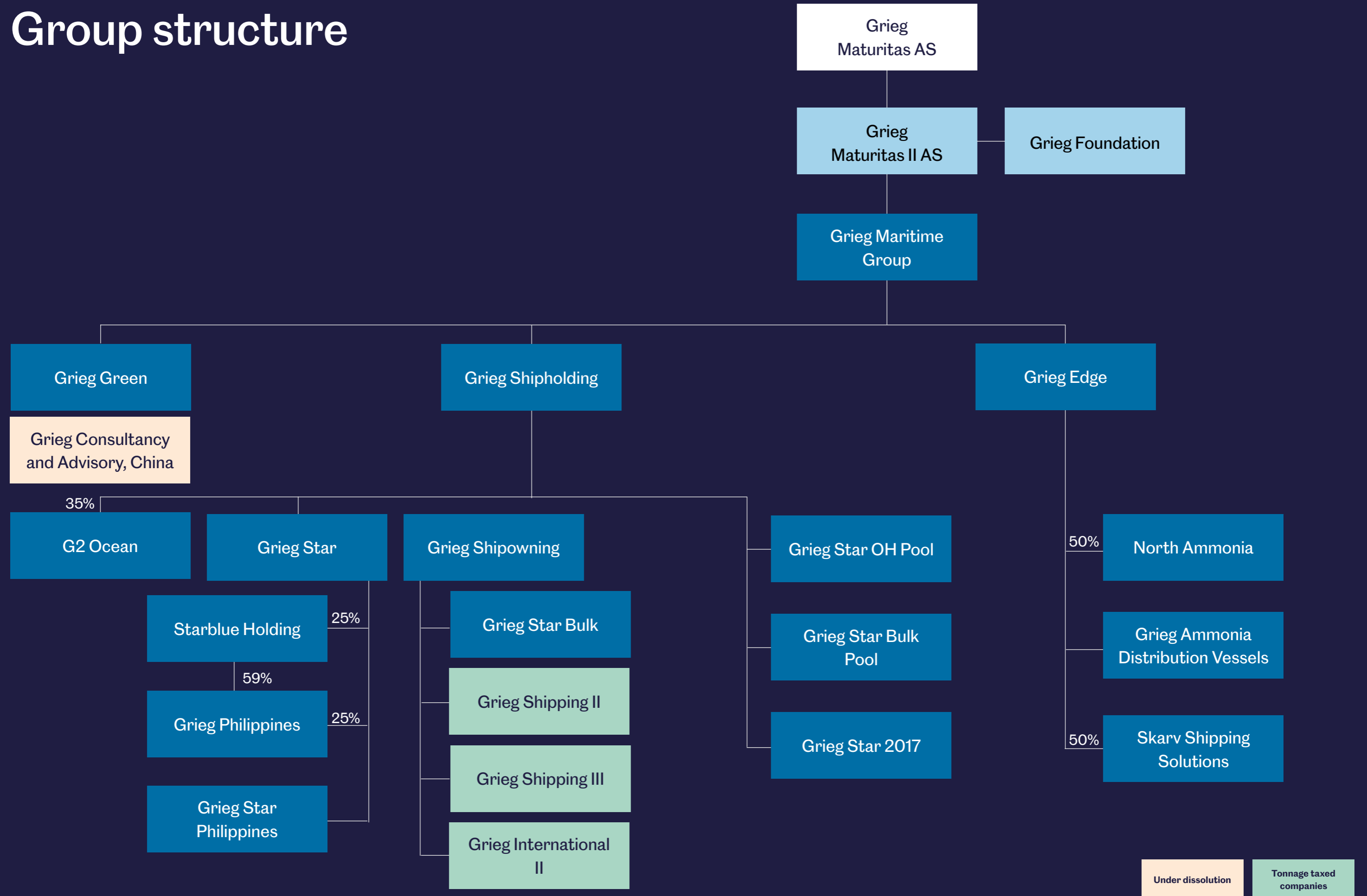


PHOTO: JR30 CARL JOVY LAMOSAO

Group structure



Under dissolution Tonnage taxed companies



THE BEAUTY
OF COLD

Management team



Matt Duke
CHIEF EXECUTIVE OFFICER



Annicken G Kildahl
CHIEF FINANCE OFFICER



Hege Leirfall Ingebrigtsen
CHIEF PEOPLE AND
ORGANISATION OFFICER



Vidar Lundberg
CHIEF BUSINESS
DEVELOPMENT OFFICER



Kjerstin Hernes
CHIEF STRATEGY OFFICER



Pia Meling
MANAGING DIRECTOR
GRIEG GREEN



Nicolai Grieg
MANAGING DIRECTOR
GRIEG EDGE



Atle Sommer
MANAGING DIRECTOR
GRIEG STAR

Board of Directors



Camilla Grieg
CHAIR OF THE BOARD



Kai Grøtterud
MEMBER OF THE BOARD



Elisabeth Grieg
MEMBER OF THE BOARD



Nada Ahmed
MEMBER OF THE BOARD



Didrik Munch
MEMBER OF THE BOARD



Rune Birkeland
MEMBER OF THE BOARD



Ragnhild Janbu Fresvik
MEMBER OF THE BOARD

Sustainable Corporate Governance

Grieg Maritime Group's vision, "Creating maritime solutions for a better future," captures our commitment to operate profitably and sustainably in line with ethical norms and respect for the individual, society, and the environment.

Our commitment also implies that we do not issue a separate sustainability strategy. Instead, our group's vision is embedded in our four strategic pillars:

- Build new sustainable business
- Ensure world-class operations
- Take a leading role in the maritime green shift
- "Implement clear ownership strategies

A HOLISTIC APPROACH

Across these dimensions, we measure progress and results, both by what we deliver and how we deliver, and when recognizing and rewarding performance. Driving the transition towards a more sustainable business footprint forms part of this holistic approach.

Through our operations, we are facing various risks; risks to our business strategy, operational risks, and risks associated with protecting our employees, environment, assets, and reputation. We consider transparency and disclosure on how we operate and how we mitigate these risks as vital in building trust. Through dialogue with our stakeholders, we also better understand the expectations of the society we operate in and our role.

SUSTAINABLE GOVERNANCE STRUCTURE

We believe that good corporate governance is essential in achieving the group's overall objectives and for us to act as a responsible organization. Our corporate governance structure includes a Board of Directors (BoD or Board) of four internal and three independent board members committed to fulfilling their fiduciary duties

to our shareholders, ensuring Grieg Maritime Group's long-term success.

While being inspired by the Grieg Group's overriding vision, "We Will Restore our Oceans", it is the Board's responsibility to set the overall direction and objectives for Grieg Maritime Group, making sure that the strategy also aligns with Grieg Maritime Group's vision and values. The Board exercises oversight and assesses relevant sustainability elements that impact strategic, operational and financial matters, including the factors that constitute critical risks and relevant risk-reducing measures. A guiding force in this respect is also the commitment to the UN Sustainability Goals. The Board works together as a team and assembles at least eight times per annum.

TOP MANAGEMENT

The CEO is overall responsible for Grieg Maritime Group's day-to-day safety, security and sustainability management. That includes decisions and actions related to the climate and the energy transition, which we handle as an integrated part of the daily operations.

The Top Management Team (TMT) consists, in addition

to the CEO, of seven senior executives representing all aspects of our business operations and group functions. The Board holds the TMT accountable for following Grieg Maritime Group's strategies, adhering to its policies, and implementing compliance within expectations, commitments, and the requirements for a high standard of ethical business conduct. All is necessary to care for our employees, safeguard human rights, and assess risks related to climate change and the environment.

The TMT convenes weekly, mainly on digital platforms, as the team sits in two locations. There are also regular business unit reviews, usually on a semi-monthly basis, where amongst others, sustainability, safety, and security are part of the agenda.

SEMI-AUTONOMOUS BUSINESS UNITS

Grieg Shipowning, Grieg Star, Grieg Green, and Grieg Edge are accountable for executing the group's sustainability ambitions and managing relevant risks and performance within their line of operations. Some of these have dedicated safety, security and sustainability specialists employed. Others draw on resources from the other business units, the group

function, and resources in the wider Grieg Group or the G2 Ocean joint venture.

In total, this forms a safety, security, and sustainability network. A dedicated ESG Coordinator organizes cross-functional and cross-business unit projects, driving the group's sustainability reporting. However, day-to-day assessment and implementation are a line management responsibility to ensure that corporate social responsibility is an integral component for all business units and operations.

SUSTAINABILITY FOCUS

Group functions relevant to sustainability include:

- Strategy and communication.
- Finance and control.
- Business development.
- Sustainability reporting.
- People and organization.
- Legal & compliance.

These functions facilitate setting strategic direction and Key Performance Indicators (KPIs), providing advice, engaging in stakeholder dialogue and advocacy, and reporting risk and performance to the TMT and the Board. The KPIs are defined both at group and business unit levels. They are available to all employees and are discussed at the quarterly All Employee Meetings.

The BoD receives monthly reporting of the business performance, including sustainability risk and opportunities, and a review of the annual report. The topics are also monitored and discussed in most ordinary BoD meetings, either as integral parts of strategy and investment discussions or as separate agenda items.

GOVERNING DOCUMENTS

Group general governing policies and procedures on safety, security, sustainability and integrity policies, systems and principles are gathered in the group's

The governing documents of the company is easily available to all employees through our Business Governance System, OnTrack.



business governing system OnTrack. These are reviewed regularly by the relevant business unit or group function and updated based on amongst other assessments of Environmental, Social and Governance (ESG) matters.

Some policies are brought to the Board for their consent, whilst others are to the TMT, depending on the authorities granted by the Board as outlined in the Group's Authority Matrix. The Board also discusses the employment terms for the CEO, and the philosophy, principles, and strategy for the compensation of leading executives, including safety, security and sustainability key performance indicators as part of the remuneration policies.

CODE OF CONDUCT AND BUSINESS BEHAVIOR

The Grieg Group's values and Grieg Maritime Group's Employee Code of Conduct underpin the way we behave and our approach to corporate social responsibility. Together with our Ethical Guidelines and Anti-Bribery

and Corruption Policy, this set out the principles and standards that each employee must uphold and any representative that acts on our behalf, including our BoD.

Through our Supplier Code of Conduct, we demonstrate that we expect no less from our supply chain. As part of our risk management process, we continuously assess all our operations for human rights, sanctions, corruption, anti-money laundry and anti-trust behaviour risks. These represent areas where a high awareness level is necessary as most of our operations are carried out internationally, also in less transparent countries.

There are also undertakings in our financing agreements requiring strict compliance with laws and ethical business standards. We have a whistleblower channel for employees to notify misconduct anonymously.

Our history

1884



THE BEGINNING

After working as a captain on The Norwegian North Sea Expedition and living at sea for 13 years, Joachim Grieg founded a ship brokerage company in Bergen.

STAR SHIPPING

Peer Waaler founds AS Star Shipping on the 24th of November 1959, but the company was not formally registered until the 11th of April, 1961. Waaler and Per Grieg (photo) starts their companionship in 1960.



1961

1965



MODERN FLEET

Star Shipping order its first Open Hatch vessels, the basic for our business to this day. The same year we install the first gantry crane which stayed on as preferred cranes on the Star vessels until the L-class was acquired in 2012

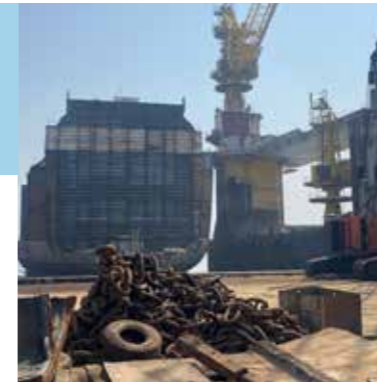
THE SPLIT

The Star organisation and business were divided between the owners. Grieg continued to operate a slimmer Star Shipping, while Masterbulk sat up their own organisation. Star Shipping was integrated as a part of Grieg Star, moving its headquarters to Grieg Gaarden in Bergen, with Camilla Grieg as CEO and Elisabeth Grieg as Chair of the Board.



2008

2010



GREEN PASTURES

Grieg Star established Grieg Green, a company focussing on sustainable recycling of ships, later on also rig recycling and IHM.

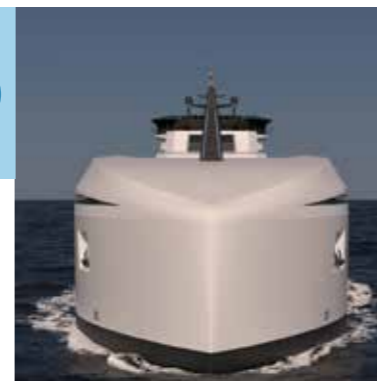
G2 OCEAN

Grieg Star entered into a new pool, this time with long time competitor Gearbulk. The intentions were announced in the fall of 2016, and on the 1st of May 2017, the joint venture was established: G2 Ocean, the world's biggest Open Hatch company.



2017

2020



GRIEG EDGE

Grieg Star established a new company to strengthen innovation. Grieg Edge aims to identify and develop new business opportunities within shipping and related maritime segments – always with sustainability as a requirement.

GRIEG MARITIME GROUP

After several years of incremental changes and new subsidiaries, Grieg Star Group adopted a new name to mirror the development. From the 1st of January, the group is called "Grieg Maritime Group".



2021



STAR HANSA
BACK HOME



PHOTO: ET AUGUSTIN VILLAJUAN

2022 highlights

January



The last remains of the pandemic sent the organisation back to home offices, meaning new employees had to start the job from at home. In the Philippines, the focus was on helping those affected by the super-typhoon Rai.

The Russian invasion of Ukraine forced us to review some of our procedures and policies, ensuring our seafarers and traveling colleagues were safe and that we complied with the regulations and embargoes coming in.



February

March



Joining Bimco and several other companies, we started to gather best practices and ideas to explore relevant issues around reducing disposable plastic onboard ships and then develop a campaign for the whole industry.

“MS Green Ammonia” finally got Approval in Principle from DNV, proving our concept is feasible and bringing us one step closer to realisation. Also, after working for it for years, rights for pregnant seafarers were finally added to the collective bargaining agreement (CBA).



April

May



Founded by Gearbulk and Grieg Maritime Group in 2017, G2 Ocean celebrated its fifth anniversary. Boasting the world's largest Open Hatch fleet, the company services 36 trade routes, supported by 327 employees from 24 nationalities.

Grieg Edge partnered with ExxonMobil, North Ammonia and GreenH to study the potential production and distribution of green hydrogen and ammonia for lower-emission marine fuels at ExxonMobil's Slagen terminal.



June

July



We sold our last bulkers, pulling out of that segment after almost 50 years. Besides, we purchased the “Kai Xuan”, renaming the ship to “Star Toscana”.

G2 Ocean launched a carbon offset program for its customers. The introduction of the carbon offset program was a step for G2 Ocean toward its ambitious targets of becoming a net-zero emissions company by 2050.



August

September



ShipCon 2022 and YoungShip International presented GMG with the “Young Corporation Award” to acknowledge our effort in developing emerging talent. Later that fall, we got the Wista “Corporate Diversity” award as well.

Pia Meling took the helm as Managing Director of Grieg Green following the company's restructuring in 2022. Grieg Star celebrates its 40th anniversary in the Philippines.



October

November



Grieg Star launches its new intranet for our seafarers. The mobile-first solution reaches 100% participation within a few weeks. Grieg Green closes down its Shanghai office.

After launching the first plant, the Grieg Edge-supported desalination startup Ocean Oasis is one step closer to proving its concept. Ocean Oasis is the most mature project in Grieg Edge's “Ocean Venture” portfolio



December



The world in which we operate

Wars, pandemic aftermath, geopolitical unrest, climate and environmental crisis, and soaring shipping rates. The year 2022 was extraordinary in so many ways.

2022 has offered an extraordinary shipping market, with soaring rates in some segments. The surge in e-commerce after the initial shock of the pandemic, paired with bottlenecks, boosted parts of the industry.

When society slowly opened up, a surge in demand for other commodities further pushed the rates upwards. We have benefitted greatly, but indications from big container companies may signal lower rates in the fu-

ture due to the high energy prices, inflation, and China's struggling economy.

WAR IN EUROPE

The Russian invasion of Ukraine has had more wide-reaching consequences than most expected by the beginning of March 2022. The subsequent energy undersupply resulted in increased prices on all energy sources, directly influencing shipping. But it has also increased political and social tension, especially in Europe, as higher prices have hit consumers hard.

The energy deficit and European dependency on energy from Russia have also fuelled the debate on how to reach the climate goals. Countries are considering re-opening or continuing operations of coal-fuelled and nuclear power plants. Increased focus on energy security has questioned some decarbonisation decisions.

FOOD SHORTAGE AND A FRAGMENTED ECONOMY

With 20% of the world's seafarers being Russian and Ukrainian, the war has increased the worry among shipping companies. Last year, the global merchant fleet had a crew deficit of 26,000, with an expected number

of 89,000 in 2026. And that was before the war disturbed the supply of Russian and Ukrainian seafarers.

The Russia-Ukrainian war has also impacted the global food crisis. Drought in extended areas of Europe and America further increased that situation, with a risk of social unrest and increased migration. As many as 828 million people don't know where their next meal is coming from, and more than 900,000 people worldwide are fighting to survive in famine-like conditions. This is ten times more than five years ago, an alarmingly rapid increase.

Geopolitical developments, like the increased tension related to China's One China policy, also hint toward a more fragmented world with a more divided world economy. Such fragmentation may diminish multilateral cooperation's effectiveness in addressing climate change, making the current food crisis a norm.

WORLD ECONOMY SHAKING

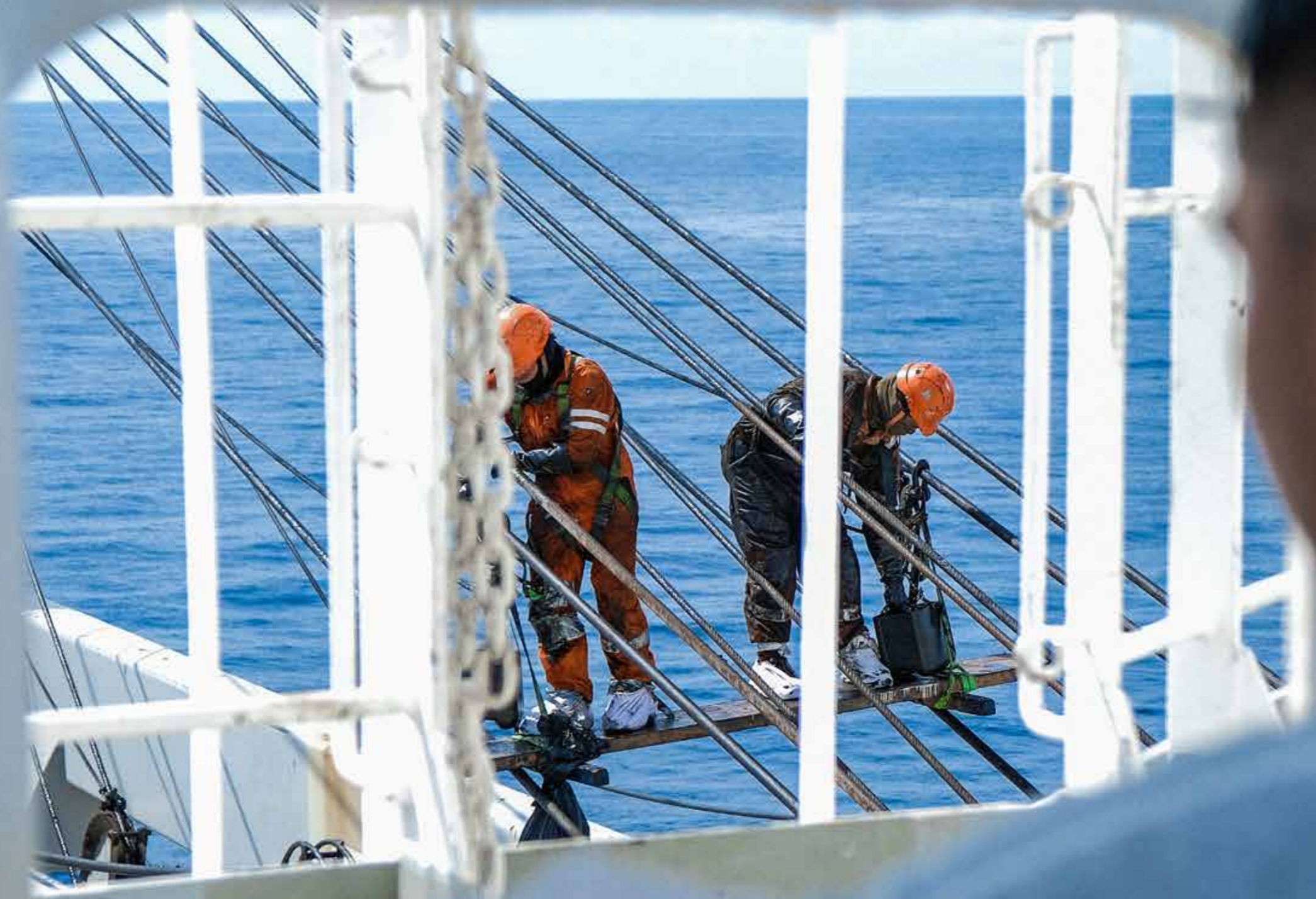
Despite the slow return to normal, the pandemic was far from over in 2022. China kept struggling and has just recently started to open up. Combined with their real estate crisis, the Chinese economy was severely

hit with an anticipated fall in GDP growth from 8.1% in 2021 to 3.0% in 2022.

With Chinese demand for goods being one of the driving forces of international shipping, this development will impact future rates. Similar effects have hit most economies, with several key economies nearing recession. Still, we may see a similar impact from China opening up, as we saw in Europe and the Americas in 2022.

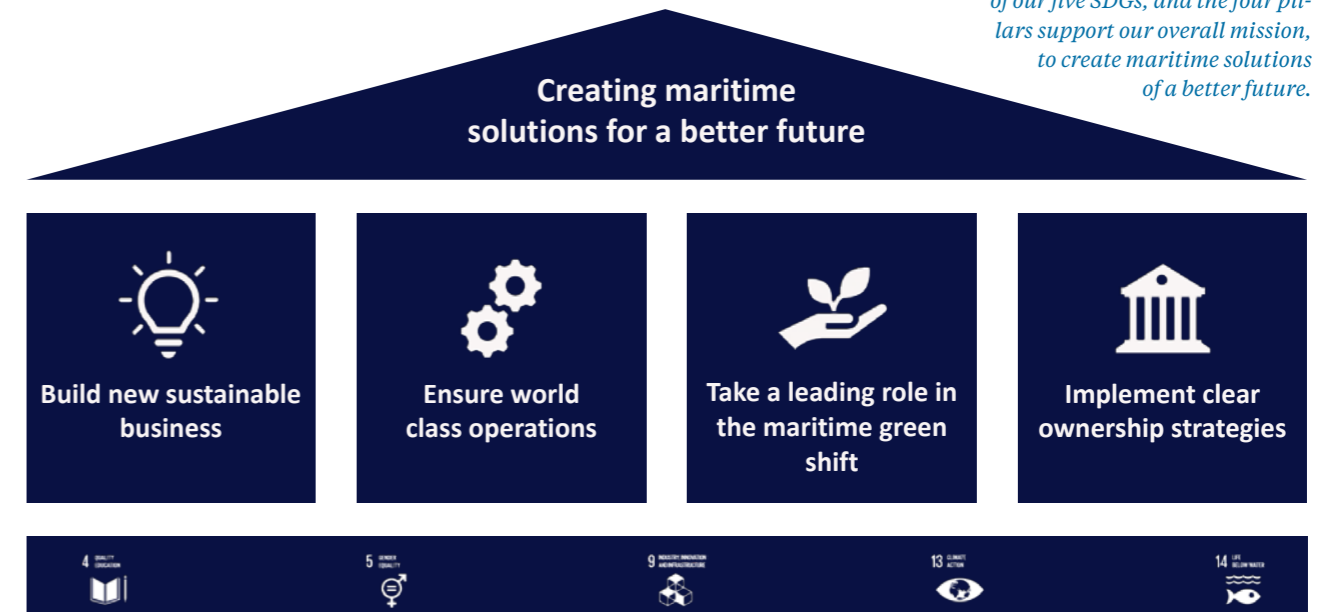
Inflation has soared, closing in on ten per cent in countries like the US and UK, and hit close to 8.7% globally in 2022. With salary increases far below expected inflation, the household economy is worsened in key economies, resulting in reduced demand for goods.

The continued pandemic still affects the crew change situation and the complexity of operations. Lock-downs made dry docking more challenging in 2022, but we managed a historically high number of dry dockings. Throughout the year, our organisation has continued to adapt to the changes, overcoming hurdles with ingenuity and perseverance.





The Grieg Maritime Group strategy “house” builds on a foundation of our five SDGs, and the four pillars support our overall mission, to create maritime solutions of a better future.



STRATEGY

A strategy to secure compliance and optionality



KJERSTIN HERNES
CHIEF STRATEGY OFFICER

The future demands relating to climate action will require resources and focus. At the same time, the Grieg Maritime Group plans for business expansion.

“We know that preparing for future challenges and opportunities will be demanding, both organisationally and financially. This strategic requirement is a combination of a need for compliance and optionality,” says Chief Strategy Officer Kjerstin Hernes.

The compliance part concerns the strict environmental regulations approaching and our environmental targets. Though some regulations and consequences of not complying still need to be clarified, we, as shipowners, need to significantly reduce CO² from our business - with particular emphasis on the Open Hatch fleet. Fleet renewal and upgrades of existing fleet will require capital.

NEW INVESTMENTS

With “optionality”, Kjerstin points to our ability to bet on new business ventures that may have significant business value.

“The need to create new business is profoundly incorporated into our strategy. Our industry is in an energy transition, and business opportunities built on the transition are fast approaching. We strongly

believe that many of those opportunities are worth pursuing,” she says.

As the markets throughout 2022 promised an outstanding financial year, it was natural to let the 2023 strategy be about these needs and capital allocation.

“We found that we had a solid foundation to invest in new sustainable business, build financial strength, and expand our understanding of new technologies. The strategy for 2023 is to speed up the commercial growth of the group,” says Kjerstin.

ALIGNING WITH PARTNERS

All the companies in Grieg Maritime Group are in close collaboration or partnerships with other companies. Sounding out these partners’ needs, expectations, and considerations has been prominent in our strategy-work.

“With our businesses so intertwined with other entities, their input is vital to our preparations for the future. So, we naturally invite some of them in to give their view as a part of the process, says Chief Strategy Officer Kjerstin Hernes.

The 2020 strategy process provided a lasting foundation. Built on the Sustainable Development Goals and a thorough involvement of the whole organisation, the 2020 strategy themes have stayed on as a foundation for the following years.

The strategy presents four solid pillars for our work to evolve around:

- Build new sustainable business
- Ensure world-class operations
- Take a leading role in the maritime green shift
- Implement clear ownership strategies

Grieg Maritime Group and our subsidiaries fill each pillar with an array of strategic targets.

“These pillars set a clear path for us, making it possible to let each strategy process focus on elements based on that foundation. It provides room for flexibility and slight changes of focus when needed,” says Kjerstin.



FINANCE & SHIPOWNING

Building resilience for the future



ANNICKEN G. KILDAHL
CHIEF FINANCIAL OFFICER

The strongest upcycle in the dry bulk market in a decade allowed us to reallocate part of our portfolio, supporting our growth strategy.

Grieg Maritime Group has had conventional dry bulk vessels as part of our fleet for years. Still, dry bulk has never been a core segment for us. With dry bulk rates peaking, we saw 2022 as a perfect time to pull out of conventional bulk.

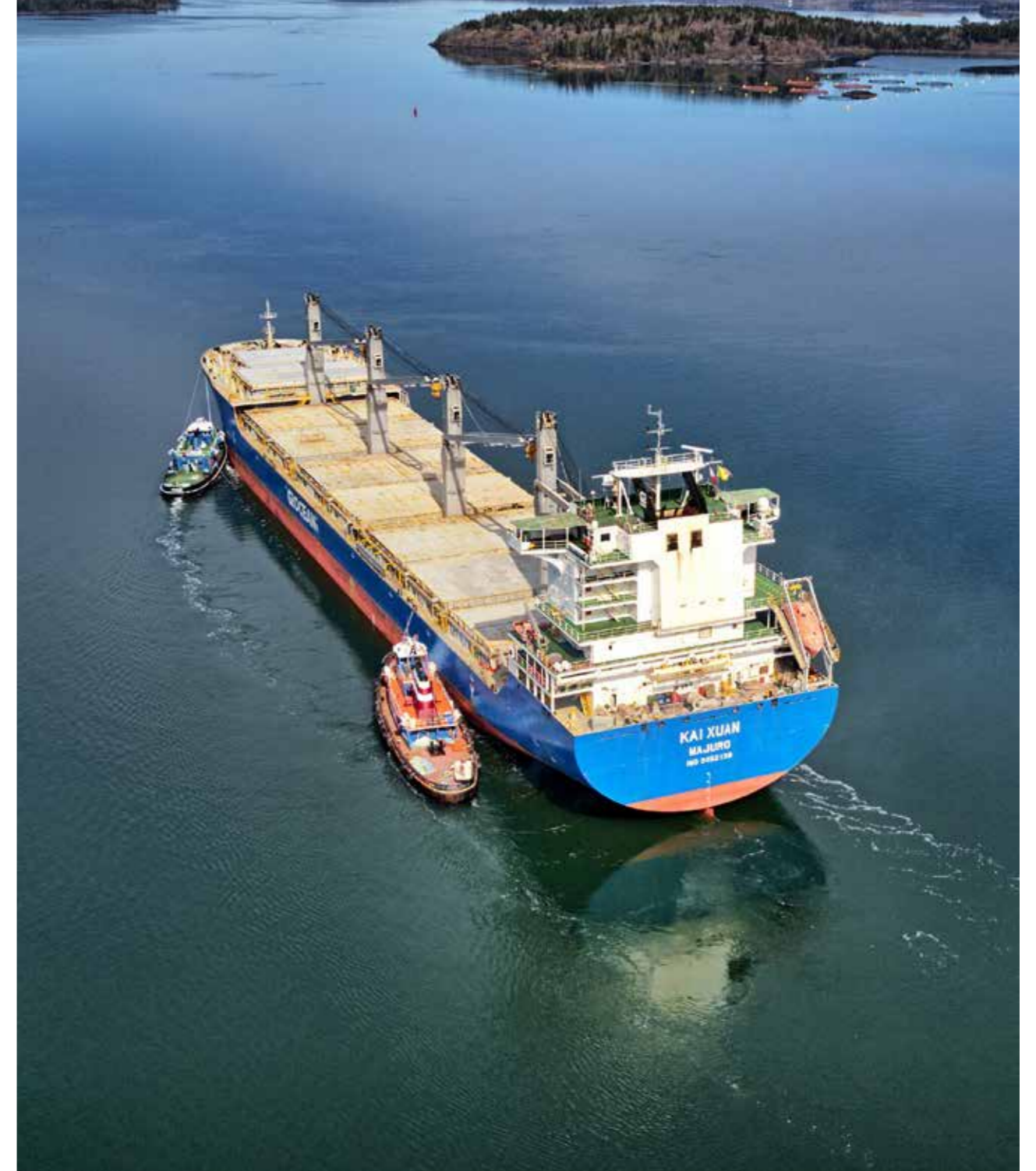
“The last decade, dry bulk was mainly an asset play segment for us, complementary to our open hatch activity. Now, we saw an opportunity to exit at an attractive price,” says Head of Shipowning in Grieg Maritime Group, Nicolai Grieg.

NEW INVESTMENTS

For 60 years, we have been present in Open Hatch shipping. We view it as an industrial segment where we contract and operate our vessels from the cradle to the grave. After several years with mediocre earnings, 2022 was a typical boom market for our core Open Hatch activities.

However, knowing the cyclicity of deep-sea shipping, we used the good market to strengthen our capital structure, reducing financial vulnerability and fleet costs through improved financing terms and purchasing Star Toscana (previously Kai Xuan) from its charter.

“The disposal of our bulk activities coupled with a



Star Toscana has sailed as Kai Xuan on Bareboat Charter for Grieg for many year, but was bought and renamed in 2022.

strong Open Hatch market ensure a solid liquidity position, rigging us for new investments in our core as well as in potential new green projects,” says CFO Annicken Kildahl, continuing: “We are preparing Grieg Maritime Group for a future after 2022, making our operations more long-term resilient to changing market conditions.”

PREDICTABILITY NEEDED

Late in the year, we set up a team to look into newbuildings for the future. With the climate crisis looming, our next-generation ships must meet the world’s needs to reduce carbon emissions. Research into possible decarbonisation technologies will be an essential part

of that process, as will stable and robust rules, regulations, and support from authorities and the world community.

While our ships trade worldwide and very seldom visit Norwegian ports, our companies, vessels, and people onshore are based in Norway. A stable and predictable business framework is crucial to our existence.

Today, we operate under the Norwegian tonnage tax regime. Therefore, we can be competitive with similar shipping taxation arrangements in other European countries and internationally. A change to this could have wide-reaching consequences on our operations.

PEOPLE & ORGANISATION

The employee lifecycle in focus



HEGE LEIRFALL INGEBRIGTSEN,
 CHIEF PEOPLE AND ORGANISATION OFFICER

People are what build success. But for them to deliver, our coworkers must be seen and get the right tools. Empowering our people has been the focus of our People & Organisation team in 2022.

“We know getting recognition and having the right tools and backing is vital for people to succeed. Still, some managers often leave employees to themselves after the onboarding process. We want to ensure that never happens in Grieg Maritime Group,” Chief People and Organisation Officer Hege Leirfall Ingebrigtsen says.

Throughout 2022 she and her team have worked on a combined strategy and process to ensure employees are seen and receive what they need to grow as workers and people. The process is called “the employee lifecycle”, encompassing recruitment, retention and attrition.

MANAGEMENT TRAINING

“Our success is based on talent attraction, employee development, sense of accomplishment, retention of professionals and successful competence and experience transfers. To achieve that, we must invest in all our employees, whether fresh from school or planning for retirement. We want to make sure we empower our people,” Hege says.

In 2021 the group initiated the Sustainable Coworker-ship program to help the organization be team players, strengthen the feedback culture, ensure compassionate conflict-solving, and help people lead themselves daily. This lies as a basis for the Employee Lifecycle



The old adage “A happy ship is a safe ship” can be applied to onshore organisations as well. Developing all our employees both professionally and personally is vital for success.

and the management training throughout 2022.

“Sometimes, leading people is hard. We have to recognize that. And we have tried to help our managers on all levels develop their leadership and keep it authentic through our management training the last year,” Hege says, “That has included helping them dive deeper into what compels and moves them as leaders.”

DIVERSITY AND INCLUSION

A vital part of developing a company culture that empowers our people to succeed is ensuring diversity and inclusion. In 2022, Grieg Maritime Group proudly received two awards in this regard:

ShipCon 2022 and YoungShip International awarded us the Young Corporation Award in September. The future of our company is our emerging professionals, the

young who just started their maritime business career. Nurturing their development is crucial to our success, and being acknowledged for the work we do in this regard is heartwarming.

The Women’s International Shipping & Trading Association (WISTA) honoured us in October with their Corporate Diversity Award. The award recognizes companies and organizations making significant strides in incorporating diversity.

“WISTA Norway is proud that our nominee Grieg Maritime Group is the recipient of the WISTA International Diversity award 2022.,” said Stine Mundal, President of WISTA Norway.

You may find more about our gender diversity on pages 48-49 and our numbers on 58-59.





We dry-docked close to one-third of our ships in 2022, a record number for Grieg Star. Photo: 30 Reanmer J Baldozo



GRIEG STAR

Strong ship management deliveries



ATLE SOMMER
MANAGING DIRECTOR, GRIEG STAR

With historically many dry dockings, record-low off-hire, and satisfactory safety statistics, Grieg Star looks back on a solid year.

Though managing to pull off a few remote supervised dry dockings through the pandemic, Grieg Star had a backlog of ships needing docking at the beginning of 2022.

“There is only so much you can do with a ship until you have to dry dock it. Entering 2022, we saw that we had to pull up something extraordinary to get back on track,” says VP Fleet Michael Back.

ONE OUT OF THREE DRY-DOCKED

Throughout 2022, we dry-docked 12 ships, almost one-third of our fleet. Using the same yard in China for all the dry-dockings, we could ensure high quality on technical, economic, and ESG matters. One or more of our experienced vessel managers was present in the yard almost the whole year.

“Handling so many dry-dockings in a year was challenging. But we are more proud that we managed to do them on time and under budget. That is a testament to the expertise and focus of our team and our partners at the Chengxi shipyard,” says Michael.

On average, each dry-docking took 27 days, one day faster than planned.

RECORD LOW OFF-HIRE

When the ship is not able to trade for some reason, we call it unplanned off-hire. In 2022, our ships had 1.1 days off-hire on average.

“Our task is to deliver ships for trade with G2 Ocean. So, getting the off-hire as low as possible is worth a lot of money. Seeing the number more than halved compared to 2021 is incredibly pleasing,” says Managing Director of Grieg Star, Atle Sommer. “It shows our onboard and onshore teams have done a tremendous job keeping the ships in tip-top shape even as we have struggled with Covid-19 restrictions and access to spare parts and service engineers.”

THREE REPATRIATED

The hard work keeping the ships sailing has not resulted in a lower level of safety. It should be possible to go to work and not be injured, and we have a zero serious injuries target. Last year, we had to repatriate three crew members due to the severity of their injuries.

“I am glad the number of severe human injuries continues to remain very low in Grieg Star. Still, three is too many. The only number we can accept for anyone working for us is zero,” says VP HSEQ Yngve Rein.

Together with our partners in G2 Ocean and Gearbulk, Grieg Star has initiated a particular program, the G3 Safety Culture Initiative. (Read more on pages 56-57) Still, we see an uptick in stevedore injuries in 2022.

“The increase is worrying, and we are using the G3 initiative to work with the stevedoring companies to reduce the number of injuries dramatically,” says Yngve.

40 YEARS IN THE PHILIPPINES

A big part of our success is the dedication and professionalism of our over 800 Filipino seafarers. Our first Filipino colleague walked up the gangway in June 1982 - which means we celebrated our 40th anniversary in the Philippines last year.

To really celebrate, we combined the anniversary with an extended Officers’ Conference involving all officers on vacation. In total, we had 180 people attending.

“It was truly amazing to see the happiness in the faces of our seafaring colleagues and to hear the cheerful voices as they finally got to meet again. The pandemic has been hard on all of us, but the seafarers are among those hardest hit,” says Atle Sommer.



GRIEG GREEN

Reshaping for growth



PIA MELING, MANAGING DIRECTOR GRIEG GREEN

A changing market situation and a lull in ship recycling made 2022 the ideal year for preparing the company for new opportunities.

With strong shipping rates across many segments, the world experienced a drop of over 40 per cent in recycled ships in 2022 compared to the previous year. The reduced activity in the market allowed Grieg Green to spend time on restructuring the organisation and its offerings.

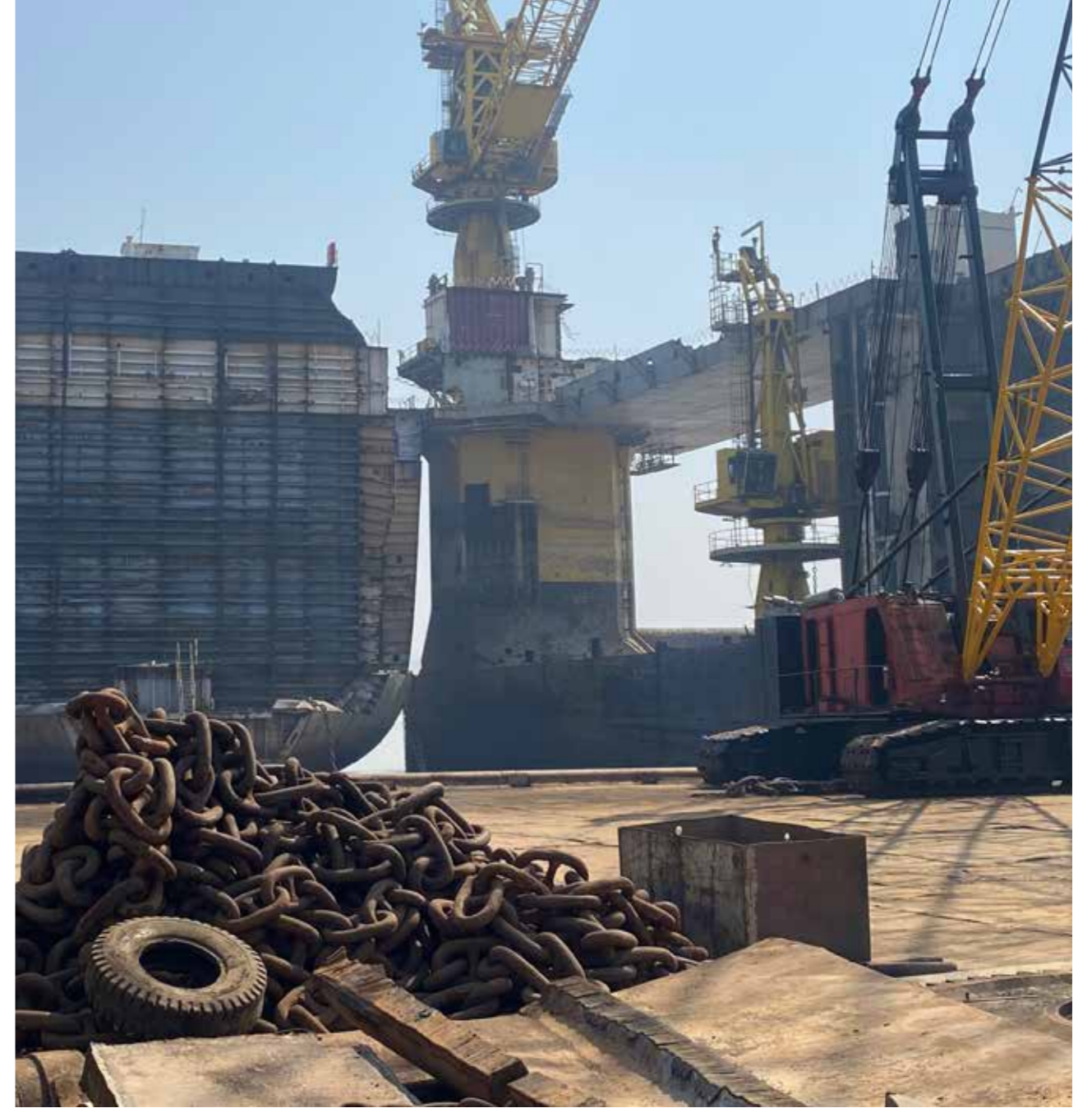
“We have seen over time that we would benefit from developing and renewing our business model. But you tend to postpone when busy,” says Managing Director of Grieg Green, Pia Meling.

WIND OF CHANGE

She is a part of the change herself, starting in her position on the 1st of October 2022. Coming from the position of VP Sales and Marketing at Massterly, she has a long management career in shipping, working for heavyweights like Wilhelmsen and Klaveness.

But bringing in a new head was not the only change. The organisation in Oslo is now better prepared to handle what Pia believes is the future for Grieg Green. In addition, the Shanghai office was closed by the end of the year.

“The Shanghai office was imperative for the growth of Grieg Green, with most of our recycling happening in China from 2011 to 2017. However, after China stopped recycling foreign ships and the IHM boom was over in



The Grieg Green team has audited many new and familiar yards through 2022

2018, it became clear that we could not maintain the sizable organisation and office in Shanghai,” says Pia and adds: “We are happy and thankful that a few of our competent colleagues in China stays on as contractors.”

A CIRCULAR ECONOMY

Through the last few months, the Grieg Green team has spent much time preparing for an expected recycling boom due to weakening shipping markets in certain segments, the ageing world fleet, and stricter environmental regulations. Auditing new and familiar yards alike has been an essential part of this.

“We need to be sure the yards we recommend are of the highest standard. We see a significant improvement in several ship recycling facilities, while others are deteriorating. Our last trip to India showed that there are specific yards that deliver recycling at the same quality lev-

el as some of the yards on the EU list. And what’s more: in India, a higher percentage of what is removed from the vessels is recycled, re-used and upcycled compared to the practice in Europe. I find that interesting,” Pia says, highlighting that Grieg Green wants to look more towards lifecycle management and a circular economy:

“ESG is high on the ocean industries’ agenda, but the main focus is decarbonisation and future fuels. Green, safe recycling and optimal lifecycle management of ocean assets & equipment are areas where we as an industry need to improve drastically. Facing geopolitical instability and resource scarcity, I am excited and grateful for this opportunity to work with the highly competent team in Grieg Green and with our customers to create new business models towards a circular economy.



GRIEG EDGE

Innovation comes from working together



NICOLAI GRIEG, MANAGING DIRECTOR GRIEG EDGE

The last year has opened up new and reinforced old partnerships for Grieg Edge, securing collaboration and creating new ideas.

Energy production and infrastructure have become a significant part of Grieg Edge. Through North Ammonia, the joint venture with Arendals Fossekompagni, we target delivering green ammonia to the market by the end of 2027. The MS Green Ammonia bunker vessel has obtained approval in principle, and the project team is working on further detailing the ship. Furthermore, Grieg Edge is invested in Green H - a hydrogen production company with plans for several facilities along the coast of Norway.

A NEW SOLID PARTNER

In 2022, Grieg Edge partnered with one of the dominant operators within fuels for the maritime sector: ExxonMobil. Together with North Ammonia and Green H, they have signed a memorandum of understanding (MoU) to explore the potential production and distribution of green hydrogen and ammonia at the Slagen facility in the Oslo fjord.

The Slagen facility is owned and operated by Esso Norge, a subsidiary of ExxonMobil. Located in the Oslo Fjord, through which more than 10,000 ships pass every year, it is a highly suitable location for a distribution hub.



Grieg Maritime Group's Chief Business Development Officer, Vidar Lundberg, spearheads Grieg Edge's energy and infrastructure focus, and was central in the company's participation in the partnership related to Slagentangen. Photo:ExxonMobil

Chief Business Development Officer at Grieg Maritime Group, Vidar Lundberg, is Head of Energy and Infrastructure at Grieg Edge. He says: "Grieg Edge looks to develop maritime locations where we see that the infrastructure facilitates green energy production and distribution,"

"We see a unique location at Slagen for that – close to the market and with partners bringing complementary expertise."

SHORT-SEA PARTNERSHIP

Establishing an infrastructure for green maritime fuels along the coast of Norway is vital for developing green shipping solutions in the short sea segment. But, the coastal transport in Norway also needs to transform its very old fleet. To achieve this, Grieg Edge joined forces with Peak Group in October 2022.

"Although bulk transport has traditionally been a very energy-efficient way of transporting goods, the



Skarv Shipping solutions are looking into several possible solutions and designs.

Photo: Skarv Shipping Solutions/LMG Marin

industry needs to implement more sustainable solutions. We know that many cargo owners want to reduce CO2 emissions from transporting goods. There is an underlying need to renew the ageing short-sea fleet along Norway's coast, Europe, and the Mediterranean. And we know that many transport companies and shipping lines are unsure how to make it happen. This is where Skarv Shipping Solutions will be able to help," says the CEO of the newly founded company, Jan Øivind Svardal, Chief Technology Officer in Grieg Edge.

SEVERAL PROJECTS IN THE PIPELINE

Skarv Shipping Solutions draws expertise and resour-

es from its parent companies, ensuring expertise in logistics, marketing, analysis, ship design, green technology, shipping and ship operation. The company has already worked closely with several players in the industry. It is now targeting government funding to ensure realization of projects.

"We believe that much of the development of new propulsion models in shipping will occur within the short-sea segment. In Peak Group, we have found a partner with extensive expertise in that area. We believe that our experience at Grieg within ship technology, deep-sea shipping and logistics, and the development of the zero-emission ship MS Green Ammonia and other



Kjerstin Hernes (centre) attended the naming ceremony of the first of Ocean Oasis' installations in Gran Canaria. Ocean Oasis Chair Winifred Johansen (left) and CEO Kristine Bangstad Fredriksen

Photo: Ocean Oasis

green fuel-related initiatives, will be of great value to Skarv," says the Managing Director of Grieg Edge, Nicolai Grieg.

VENTURES INTO NEW BUSINESS

Besides the more industrial parts of Grieg Edge, the company also includes a venture capital unit focusing on start-ups with sustainable solutions for the maritime sector: Ocean Ventures. Headed by Grieg Maritime Group's Chief Strategy Officer, Kjerstin Hernes, Ocean Ventures seeks to be an active owner in Norwegian and North-European start-ups.

"We have the financial power, in-house resources, and

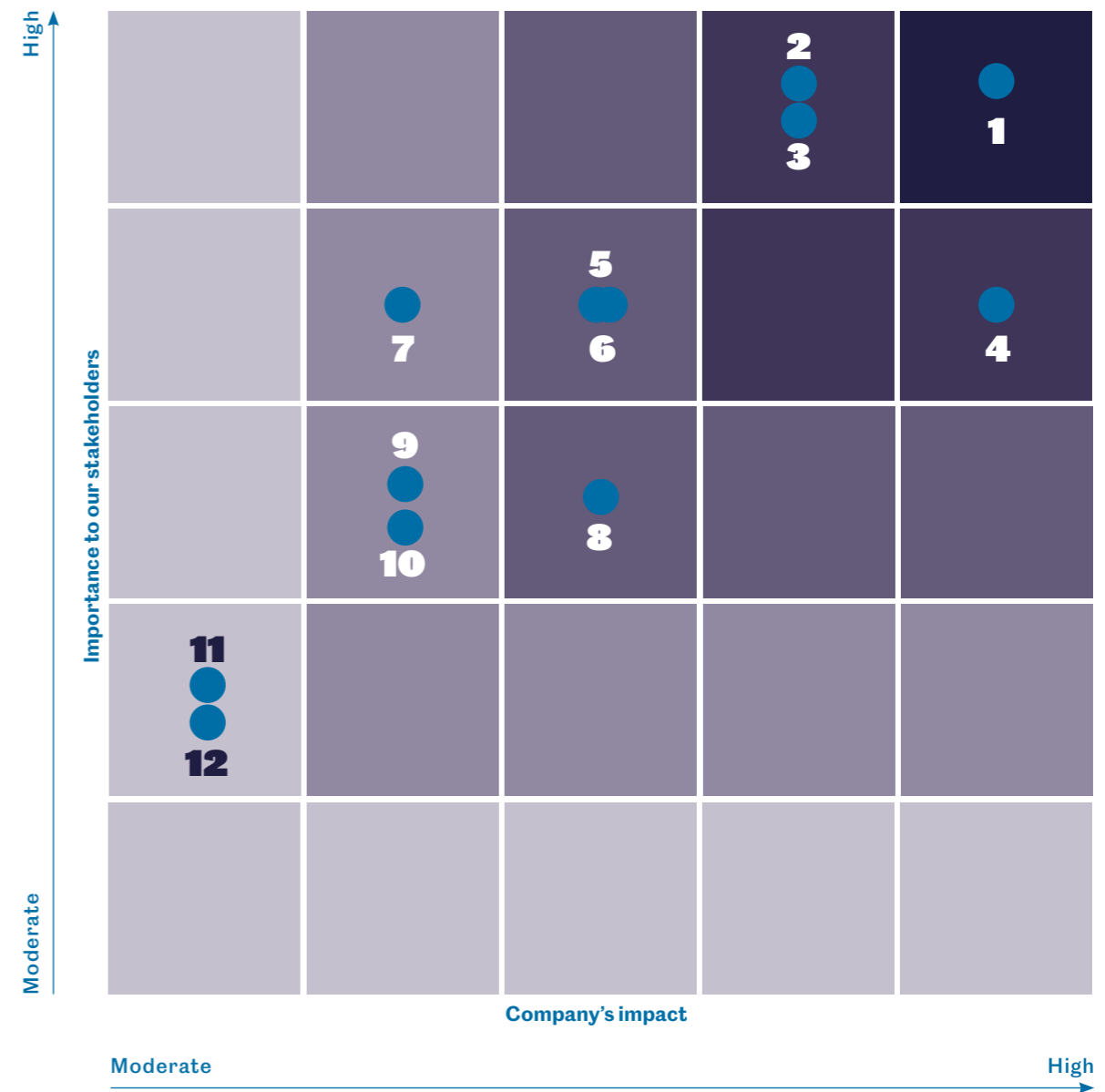
industrial knowledge to propel many of these new companies out of the starting blocks," says Kjerstin.

One such company is Ocean Oasis, an Oslo-based company working on making desalination plants that use wave energy to produce clean drinking water.

"Their idea is brilliant, and using our resources, we have supported their small team to get where they are now: doing the final tests to prove the theories. Similarly, we have invested in Evoy, which manufactures and designs the most powerful electric boat motors available. These are solutions that may tremendously impact society," says Kjerstin.



1. Health and well-being
2. Human rights
3. Employment and wealth generation
4. Reduction of emissions
5. Anti bribery and corruption
6. Skills for the future
7. Ecological impact
8. Risk and opportunity management
9. Information and cyber security
10. Innovation for sustainable products and services
11. ESG governance
12. Stakeholder engagement



What matters the most

Risk evaluation and management are integral parts of our operations. Still, over the years, “new” areas for risk handling have emerged.

ESG is not only about reporting. What matters is that you act to improve. But it is vital to know what actions will have the most effect in the vast number of areas to improve. So, last year, we did our first extensive ESG materiality assessment.

OVER 100 STAKEHOLDERS

We knew that this first attempt at creating a materiality assessment would demand a lot of us. So to make it easier, we built on the guidelines from the Norwegian Shipowners Association. Besides, our team dived into the material issues identified by the maritime industry by the Global Reporting Initiative (GRI) and The Sustainability Accounting Standards Board (SASB).

“Selecting the stakeholders was a crucial step in the

materiality assessment process. We collected feedback from 122 stakeholders, including NGOs, banks and financiers, our Board of Directors, seafarers, shore employees, industry associations and G2 Ocean’s customers,” says Sustainability and ESG Coordinator, Marina Comas Beltran.

Our stakeholders were either interviewed in person or provided feedback online. We assessed the influence of the stakeholders on the Company’s financial performance and the influence of the Company on the stakeholders.

OUR TOP FOUR TOPICS

Of the 12 topics we asked about, our stakeholders were least interested in stakeholder management and ESG governance. Their top priority was health and well-being,

employment and wealth generation, and human rights.

“Several topics score high on our stakeholder’s priorities. But to assess the materiality of the matter, we must also consider our ability to impact those topics. That is why we have put emissions reduction as one of our four most material topics,” says Marina.

“What was interesting, though, was to see how those top topics harmonise with what we do. They fit perfectly with our chosen SDGs and with our four strategy pillars,” she says.

You may read more about our actions related to the four top topics on the following pages.

MATERIALITY:

Employment and wealth generation



Taking the H-class back

Several years ago, we put several of our ships on external management. The goal was to learn how other companies work and get a benchmark to evaluate our operations. In the fall of 2022, we decided to take the two H-class vessels Star Hansa and Star Harmonia back. “We have now found that it is more expedient and gives more control to operate all four H-class vessels as one. With our strong performance both ashore and onboard, it is an obvious choice to bring these vessels home to Grieg Star,” says Managing Director of Grieg Star, Atle Sommer.



Photo: SE Ryan Tamayo

Training onshore and offshore

The Covid-19 pandemic severely reduced the amount and quality of training for seafarers and onshore workers. In 2022, we finally started to get the training for seafarers going again. Through the Norwegian Training Centre in Manila, Philippines, each seafarer maintains and increases their competence. A thorough competence mapping ensures they take the training where it matters the most. Onshore, we focused on leadership training in 2022 to ensure leaders on all levels have the tools to further develop their departments.



Investing in future business

As a result of the strategy work 2022, our management and Board of Directors have decided to allocate considerable resources to invest in future business. We will invest the primary part of this through Grieg Edge’s projects. The energy infrastructure push, partly through North Ammonia AS and partly through the Zeeds initiative and MS Green Ammonia, should start to deliver results within a few years. Similarly, we should see some growth within the short-sea segment in the coming years. These projects and active investments through the Ocean Venture part of Grieg Edge will create jobs and wealth.



Short talks improving knowledge

The extended use of home offices and Teams through the pandemic gave us new ideas. Through 2022, instead of the almost one-hour-long meetings with talks from top management, we arranged several online, one-topic, short talks held by our experts on the subject. These experts do not need to be a manager but simply anyone who will present the matter best. Through this, we tried to achieve better operational and strategic understanding, competence sharing, and better inclusion in our organisation. We have recorded all Short Talks and made them available on our intranet.



MATERIALITY:

Emission reduction



G3 decarbonisation initiatives

As all our Open Hatch vessels are a part of the G2 Ocean pool, we collaborate closely with our partners in G2 Ocean and Gearbulk to decarbonise the whole G2 Ocean fleet. A task force of key personnel from all three companies prioritise, propose, and implement initiatives. Throughout 2022, the G3 Decarb initiative has implemented several measures to reduce CO2 emissions. Among these are ultrasonic protection of propellers against fouling, EcoTorque, a fuel catalyst pilot - and a new Vessel Performance Team to continuously tweak the fuel performance of our vessels.



Photo: Catherine Sheila

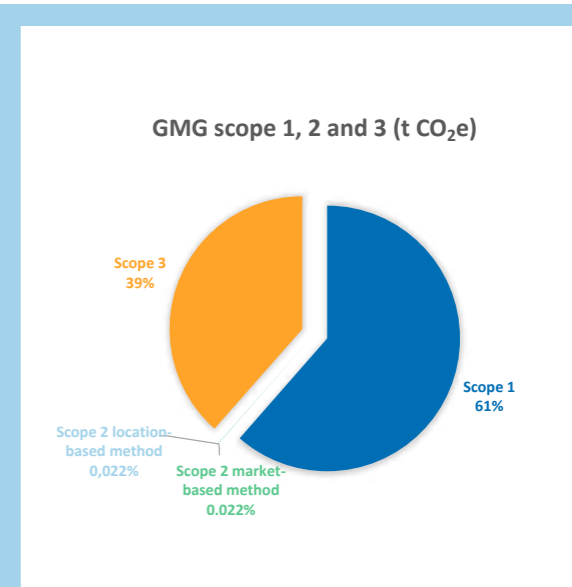
Plastics reduction

Since 2020, the vessels in our fleet have had an extra focus on reducing plastic garbage. In 2022, each ship used, on average, 7.31 single-use plastic water bottles. By changing all the water dispensers onboard and giving all seafarers their personal reusable water bottles, we reduced the number to 1.89 bottles in 2022. We expect that number to go further down after changing the bottled water supplier to a company delivering water in cartons. Installing garbage compactors on our ships has also allowed us to store more garbage onboard. As a result, 96% of the plastic waste we delivered to land was delivered in countries with proper plastic garbage handling.



NCE Maritime Cleantech

NCE Maritime CleanTech represents one of the world's most complete maritime commercial hubs. The cluster organisation uses the Norwegian maritime expertise, built up over generations, as a springboard for the development of new energy-efficient and environmental-friendly technologies. They focus on establishing sustainable innovation projects with commercial potential and work together for new clean maritime solutions. In 2022, Grieg Maritime Group joined the NCE Maritime CleanTech to share knowledge and collaborate with other companies working to reach our climate goals.



How we report on emissions

Our emissions reporting has developed over time, and 2022 is the first year we have proper Scope 3 emissions numbers. We calculate our Greenhouse Gas emissions (GHG) using methodologies consistent with the Greenhouse Gas (GHG) Protocol. We account for and report the below emissions when applicable, and we report on tonnes of CO2 equivalent: Carbon dioxide (CO2), Methane (CH4), Nitrous oxide (N2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), and Sulphur hexafluoride (SF6). Other emissions not included above, such as sulfur oxide (SOx), are reported following the Norwegian Shipowners Association recommendations.

[Read more here:](#)

MATERIALITY:

Human rights

Photo: Anh Tuan To on Unsplash



The Norwegian Transparency Act

The Norwegian Transparency act went into effect in 2022. The new act promotes enterprises' respect for fundamental human rights and decent working conditions. It ensures the general public access to information regarding how we address adverse impacts on basic human rights and decent working conditions. In the months before the act went into effect, we did a gap analysis regarding our work on fundamental human rights and decent working conditions. One finding was that we still need a better overview of possible human rights challenges in our supply chains. We have identified and will prioritise the main risks in our continuous work.

Read more here: <https://griegmaritime.com/human-rights/>



Gender Equality

In 2022, we joined WISTA's pledge to have 40% female managers by 2030. By the end of the year, we saw that we had already reached that level, albeit barely with 40.7%. We acknowledge that we are not where we want to be. Still, we will continue the focus on gender equality and equity. Onshore, 48.9% of our employees are female, while the genders are equally represented in the top management. Still, our gender salary distribution is not equal. This is especially true in the Philippines, where most male employees are former seafarers in training and crewing positions. Among our seafarers, 3.2% are women, with 8% of the officers. See more on pp 62-63.



The freedom of our crew

Seafaring is a hard life, often with restricted contact with anyone but your crew mates. Through the pandemic, this grew worse. Crew change was a constant challenge. Several of our seafarers had to spend longer onboard or on vacation than planned due to countries' failing to treat seafarers as frontline workers. To alleviate some of the consequent problems, we offered financial help and better digital access to contact those at home. In 2022, those challenges were diminishing. It was again possible to approve shore leave in almost every country, and delayed crew change became seldom.



Future Proof - a human rights platform

Through The Rafto Foundation for Human Rights, we are a part of the steering committee of a project called "Future-Proof". This collaborative platform aims to help the business world comply with its human rights responsibility internally and in the supply chains. Through Future-Proof we have made a two-fold commitment: Firstly, by sharing our knowledge and experiences, we contribute to Future-Proof, where challenges are aired, discussed and solved together. Secondly, we take our shared responsibility to respect human rights seriously. We do this by complying with the UN Guiding Principles for Business and Human Rights (UNGPs).

Read more here: <https://fproof.no/aktuelt/grieg-gruppen-signerer-future-proof-plakaten>

MATERIALITY:

Safety, health and well-being

G3 SAFETY COMMITMENT

“

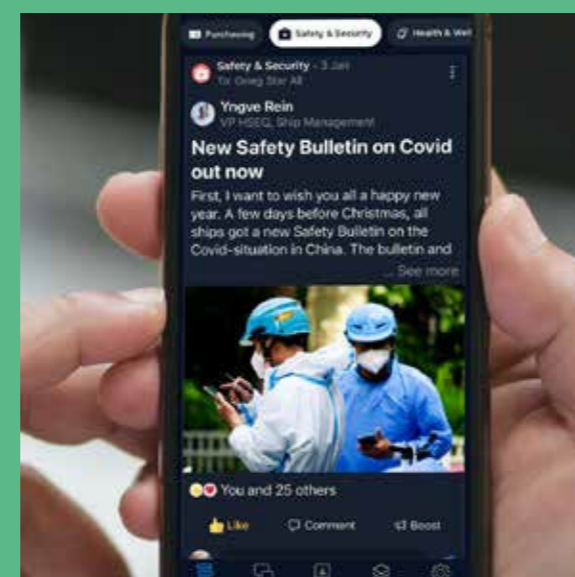
Our joint commitment is to target zero injuries and work-related illnesses through safe and efficient operations and commercial activities.

We will provide a safe and healthy work environment for all employees, and for authorized visitors to vessels and offices.

We will develop our safety culture and empower all employees to stop unsafe acts.

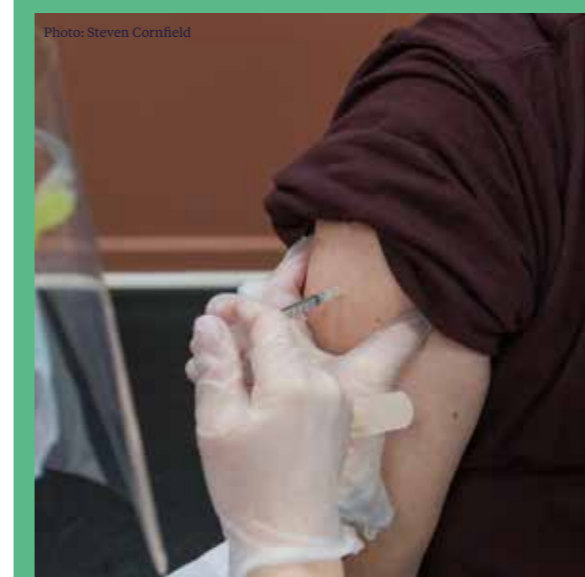
G3 safety initiative

Last year, we launched an initiative and a commitment to target zero injuries and work-related illnesses with our partners in G2 Ocean and Gearbulk. Based on a firm determination to provide safe and efficient operations and commercial activities, we further commit to providing a safe and healthy work environment for all employees and authorised visitors to vessels and offices. We have established a set of shared safety behaviours across the organisations to strengthen the G3 safety performance, based on the proven concept of Safety 1's, developed by the marine safety consultancy company Green-Jakobsen.



Seafarers' Intranet

We don't have to go many years back to find that seafarers were utterly cut off from the rest of the world when sailing between ports. Things have changed dramatically with satellite communication. But for many of our seafarers, communicating with colleagues onshore or on other ships has been difficult or impossible. Last year, we changed that by introducing a mobile-first seafarer's intranets available for all our seafarers - even on vacation. After the launch in October, we had every single seafarer on the app by the end of the year. And since the launch, 67 per cent of seafarers actively like and post while 31% are simply consuming what is posted.



Medical support and insurance

All our employees, sea and shore, are vaccinated against Covid19 with booster shots. We also have health insurance for all employees and seafarers' families. Access to training or physical activities is crucial to us and is available in all offices and ships. In addition, we have put extra effort into mental health, giving all our seafarers access to mental health training when onshore. Our biannual health and wellness survey, Re:refresh, showed that our seafarers are happier than the industry average and actually happier than the population of Norway. But, at the same time, the stress level rose to "high", a sign we need to take action.



Health and safety statistics

In 2022, we had three injuries onboard ships that ended with the seafarer having to travel home. We had no serious injuries or deaths. Still, our seafarers get injured and sick like everyone else. But we work hard to ensure a high level of cautiousness regarding dangerous work situations and to reduce the spread of viral diseases. Onshore, the risk of injuries is far less. We have no reported injuries onshore. The sick leave onshore was 0.6% in 2022, a surprisingly low number. The last year before the pandemic, 2019, showed sick leave onshore at 1.34%. The sick leave in the Philippines was slightly higher than in Norway.

Stakeholder engagement

Stakeholder	About them	How do we engage?	Key Topics or concerns raised	Actions or initiatives
Employees	All the employees working under Grieg Maritime Group and future employees	Trainings such as the sustainable coworkership training and short talks. As well as staff open meetings and the Intranet channel Internal communication application for the seafarers Updates via emails and teams groups Conferences at universities	<ul style="list-style-type: none"> Health and well being Human Rights Diversity and inclusion Employment and wealth generation Education 	Via Intranet and open meetings we inform employees about developments and build company culture Via BLINK application we aim to engage and build a culture of care SheWorthy for female seafarers, we are committed to ensure equal opportunities for everyone with passion for a career at sea WISTA Program 40 by 30 Kvinner i kuling (and similar projects). The objective is to convince young people particularly female to look at shipping as an interesting career path ShipCon 2022 and YoungShip International presented us with the Young Corporation Award to acknowledge our effort in developing emerging talent
Organizations/NGO	Partnering initiatives: It includes arrangements or collaborative initiatives with other parties (it can be with NGOs, governments, other business, individuals or a combination) to advance or make an impact on ESG (non-profit partnerships)	Occasional meetings Phone calls Seminars and panel debates	<ul style="list-style-type: none"> Anti-beaching Environmental impacts and waste handling Diversity and inclusions Collaboration 	Guided trip to ship recycling district for knowledge and competency sharing Dialogue with Norwegian Shipowners' Association WWF - Grieg Partnership to reduce plastics by 50% in 3 major port cities in the Philippines by 2023 Became part of BIMCO Project Group to reduce single-use plastics in shipping Collaboration with IAEA regarding plastic pollution Award from International WISTA-Diversity
Customers	Customers from the companies inside Grieg Maritime Group	Phone calls and in person meetings Weekly updates such the weekly supervision recycling reports	<ul style="list-style-type: none"> Concerns about HSEQ standards in ship recycling facilities Reduction of emissions Ecological impacts Human Rights 	Consultancy to help navigate regulations and quality assess shipyards and recycling facilities Transparency, openness and quality of services G2Ocean invites customers to offset their shipping emissions
Suppliers	Suppliers from the companies inside the Group and Ship Recycling Facilities collaboration	Online meetings Individual assessments and competency development In person meetings Follow-up advise and audits Incentra council meeting	<ul style="list-style-type: none"> Transparency, openness and quality of services Human Rights Environmental impact Poseidon Principles 	Free advise and provide guidance to the yard to ensure the recycling quality, safety, and compliance on ship recycling projects Reduce plastic wrapping Supplier Code of Conduct evaluation Reporting on Poseidon Principles
Financiers and Banks	Banks and financing institutions we work with	Meetings and presentation updates Participation in thematic conferences organized by banks, seminars and panels debates Phone calls	<ul style="list-style-type: none"> Effects of environmental regulations Ship recycling vs. beaching Diversity and inclusion How top management takes responsibility for implementing ESG matters Poseidon Principles 	Ammonia pilot initiative to retrofit an Open hatch vessel to run on green ammonia Consultancy to help navigate regulations and quality assess shipyards and recycling facilities Reporting on Poseidon Principles Confirm compliance with ESG undertakings in financing agreements
Join ventures and Investments	Join ventures with partners and Grieg Maritime Group's investments	Meetings and presentation updates Business Forums	<ul style="list-style-type: none"> Compliance Safety in Operations Human Rights Reduction of emissions 	Fleet Management Coordination Group to ensure optimal vessel performance and safe shipping operations Compliance committee and join safety initiative The Join venture Skarv Shipping Solutions will build and operate a fleet of multi-fuel, zero-emission general cargo ships G3 Decarbonization Task Force Grieg Edge partners up for green fuels at Slagentangen
Public and Media	Group of individual people and companies as well as the press	Social Media posts Report publication Direct contact with journalist Website news Visits from and to different groups such students Social gatherings Direct messaging	<ul style="list-style-type: none"> Finance Purchasing and selling Decarbonisation initiatives General information about the company Employment and career possibilities Diversity and Inclusion 	Through our website and LinkedIn, and in particular the subcompanies websites, we aim to improve transparency and dialogue with the public
Authorities/Regulatory bodies/Accredited registrar	Auditors, regional organizations and governments as well as the classification societies	Recurrent audits Certification process Annual Reports Visits from politicians and local authorities	<ul style="list-style-type: none"> Standards of ship recycling facilities in the EU list Challenge to get yards to follow the ship recycling regulations Transparency Act Carbon Intensity Indicator 	We are proactive on implementing measures and ensure we go beyond compliance Knowledge exchange in forums such as the NCA Maritime Clean Tech to and collaborate with other companies to reach our climate goals

Partnering initiatives

Including arrangements or collaborative initiatives with other parties (e.g. NGOs, governments, other business, individuals or a combination) to advance or make an impact on ESG (non-profit partnerships)

Name	Company	Purpose	Started in	Achievements in 2022
Green Shipping Programme	Grieg Maritime Group	The Green Shipping Programme (GSP), is a public-private partnership which vision and goal is to establish the world's most efficient and environmentally friendly shipping	2020	Green Ammonia Powered Bulk Carrier: Pilot study to assess the technical and commercial feasibility of retrofitting an open hatch bulk for green ammonia operations in a trans-Atlantic route.
BIMCO Partnership	Grieg Star	Reduce single-use plastics in shipping	2022	We managed to ensure that we delivered over 80% of our plastic waste to "green" countries and we reduced the amount of incinerated plastics to almost none
WISTA 40 by 30	Grieg Maritime Group	Promote diversity in the maritime industry, most importantly strive towards increasing the share of women in leading positions in your company to 40% within 2030	2022	International Corporate Diversity Award winner
NCE Maritime Clean-Tech	Grieg Maritime Group	Share knowledge and collaborate with other companies to reach our climate goals	2022	Joined Maritime CleanTech, to share knowledge and resources to improve and make operations carbon neutral
SHE Index	Grieg Maritime Group	Being part of the journey towards greater diversity and inclusion	2019	We obtained a score of 88. The score increased by 10 points respect 2021 (78) and we are above the country average (71).
G3 Decarbonization Task Force	Grieg Maritime Group & Grieg Star	Joint decarbonization task force with Gearbulk and G2Ocean	2020	<ul style="list-style-type: none"> - Biofuel trial performed - Joint Vessel Performance Team established - Ultrasonic Antifouling Pilot ongoing"
G3 joint Safety Culture Project	Grieg Star	Working jointly to build a common and strong safety culture across the three G's (Gearbulk, G2Ocean and Grieg Maritime Group)	2021	<p>"The following element from the G3 Safety Culture project was implemented in 2022:</p> <ul style="list-style-type: none"> - G3 Safety Commitment: Published as posters to the fleet and office and presented during Officer's Conference in Manila in Oct 2022. - G3 Safety Intervention (Stop card) implemented and replaced the GS Stop Card procedure. - A dedicated Safety site in GMG Connect intranet for the Safety Culture project has been established. - A common Safety Moment Library has been established - A common G3 Safety dashboard for monitoring of established safety KPI's for improved Safety Culture - G3 Safety Day for office premises was conducted in 2022 - Guideline and reporting form for Management Visits to vessels was implemented - G3 Life Saving Rules were prepared. To be implemented in GS Q1 2023. - Learning sessions on 5 Safety I's completed for office employees and during Officer's Conference 2022."
G3 Project ESG Materiality	Grieg Maritime Group	Working jointly for developing the basis for conducting materiality assessment as well as share knowledge related to sustainability frameworks and future requirements	2022	First materiality assessment conducted
G3 Compliance Forum	Grieg Maritime Group	Joint compliance committee with Gearbulk and G2Ocean	2021	Agreed compliance focus areas: Joint compliance training, 3rd Party screening
G3 Fleet Management Coordination Group (FMCG)	Grieg Star	Collaboration meetings regarding fleet operations. Discussing safety, different KPIs and general issues	2021	Tackled security issues, discussed KPIs and more communication in general
GloLitter- Recirculation of Ropes	Grieg Maritime Group	The GloLitter Partnership is for preventing and reducing plastic marine litter. One of the activities has been to collaborate on different sprints for exploring ropes handling and recycling	2022	As part of the Global Industry Alliance (GIA) activities, two targeted sprints were developed to tackle the universal challenges of rope handling and recycling. The focus of the sprints was to explore the legal aspects of handling and exporting ropes for recycling and explore the circular economy of ropes. Furthermore, conversations with Wilhemsen were initiated for participating in their pilot project for returning ropes to Bremerhaven
MACN	Grieg Maritime Group	Working jointly to reduce corruption WW	2011	Zero corruption cases reported in 2022
YoungShip International	Grieg Maritime Group	Promote and encourage companies to strengthen their focus on talent and the development of young individuals	2021	Received the Young Corporation Award to acknowledge our effort in developing emerging talent
AMWER	Grieg Star- Vessels	All Grieg vessels have been enrolled in the Amver-system. The Automated Mutual Assistance Vessel Rescue System (Amver) is a computer-based voluntary global ship reporting system. Amver is used worldwide by search and rescue authorities to arrange for assistance to persons in distress at sea. The Amver system contributed to saving 224 lives in 2021	1995	Certificate of Merit to Grieg Star in recognition of outstanding dedication to the Automated Mutual-Assistance Vessel Rescue System in support of lifesaving on the world's oceans. 22 Grieg vessels have been enrolled for more than six years
Clean Ports, Clean Oceans: Improving Port Waste Management in the Philippines	Grieg Foundation Grieg Maritime Group	The aim of the project is for WWF and the Grieg Group to cooperate to create concrete, scalable solutions to the plastic challenges in ports, to decrease and eventually stop plastic from entering the oceans. The project has the following deliverables: i) to provide input to the national action plan on marine litter and highlight the importance of the port industry in addressing plastic pollution, ii) to reduce plastic waste leakage by 50% in at least 3 ports in the Philippines, and iii) to develop documentation to enable the scaling up in other ports in the Philippines and in the world.	2020	The second year of the project was the opportunity for the WWF-Philippines team to finalise the baseline studies for the three selected ports, as well as the national baseline study on the management of plastic waste in ports in the Philippines. These studies were a significant step to inform the development of action plans in the three ports and the selection of solutions to pilot to reduce plastic waste leakage.



How we calculate greenhouse gas emission

We have mainly focused on scope one and two emissions in previous years. This year we have tried to cover our scope three emissions as well.

- Corporate Value Chain (Scope 3) Accounting and Reporting Standards. Supplement to the GHG Protocol Corporate Accounting and Reporting Standard
- Technical Guidance for Calculating Scope 3 Emissions

WHAT WE ACCOUNT FOR

We account for 100 per cent of scope 1 and 2 emissions from operations over which GMG has operational control. We report where we have the authority or ability to introduce, propose or implement operating policies in the operation. It is important to note that having operational control does not imply that we have the authority to make all decisions concerning an operation. We try to align as much as possible our financial accounting with our GHG accounting.

We account for and report the below emissions when applicable, and we report on tonnes of CO2 equivalent:

- Carbon dioxide (CO2);
- Methane (CH4);
- Nitrous oxide (N2O);
- Hydrofluorocarbons (HFCs);
- Perfluorocarbons (PFCs); and
- Sulphur hexafluoride (SF6)

We follow the Norwegian Shipowners Association recommendations when reporting on other emissions not

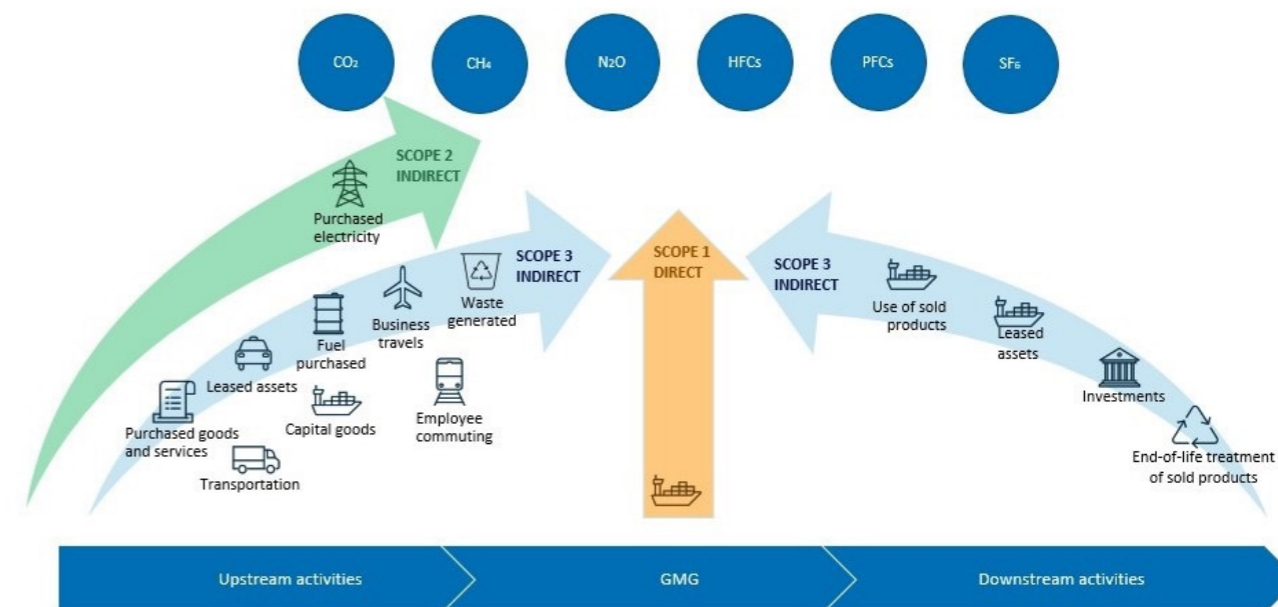


Figure 1: Grieg Maritime Group's emissions overview 2022

This Annual Report presents our Greenhouse Gas emissions (GHG) during 2022, calculated using methodologies consistent with the Greenhouse Gas (GHG) Protocol. We describe the boundaries considered for the accounting and reporting, the calculation methodologies used, the data sources, assumptions and exclusions made.

The disclosures meet the GRI Disclosures 305-1, 305-2 and 305-3 and align with the Task Force on Climate-related Financial Disclosures (TCFD) recommendation of disclosing Scope 1, 2 and 3 if appropriate. We have partly based our work on:

- The Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard
- Scope 2 Guidance: An amendment to the GHG Protocol

included above, such as sulfur oxides (SOx).

Below is an overview of Grieg Maritime Group scopes and emissions across our value chain.

SCOPE 1 EMISSIONS

TOTAL CO2e (t) for 2022: **539 222**

Description of the types and sources of data used to calculate emissions

Direct emissions from the combustion of GMG's fleet. As of today, GMG does not have direct emissions coming from other sources than the fleet. However, this will need to be reviewed over the years since it can change due to new business lines. The necessary data from externally managed vessels are calculated based on Noon data from Coach. For Grieg Star managed vessels, Noon data is also used for MRV and DCS-reporting.

Calculation methodology

CO2 emissions are calculated following the IMO MEPC.1/Circ. 684. Other GHG emissions have been calculated based on fuel consumption and correspondent emissions factors. The emissions factors are coming from IMO MEPC.1/Circ. 684 and the UK Government conversion factors for company reporting of greenhouse gas emissions.

Exclusions and assumptions

Two vessels were sold and supposed to be delivered before year end (2021). However, the delivery was delayed until January and February 2022 respectively. Their emissions during 2022 have not been included.

SCOPE 2 EMISSIONS

The Scope 2 includes the emissions from the generation of purchased electricity, steam, heat, or cooling consumed by GMG. It includes the emissions from the acquired electricity for Norway offices and Manila Office, as well as the Company property in Norway and the electricity purchased during dry-docking.

Scope 2 emissions are reported using 2 methods: market and location-based methods as indicated in Scope 2 Guidance:

Location-based method

TOTAL CO2e (t) for 2022 **192**

Description of the types and sources of data used to calculate emissions

Scope 2 location-based method quantifies GHG emissions based on average energy generation emission factors for defined geographic locations, including national boundaries.

Calculation methodology

The emissions factors for the calculation have been obtained from the Norwegian Water Resource and Energy Directorate (NVE) and Institute for Global Environmental Strategies (IGES). Estimations have been used for allocating an entire building's electricity usage to all tenants on the basis of the square meters and the occupancy rate.

Exclusions and assumptions

The office in Shanghai was closed during the reporting year. Its emissions from electricity consumption have not been included.

Market-based method

TOTAL CO2e (t) 197

Description of the types and sources of data used to calculate emissions

The market-based method quantifies the scope 2 GHG emissions of a reporter based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments.

Calculation methodology

For some offices, GMG includes supplier specific data but this has not been possible for a few locations. For these ones, some of the emissions have been calculated using location-based emissions factors, following recommendations from figure 6.1 from Scope 2 Guidance.

Exclusions and assumptions

The office in Shanghai was closed during the reporting year. Its emissions from electricity consumption have not been included.

SCOPE 3 EMISSIONS

Scope 3 includes other indirect emissions that occur in GMG's value chain. GMG follows the 15 categories from The Scope 3 Standard for accounting and reporting emissions.

Upstream scope 3 emissions

Category 1: Purchased goods and services

TOTAL CO2e (t) for 2022 11 995

Description of the types and sources of data used to calculate emissions

Purchased goods and services include the emissions from the extraction, production, and transportation of goods and services purchased or acquired by GMG in the reporting year. The data is extracted from GMG's finance dashboard, which includes all the subsidiaries and includes the economic value in USD dollars of the different purchased goods and services during 2022. This data is reflected in the actual P&L for 2022 and it is classified by internal company account codes. Based on the codes, the items are classified following the same classification as the Industry and Commodity List for USEEIO Models for then applying the relevant emissions factors from the Supply Chain Greenhouse Gas Emissions Factors for US Industries and Commodities.

Calculation methodology

The methodology used is the spend-based method due to data limitations during 2022.

Exclusions and assumptions

The paid hotel services for business travels have been included in the scope 3. Category 6: Business travel
The emissions factors are taken from the Supply Chain Greenhouse Gas Emissions Factors for US Industries and Commodities independently of the supplier-based location.

Category 2: Capital goods

TOTAL CO2e (t) for 2022 Not applicable for 2022

Description of the types and sources of data used to calculate emissions

This category includes all upstream (i.e. cradle-to-gate) emissions from the production of capital goods purchased or acquired in the reporting year. These corresponds to the fixed assets in financial accounting reporting.

Calculation methodology

For accounting the emissions from Category 2. Capital goods, emissions from the purchased/acquired fixed assets in financial accounting reporting, GMG will not depreciate, discount, or amortize the emissions from the production of capital goods over time. GMG will account for the total cradle-to-gate emissions of purchased capital goods in the year of acquisition.

Exclusions and assumptions

The current guidance from the GHG Protocol does not explicitly address how companies should account for the emissions (cradle-to-gate) from secondhand assets, GMG will not include them in the report to avoid double accounting.

Category 3: Fuel and energy-related activities

(not included in scope 1 or scope 2)

Upstream emissions of purchased and consumed fuels

CO2e (t):122 177
Upstream emissions of purchased electricity CO2e (t):6.2
Transmission and distribution losses CO2e (t): 17

TOTAL CO2e (t) for 2022 122 200

Description of the types and sources of data used to calculate emissions

This category covers the well to tank emissions from the purchased and consumed fuel in our vessels, which GMG has operational control, as well as the upstream emissions of the purchased electricity in Norway, The Philippines and China (drydocking activities). It also covers the Transmission and distribution losses emissions from the electricity consumed. The emissions factors used are the ones from the UK Department for Business, Energy & Industrial Strategy.

Calculation methodology

For calculating the emissions, the "average-data" method has been used as described in the Scope 3 Guidance. Industry average emissions factors have been used for each type of fuel consumed.

Exclusions and assumptions

None

Category 4: Upstream transportation and distribution

TOTAL CO2e (t) for 2022 308

Description of the types and sources of data used to calculate emissions

This category includes the emissions from the transportation and distribution of products purchased between a supplier and GMG's own operations. The data used comes from one of GMG's biggest marine and offshore suppliers.

Calculation methodology

Distance-based method

Exclusions and assumptions

The data starts from the 1st of February 2022. The emissions from transportation and distribution account for 54% of all Grieg Star's shipments (3195 out of the 5914 orders). For the rest of shipments in the Group for 2022, there is not enough data for calculating the emissions. Nonetheless, the company is studying different ways on how the remaining emissions could be accounted and reported on.

Category 5: Waste generated in operations

TOTAL CO2e (t) 642

Description of the types and sources of data used to calculate emissions

The data used is obtained from each vessel. The vessels for which GMG has operational control have a garbage record book following MARPOL Annex V. Under MARPOL Annex V, garbage includes all kinds of food, domestic and operational waste, all plastics, cargo residues, incinerator ashes, cooking oil, fishing gear and animal carcasses generated during the normal operation of the ship and liable to be disposed of. The records are measured in m3 and have been converted to weight following the Volume-to-Weight Conversion Factors for Solid Waste from the United States Environmental Agency (EPA) and the Unit Conversion factors from the Blue Environment and Ascend Waste and Environment prepared for the Department of the Environment and Energy from Australian Government.

Data for waste generated onshore is obtained from the office management of the different GMG offices.

Calculation methodology

The method used for calculating emissions from the waste generated onboard is the Waste-type-specific method, following the Technical Guidance for calculating Scope 3 Emissions. The method involves using emission factors for specific waste types and waste treatment methods. The offices' emissions are provided by the respective building's property management.

Exclusions and assumptions

For 2022, waste, such as paper and electronic waste, generated in China and the Philippines offices has not been included as no records were kept for 2022. It is to be noted that the amount of employees respective to other offices is considerably smaller. Furthermore, operational waste from all internally managed vessels have been included. In the calculation, it is assumed that most of the plastic discharged in facilities has been recycled since 96% of the plastic is discharged in countries considered green (that have a proper waste management system).

For 92% of the waste discharged to port facilities, we have no information on how the waste is further processed. Estimations could be done assuming that most of the waste is either landfill or incinerated, but no estimates have been made. The company is studying ways on how it can improve the transparency regarding the waste discharged at port facilities.

Category 6: Business travel

TOTAL CO2e (t) for 2022 2 922

Description of the types and sources of data used to calculate emissions

This category includes the transportation of employees for business-related activities during the reporting year. Hotel stays from crew changes and business trips have been also included.

The data has been directly obtained from different sources, for Norway and the Philippines the data is obtained from the travel agencies that GMG is working with for booking trips. The CO2 equivalent emissions from hotel stays have been calculated using the Hotel Footprinting Tool, produced by the International Tourism Partnership and Greenview. For calculating the transportation emissions GMG uses the conversion factors from the UK Government GHG conversion Factors for Company Reporting.

Calculation methodology

The emissions from flights have been calculated following the distance-based method, which involves determining the

distance and mode of business trips, then applying the appropriate emission factor for the mode used. The emissions from car and train which represent 0.5% of GMG's travel costs have been calculated based on the spend-based method, which involves calculating the emissions based on the amount spent per each transportation mode and multiply by secondary emissions factors. For calculating the emissions from hotel stays, the data used is the hotel nights for each employee per country travelled and multiplied by the pertinent conversion factor.

Exclusions and assumptions

The Company has included business trips and hotels stays, which include stays for crew changes and training purposes. Other transportations to crew medical appointments have not been included since those are usually arranged by port agents.

Category 7: Employee commuting

TOTAL CO2e (t) 62.1

Description of the types and sources of data used to calculate emissions

This category includes emissions from the employees commuting to work from home. It also includes the emissions from teleworking. Due to Covid-19, the majority of employees were working from home in January 2022.

Calculation methodology

The data is extracted from the annual form sent to employees located in the different countries and the method applied to calculate emissions is the distance-based, which involves collecting data from employees on commuting patterns based on the distance travelled and mode of transportation used.

Exclusions and assumptions

For teleworking we took the average emission factors for the UK, assuming that these emissions will not highly differ from our offices' locations.

Category 8: Upstream leased assets

TOTAL CO2e (t) for 2022 19 226

Description of the types and sources of data used to calculate emissions

This category includes emissions from the operations of assets that GMG leased during the reporting year that are not already included in scope 1 or scope 2. During 2022 GMG had one vessel under time charter for the whole year and 3 that were sold during 2022.

Calculation methodology

The calculation of the emissions are based on the fuel consumption and only CO2 emissions have been considered.

Exclusions and assumptions

None

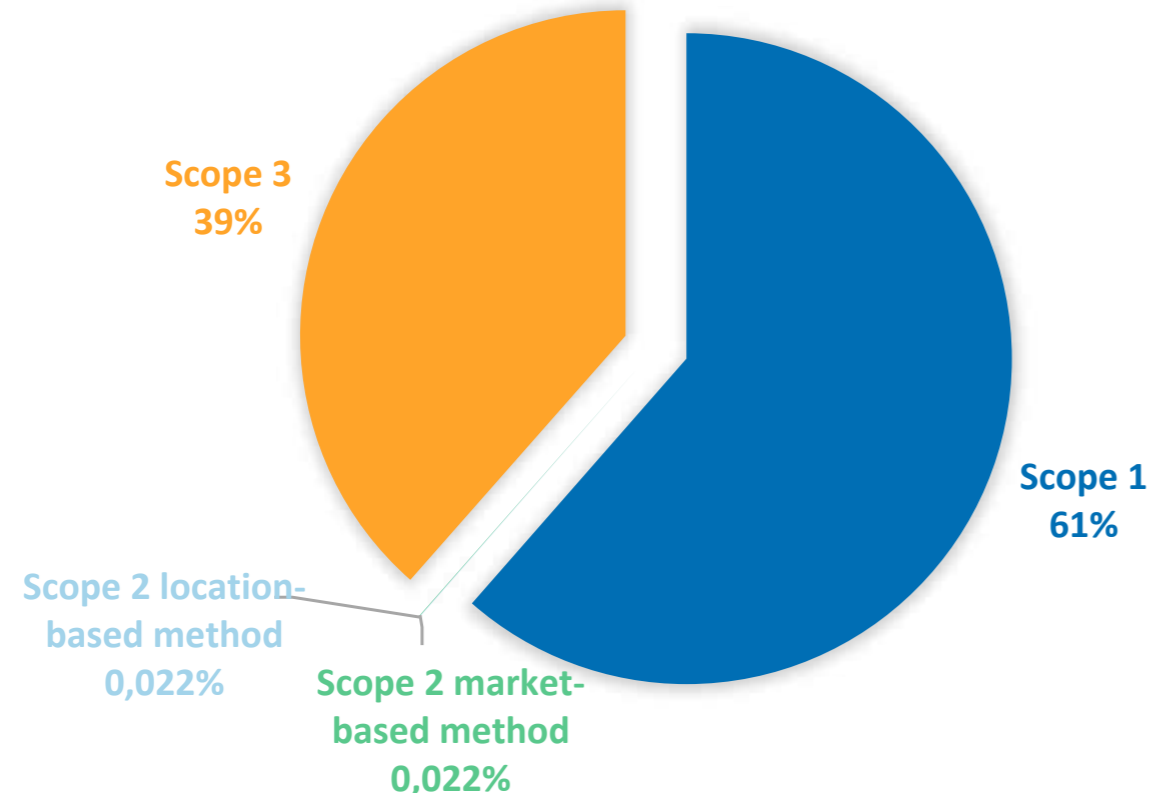
Downstream scope 3 emissions

Category 9: Downstream transportation and distribution

TOTAL CO2e (t) for 2022 Not applicable for 2022

Description of the types and sources of data used to calculate emissions

This category includes emissions from transportation and in the reporting year between the GMG's operations and the end consumer (if not paid for by the reporting company), in vehicles and facilities not owned or controlled by GMG. This category does not apply to GMG since the Company does not sell any products. This assessment will be reviewed periodically.



Calculation methodology

Not applicable for 2022

Exclusions and assumptions

None

Category 10: Processing of sold products

TOTAL CO2e (t) for 2022 Not applicable for 2022

Description of the types and sources of data used to calculate emissions

This category includes emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by the reporting company. This category does not apply to GMG since the Company does not sell any products as per 2022. This assessment will be reviewed periodically.

Calculation methodology

Not applicable for 2022

Exclusions and assumptions

None

Category 11: Use of sold products

TOTAL CO2e (t) for 2022 Not applicable for 2022

Description of the types and sources of data used to calculate emissions

This category includes emissions from the use of goods and services sold by GMG in the reporting year. This category does not apply to GMG since the Company do not sell any products

or services that can be accounted for. This statement will be reviewed periodically.

Calculation methodology

Not applicable

Exclusions and assumptions

None

Category 12: End-of-Life treatment of sold products

TOTAL CO2e (t) for 2022 Not applicable for 2022

Description of the types and sources of data used to calculate emissions

This category includes emissions from waste disposal and treatment of products sold by the reporting company at the end of their life cycle. This category does not apply to GMG during the reporting year. This assessment will be reviewed periodically.

Calculation methodology

Not applicable for 2022

Exclusions and assumptions

None

Category 13: Downstream leased assets

TOTAL CO2e (t) for 2022 Not applicable for 2022

Description of the types and sources of data used to calculate emissions

This category includes emissions from the operations of assets that GMG owns and leases to other entities during the re-

Emissions Category	Total Emissions (tCO2 equivalent)
Scope 1	539 222
Scope 2 Location-based emissions	192
Scope 2 Market-based emissions	197
Total Scope 1 + Scope 2 Location based	539 414
Total Scope 1 + Scope 2 Market based	539 419
Scope 3	
Purchased goods and services	11 995
Fuel and energy related activities	122 200
Upstream transportation and distribution	308
Waste in operations	642
Business Travel	2 922
Employee Commuting	62
Upstream leased assets	19 226
Scope 3 upstream	157 356
Investments	180 453
Scope 3 downstream	180 453
Scope 3	337 809
Grand total (scope 1, 2 location-based and scope 3)	877 224
Grand total (scope 1, 2 market-based and scope 3)	877 229

porting year that are not already included in scope 1 or scope 2. For the time being, GMG does not lease assets to external companies. This assessment will be periodically reviewed.

Calculation methodology

Not applicable for 2022

Exclusions and assumptions

None

Category 14: Franchises

TOTAL CO2e (t) for 2022 Not applicable for 2022

Description of the types and sources of data used to calculate emissions

This category includes emissions from operations of franchises in the reporting year not included in Scope 1 and Scope 2 and reported by franchisor. This category does not apply to GMG since the company do not provide any license to sell or distribute GMG's services.

Calculation methodology

Not applicable

Exclusions and assumptions

None

Category 15: Investments

TOTAL CO2e (t) 180 453

Description of the types and sources of data used to calculate emissions

This category includes scope 1 and 2 emissions from GMG's equity and debt investments including subsidiaries, associate companies, and joint ventures that are not reported in the parent company's scope 1 and 2. GMG counts with 2 portfolios: the financial portfolio managed by an external company, Grieg Investor, and the investment portfolio and joint ventures managed by Grieg Edge. Beside this, GMG has a joint venture, G2Ocean.

Calculation methodology

The emissions from GMG in 2022 are the proportional share of the scope 1 and 2 of the companies inside the financial and investment portfolios and G2 Ocean (joint venture with Gearbulk).

Exclusions and assumptions

For 2022, Grieg Edge portfolio has not been included. Some of the companies do not yet have production facilities running, and it is estimated that for the reporting year the contribution to scope 3 emissions is negligent. This statement will be reviewed periodically.

The joint venture with Gearbulk, G2Ocean, is also reporting the emissions of GMG's fleet in their scope 1. The companies are aware of what the GHG protocol states; that double accounting should be avoided, and we will work together to address this. Therefore, GMG has decided to not include the proportional part of the whole G2Ocean's scope 1. However, G2 Ocean's scope 2 emissions and the proportionate part of their time-chartered vessels CO2 emissions have been included (part of G2 Ocean's scope 1, but not part of GMG's scope 1).



ESG-status - environment 1

	Description	2022	2021	2020	Comments 2022	GRI	SASB	SDG	
Climate Risk and Climate footprint*	Scope 1 GHG (Direct emissions of CO2 equivalents, metric tonnes)	Green House Gas Direct Emissions	539 222	763 486	442 675	It includes the emissions of externally and internally managed and from vessels we own and vessels under bareboat charter. Total fleet 30 vessels*. The reduction respect other years is because GMG sold various vessels and the time chartered vessels are included in our scope 3.	GRI 305-1	SASB TR-MT-110a.1	3/12/13/14/15
	Scope 2 GHG (Indirect emissions of CO2 equivalents, metric tonnes) marked-based	Green House Gas Indirect Emissions from the consumption of purchased electricity, heat or steam from Bergen, Oslo, Philippines and Shanghai Office	197	Previously not calculated		For some offices, GMG counts with supplier specific data but for some it has not been possible. Therefore, for these ones some of the emissions have been calculated using location-based emissions factors, following recommendations from figure 6.1 from Scope 2 Guidance.			
	Scope 2 GHG (Indirect emissions of CO2 equivalents, metric tonnes) location-based	Green House Gas Indirect Emissions from the consumption of purchased electricity, heat or steam from Bergen, Oslo, Philippines and Shanghai Office	192	116	87	The big difference between 2022 and the previous year is due to the close down of Shanghai office and that the conversion factor for Norway based offices comes from a different source than previous years. It has been obtained by the Norwegian Water Resources and Energy Directorate. Furthermore, for this year is the first time that we account the scope 2 by the 2 methods as indicated in Scope 2 Guidance.	GRI 305-2		3/12/13/14/15
	Scope 3 GHG (Indirect emissions of CO2 equivalents, metric tonnes)	Indirect emissions from company's upstream and downstream activities as well as emissions not associated with outsourced/contract manufacturing not included in scope 1 or scope 2	337 809	3 331	2 540	Previous years only business travels (excluding hotel stays) were included. For 2022 it includes 8 different categories: Purchased goods and services, fuel and energy related activities, upstream transportation and distribution, waste in operations, business travel (including hotel stays), employee commuting, upstream lease assets and investments.	GRI 305-3		3/12/13/14/15
	EEOI (Energy Efficiency Operational Indicator)	EEOI is reported by CO2 g/ (tonnes* nautical miles)	12,4	10,8	10,7	Since the CII is consistent, probably the increase of EEOI is due to the cargo type.	GRI 305-4		13
	AER (Annual Efficiency Ratio), CII (Carbon Intensity Indicator)	AER is reported in unit grams of CO2 per tonne-mile (gCO2/dwt-nm). Metric calculated using an approximation of the total annual transport work performed by a ship, obtained from its total distance travelled and DWT	6,3	6,3	5.61	CII consistent in the last 2 years	GRI 305-4		13
	GHG emission management	Description of short term and long-term strategy or plan to manage GHG emissions, emissions reduction targets, and an analysis of performance against those targets	While seaborne transportation constitutes about 90% of world trade, emissions of Greenhouse Gases (GHG) from ships represent about 3% of global emissions, something our industry is committed to reduce. In addition to the requirements of the International Maritime Organization (IMO), Grieg Maritime Group have adopted the Norwegian Shipowner Association's target to reduce GHG emissions per transported unit by minimum 50% by 2030 from 2008 levels and become net zero by 2050. These targets can however not be achieved without a value chain supporting low and zero emission fuels with competitive terms, well ahead of 2030. Over the course of 2022 we have consistently worked towards understanding the risks, opportunities, and barriers for adopting zero emission fuels. Among specific actions is the Deep-Sea Ammonia Pilot study performed together with multiple partners, supported by the Norwegian Green Shipping Program. A test utilizing two different blends of biofuel was also performed on a cross Atlantic voyage with positive results. A digital support tool has been developed enabling charterers and operators to project Carbon Intensity Indicator (CII) implications of future operations and support fleet CII control. We also reached our ambitious goal of having at least 90% of all plastic waste from internally managed vessels delivered to shore facilities that have responsible waste handling and recycling capacity.					13	
	Climate Risk Reporting	Report on climate related risks and opportunities	A factor that could adversely affect our business and financial results going forward is the carbon emission regulations coming into force for the maritime industry to reduce the effects of climate change. This is likely to have negative effect on operational efficiency and may require investments in carbon reducing measures in the short term as well as investments in new propulsion systems in the medium to long term. As of today, the impact from the phasing in of emission permits in the EU Emission Trading System (EU ETS) is not fully clear on our business model, and neither is availability and future pricing of emission free fuel. Besides the emission reducing regulations, which are imposed by the International Maritime Organisation (IMO) and EU's Fit for 55 with the EU Taxonomy, some of our stakeholders as customers of G2 Ocean and financing partners express various expectations on Grieg Maritime Group to reduce its carbon footprint, and to minimize the risk of potentially owning stranded assets in the future. (It is in GMG roadmap to report in line with TCFD in the upcoming years)					13	
	Energy consumed, gigajoules	The total amount of energy consumed as an aggregate figure in gigajoules (GJ)	7 080 842	9 118 850	5 828 000		GRI 302-1	SASB TR-MT-110a.3	7/8/12/13
	Energy consumed: Heavy Fuel Oil %	Energy consumed that was supplied from heavy fuel oil	86%	87%	84%		GRI 302-1	SASB TR-MT-110a.3	7/8/12/13
Energy consumed: renewable/low-carbon %	Energy consumed that is renewable/low-carbon energy	0,19%	0,01%	0,01%	0.19 % of biofuel consumed	GRI 302-1	SASB TR-MT-110a.3	7/8/12/13	
Sulphur emissions	Policy for compliance with sulphur regulations including global sulphur limits and relevant Emission control area (ECA) limits	GMG will always use compliant fuels for limiting sulphur oxides emissions							
Percentage of the fleet that has scrubbers installed		0%	0%	0%	We considered compliant fuel as a better option for our fleet				
Target percentage of the fleet that will have scrubbers installed		0%	0%	0%	We considered compliant fuel as a better option for our fleet				
Air pollution*	SOx emissions, metric tonnes	Sulfur oxides emissions in metric tonnes	1 347	1 934	869	Calculations include 30 vessels. The reduction respect 2021, is due to a decrease on the consumption of fuel due to less vessels in the fleet.	GRI 305-7	SASB TR-MT-120a.1	3
	NOx emissions, metric tonnes	Nitrogen oxides emissions in metric tonnes	15 822	22 904	13 794	Calculations include 30 vessels. The reduction respect 2021, is due to a decrease on the consumption of fuel due to less vessels in the fleet.	GRI 305-7	SASB TR-MT-120a.1	3
Ship recycling	Recycling Ships Policy	Policy for recycling of ships and measures taken to ensure responsible recycling.	GMG will recycle its fleet at strictest applicable requirements: EU SRR and according to extended interpretation of HK Convention						8/12/14
	Number of ship recycled	Total of ships recycled	0	1	1				8/12/14
	Number of ships recycled according to EU SRR	Total of ships recycled according to EU SRR	0	1	1				8/12/14
	Number of recycled ships and rigs supervised	Total number of ships and rigs supervised during their recycle process in yards that are monitored and audited regularly by Grieg Green.	11	20	17	Grieg Green only collaborates with what they consider to be Top Ship Recycling Facilities in the world that follow their strict recycling policies and are being monitored and audited regularly. The same yards are ISO 9001, ISO 14001 and ISO 45001 certified as well and as adhere to the Hong Kong Convention and EU ship Recycling Regulation			

*The emissions calculations include all the fleet: 30 vessels with on house technical management as well as vessels under external management. The CO2 emissions from vessels under time charter (1 vessel for the whole year plus 3 that were sold during 2022) are included in scope 3.

Vessels: Great Forest, Star Minerva, Star Majesty, Star Harmonia, Star Hansa, Star Maia, Star Dalmatia, Star Herdla, Star Hilda, Star Isfjord, Star Ismene, Star Istind, Star Japan, Star Java, Star Juventas, Star Kilimanjaro, Star Kinn, Star Kirkenes, Star Kvarven, Star Laguna, Star Lima, Star Lindesnes, Star Livorno, Star Loen, Star Lofoten, Star Louisiana, Star Luster, Star Lygra, Star Lysefjord, Star Navarra, Star Toscana and Star Gaia, Star Maru, Star Nike (sold during 2022)

GRI: Global Reporting Initiative
SASB: Sustainability Accounting Standards Board
SDG: UN Sustainable Development Goals

ESG-status - environment 2

	Description	2022	2021	2020	Comments 2022	GRI	SASB	SDG	
	Days in ECA areas or in Marine protected areas	The shipping duration (sum of the travel days by 24 hour periods or fractions thereof) spent in marine protected areas or areas of protected conservation status including time spent docked at ports in ECA areas	NA	NA	NA	We follow guidelines from local authorities. Especially during whale season in Canada. However, we are studying different ways on how could we account and report days spend in emission control areas as well as in marine protected areas or areas of protected conservation status.	GRI 304-2	SASB TR-MT-160a.1	6/14/15/
	Number of spills from own vessels	The total number of spills and releases to the environment (water, soil and air).	2	1	0	We had 2 hydraulic oil spills. No major spills occurred.	GRI 306-3	SASB TR-MT-160a.3	3/12/15
	Aggregated tonnes potentially harmful oil spills	Aggregated volume of potentially harmful spills and releases in metric tonnes	0,001	14	0	No report of damage to the marine life	GRI 306-3	SASB TR-MT-160a.3	3/12/15
	Waste generated	A description of the inputs, activities, and outputs that generate waste; whether the waste is generated in the organisation's own activities or generated upstream or downstream in its value chain. Description of the initiatives to improve the share of waste delivered to onshore facilities vs onboard incineration.	All the vessels count with a management plan that will be soon digitilised inside our HSEQ system. Furthermore, we also reached our ambitious goal of having at least 90% of all plastic waste from internally managed vessels delivered to shore facilities that have responsible waste handling and recycling capacity.				GRI 306-1 and GRI 306-3a		3/12/15
Ecological Impacts	Total waste generated (metric tonnes) offshore	Total weight of waste generated in metric tonnes and a breakdown of this total by composition of the waste (fleet garbage books)	*TOTAL (t): 498 Waste incinerated (t): 20 Waste discharged (t): 478 Plastic (t): 8 Food waste (t): 6 Dometic waste (t): 437 Cooking oil (t): 2 Incinerator ashes (t): 41 Operational waste (t): 26 Animal carcasses (t): 1 EE-waste (t): 5 Cargo residues (non HME) (t): 366*	Not reported before		The vessels for which GMG has operational control have a garbage record book following MARPOL Annex V. Under MARPOL Annex V, garbage includes all kinds of food, domestic and operational waste, all plastics, cargo residues, incinerator ashes, cooking oil, fishing gear and animal carcasses generated during the normal operation of the ship and liable to be disposed of. The records are measured in m3 and have been converted to weight following the Volume-to-Weight Conversion Factors for Solid Waste from the United States Environmental Agency (EPA) and the Unit Conversion factors from the Blue Environment and Ascend Waste and Environment prepared for the Department of the Environment and Energy from Australian Government	GRI 306-1 and GRI 306-3a		3/12/15
	Total waste generated (metric tonnes) onshore	Total weight of waste generated in metric tonnes and a breakdown of this total by composition of the waste (at the offices)	*TOTAL (t): 6.5 Plastic (t): 0.03 Glass and metal (t): 0.9 Paper and board (t): 1.3 EE waste (t): 0.1 Organic waste (t): 1.1 Other sorted waste (t): 3.1	Not reported before		Includes the waste from Bergen and Oslo offices. In 2022 the waste from The Philippines office has not been included. However, for the upcoming years we are working to include it too.			
	Plastic landed to shore facilities	Plastic landed to shore facilities (cubic meters and not compressed)	280	264	364	The increase of plastic is due to the dry docking activities. The vessels have received new spare parts and components that often are wrapped in plastic, adding up to the total.	GRI 306-1 and GRI 306-3a		3/12/16
	Percentage of total amount of plastic waste landed to shore	Percentage of total amount of plastic waste that was landed to shore (cubic meters and not compressed)	94,4	89	84	We have installed compressors in the fleet and we have also investigated some of the dry-docking ports and the results of these investigations confirmed a proper waste handling management process.	GRI 306-1 and GRI 306-3a		3/12/17

*The emissions calculations include all the fleet: 30 vessels with on house technical management as well as vessels under external management. The CO2 emissions from vessels under time charter (1 vessel for the whole year plus 3 that were sold during 2022) are included in scope 3.

Vessels: Great Forest, Star Minerva, Star Majesty, Star Harmonia, Star Hansa, Star Maia, Star Dalmatia, Star Herdla, Star Hilda, Star Isfjord, Star Ismene, Star Istind, Star Japan, Star Java, Star Juventas, Star Kilimanjaro, Star Kinn, Star Kirkenes, Star Kvarven, Star Laguna, Star Lima, Star Lindesnes, Star Livorno, Star Loen, Star Lofoten, Star Louisiana, Star Luster, Star Lygra, Star Lysefjord, Star Navarra, Star Toscana and Star Gaia, Star Maru, Star Nike (sold during 2022)

GRI: Global Reporting Initiative
SSAB: Sustainability Accounting Standards Board
SDG: UN Sustainable Development Goals

ESG-status - social

Accidents, Safety and Labour Rights

	Description	2022	2021	2020	Comments 2022	GRI	SASB	SDG
LTIF	Lost Time Incident Frequency	0,65	0,71	0,21	This number is based in 3 lost time injuries. No one will have permanent disability due to these injuries.	GRI 403-9	SASB TR-MT-320a.1	3/8/16
BoD % women	Gender diversity of board of directors	57%	50%	50%	7 board members: 3 men and 4 women	GRI 405-1		5/8/10
Top management % women	Gender diversity of top management	50%	42,9%	38%	Increase respect last year since we welcomed Pia Meling in GMG's top management	GRI 405-1		5/8/10
Management % women	Gender diversity of middle management	40,7%	26,7%	35%	The change respect other years it' is due to the definition that we have taken for 2022 and onwards as management positions. Management positions are those with responsibility for personnel and/or with responsibility for specific area. In this calculation it does not necessary mean those with Manager title.	GRI 405-1		5/8/10
Employees total % women	Gender diversity of employees	48,9%	48,4%	46%	Increase respect previous years. It does not include those under consultancy agreement	GRI 405-1		5/8/10
Average hours of training per land-based employee	Average hours of training that land-based employees have undertaken during the reporting period.	24,1	Not reported before		It includes internal and external trainings as well as Short talks. For upcoming years we will have more information regarding the trainings offered in Manila.	GRI 404-1		4
Seafarers top management % women	Gender diversity of seafarers top management.	0,9%	0,9%	0,1%	It includes the following employee' category: Captain, Chief Mate, Chief Engineer and 2nd Engineer. In 2021 we had 108 top management seafarers of which one was female. In 2022 we had 114 employees in top management positions.	GRI 405-1		5/8/10
Seafarers management % women	Gender diversity of seafarers management.	8,0%	6,8%	0,9%	It includes the following employee's category: 2nd Officer, 3rd Officer, Junior 3rd Officer, 3rd Engineer, 4th Engineer and Junior 4th Engineer. In 2022 we had 137 management seafarers (11 were female).	GRI 405-1		5/8/10
Seafarers % women	Gender diversity of seafarers	3,2%	2,4%	2,8%	The company continues the process of recruiting and hiring more female seafarers.	GRI 405-1		5/8/10
Salary gender distribution professionals Norway	Female professionals' average salary in % of men's average in same category in Norway	84%	Not reported before		The difference in pay is primarily due to differences in the type of job held and years of experience. To ensure fair treatment of payment between men and women holding the same type of job, this is part of the annual salary appraisal assessment process. A special focus is laid on recruiting for diversity within job types.			
Salary gender distribution leaders Norway	Female leaders' average salary in % of men's average in same category in Norway	113%	Not reported before		The difference in pay is primarily due to differences in the type of job held and years of experience. To ensure fair treatment of payment between men and women holding the same type of job, this is part of the annual salary appraisal assessment process. A special focus is laid on recruiting for diversity within job types.			
Salary gender distribution top management Norway	Female Top Management's average salary in % of men's average in same category in Norway	90%	Not reported before		This is covers all members of the top management team, except our CEO, i.e. managers on the same management level.			
Salary gender distribution professionals Philippines	Female professionals' average salary in % of men's average in same category in the Philippines	65%	Not reported before		In certain positions, sailing competence is defined as crucial, and salary level reflects that the main competition for this competence are well-paid sailing positions. The holders of these positions are typically men, due to the pervalence of male seafarers.			
Salary gender distribution leaders Philippines	Female leaders' average salary in % of men's average in same category in the Philippines	19%	Not reported before		In certain positions, sailing competence is defined as crucial, and salary level reflects that the main competition for this competence are well-paid sailing positions. The holders of these positions are typically men, due to the pervalence of male seafarers.			
Salary gender distribution top management Philippines	Female Top Management's average salary in % of men's average in same category in the Philippines	-	Not reported before		None of our top management is located in the Philippines			
Average hours of training per sea-based employee	Average hours of training per sea-based employee during the reporting period.	72,6	Not reported before		It does not include drills onboard, CBT training onboard or any other training courses that might be provided onboard. It includes online trianing through LMS or external trianing provider.	GRI 404-1		4
PSC Deficiencies	Number of deficiencies received from regional port state control organisations	0,88	1,03	1,19	Average per vessel in the fleet. There is an improvement respect other years due to good safety management		SASB TR-MT-540a.3	8/14
PSC Detentions	Number of detentions received from regional port state control organisations	0	1	-	0 detentions		SASB TR-MT-540a.3	8/14
Marine casualties	"Disclose the total number of marine casualties in which its fleet was involved. 1.1 A marine casualty is defined, based on the United Nations International Maritime Organization (IMO)'s Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84), paragraph 2.9, chapter 2 of the General provisions, as an event, or sequence of events, that occurs directly in connection with the operations of a ship and results in one or more of the following: 1.1.1 The death of, or serious injury to, a person 1.1.2 The loss of a person from a ship 1.1.3 The loss, presumed loss, or abandonment of a ship 1.1.4 Material damage to a ship 1.1.5 The stranding or disabling of a ship, or the involvement of a ship in a collision 1.1.6 Material damage to marine infrastructure external to a ship, that could seriously endanger the safety of the ship, another ship or an individual 1.1.7 Severe damage to the environment, or the potential for severe damage to the environment, brought about by the damage of a ship or ships."	3	3	-	3 injuries that resulted into reparation		SASB TR-MT-540a.1	8
Marine casualties, very serious %	"Disclose the percentage of marine casualties classified as very serious marine casualties. 2.1 A very serious marine casualty is defined as a marine casualty involving the total loss of the ship, a death, or severe damage to the environment. 2.2 The percentage shall be calculated as the number of very serious marine casualties divided by the total number of marine casualties."	0	0	-	Non very serious marine casualties		SASB TR-MT-540a.1	8
Marine casualties, deaths	Disclose number of marine casualties that resulted in death	0	0	-	No marine casualties that resulted in death		SASB TR-MT-540a.1	8
Sick leave shore	Percentage of sick employees	0,6%	0,9%	0,8%	The number of sickness leaves have decreased since the flexible working environment is in place			8

ESG-status - governance

	Description	2022	2021	2020	Comments 2022	GRI	SASB	SDG	
Business Ethics	Corruption risk	Number of calls at ports that have the 20 lowest rankings in Transparency International's Corruption Perception Index	1	0	0	One port call in Corinto, Nicaragua, 1 day		SASB TR-MT-510a.1	16
	Facilitation payments	Number of incidents where bribes have been requested.	0	1	3				16
	Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and/or regulations	"This disclosure addresses non-compliance, or failure to comply with, laws and regulations that apply to the organization. This disclosure includes significant instances of non-compliance that resulted in administrative or judicial sanctions and fines that are being appealed during the reporting period. Non-monetary sanctions can include restrictions imposed by governments, regulatory authorities, or public agencies on the organization's activities or operations, such as withdrawal of trading licenses or licenses to operate in highly regulated industries. They can also include directives to cease or remediate an unlawful activity."	0	9000 EUR (fine for exceeding allowable sulphur limit in port due to residual fuel contamination)	0		GRI 2-27	SASB TR-MT-510a.2	16
	Business Ethics Policies	Ethical guidelines, Anti-Bribery and Corruption policy, Anti-Money Laundering and terror financing policy, Sanctions policy, Guidance on Gifts & Hospitality, Human Rights policy, Anti Trust policy as well as anti bribery and sanction clauses in contracts and training. The Suppliers Code of Conduct describes our policy on what we require from our suppliers.	Our commitment to business ethics is an essential aspect of our sustainability efforts, as it helps us to build trust, respect and credibility with our stakeholders. Ethical guidelines, Anti-Bribery and Corruption policy, Anti-Money Laundering and terror financing policy, Sanctions policy, Guidance on Gifts & Hospitality, Human Rights policy. We are also part of the MACN Group (Maritime Anticorruption Network). During 2022 GMG hold a sanctions policy training as well as a webinar available for all land based employees regarding sanctions in general as well as Russia specific. We also held webinars for increasing awareness about cyber security and about anti-bribery and corruption.			GRI 2-27	SASB TR-MT-510a.2	16	
ESG Governance	Policies, Guidelines and Targets	Description on main policies and supply chain management	The Grieg Group's values and Grieg Maritime Group's Employee Code of Conduct underpin the way we behave and our approach to corporate social responsibility. Together with our Ethical Guidelines and Anti-Bribery and Corruption Policy this set out the principles and standards that must be upheld by each employee, and any representative that acts on our behalf, including our BoD. Through our Supplier Code of Conduct, we demonstrate that we expect no less from our supply chain. As part of our risk management process, we continuously assess all our operations for risks related to human rights, sanctions, corruption, anti-money laundry and anti-trust behavior, all representing areas where a high awareness level is necessary as most of our operations are carried out internationally, also in less transparent countries. There are also undertakings in our financing agreements requiring strict compliance with laws and ethical business standards. For employees, we have a whistleblower channel where misconduct can be anonymously notified.			GRI 205-2		16	



Risk evaluation, management and compliance

Risk evaluation and management are integral parts of our operations. Still, over the years, “new” areas for risk handling have emerged.

As maritime operations are a highly regulated industry, we are subject to strict safety, security, environmental impact, ship construction and equipment standards. We must also comply with operational requirements related to, e.g. disposal of waste, oil pollution response, port operations, carriage of cargoes, ship recycling and seafarers’ training and certification. We regularly report to public authorities and our financing partners on various matters. We are also subject to regular inspections and audits by local, national, and international authorities and other stakeholder groups.

RECOGNISED STANDARDS

Risk management in our ship operations follows a

common, company-wide process based on well-recognised standards, including requirements, specific work processes, and a common digitalised tool for vessel HSEQ and operations. We identify, evaluate, and manage risks according to this process to create value and avoid incidents.

As manager of the Group’s vessels, Grieg Star carries out drills regularly to ensure that the organisation is prepared for handling various incidents. Whenever an incident occurs, an Emergency Preparedness Team convenes. A digital emergency and response tool, operating independently of the IT system, is used as part of this.

SUPERVISION OF YARDS

There is a risk of accidents at the ship recycling and dismantling yards providing decommission services. Grieg Green assesses these risks regularly through detailed pre-recycling planning and local site supervision. Thus, they ensure that working conditions are according to ethical standards, safety and quality pro-

cedures are in place for all processes, the equipment is suitable and verified, and the environment is protected from hazardous waste.

As Grieg Edge invests in new business solutions, the risk related to proof of concept, in terms of technology and market entrance risks, is likely to increase.

We have taken out insurance for the members of the Board and General Manager for their personal liability for property damage that they may incur in connection with the performance of their duties. The insurance is taken out with an international company with a solid rating.

ENVIRONMENTAL AND CLIMATE RISK

Environmental spills and violations are also risks to Grieg Maritime Group’s shipping operations. 2022 was a year without any significant spills to sea or land.

A factor that could adversely affect our business and financial results going forward is the carbon emission regulations coming into force for the maritime indus-

try to reduce the effects of climate change. It is likely to hurt operational efficiency and may require investments in carbon-reducing measures in the short term as well as investments in new propulsion systems in the medium to long term. As of today, the impact of the phasing in of emission permits in the EU Emission Trading System (EU ETS) is not fully clear on our business model, and neither is the availability and future pricing of emission-free fuel.

Besides the emission-reducing regulations, which the International Maritime Organisation (IMO) imposes and EU’s Fit for 55 with the EU Taxonomy, some of our stakeholders as customers of G2 Ocean and financing partners express miscellaneous expectations on Grieg Maritime Group to reduce its carbon footprint, and to minimise the risk of potentially owning stranded assets in the future.

FINANCIAL AND MARKET RISK

The financial and market risks are mainly related to

the development in freight rates, ship values, currencies and interest rates. Most of these risks strongly correlate to macroeconomic development. Our fleet's earnings are, to a large extent, linked to long-term cargo contracts. This implies that revenues are less volatile than in the spot market and that changing market conditions have a delayed effect on the results.

Changing equity prices and interest rates affect financial investments and loans. We manage the financial portfolio under a long-term strategy reflecting the Group's business principles and risk capacity to ensure that the portfolio can withstand market fluctuations. There are policies to reduce currency exposure and interest rate risk related to the fleet's funding arrangements.

Assessment of counterparty and credit risk and complying with sanctions and regulations are part of the daily business conduct with corresponding routines and systems for control. The Maritime Anti-Corruption Network membership is one of the tools used to fight and report corruption and facilitation payments actively. From 2022 we have also implemented a digital online system to verify our counterparties' identity and detect associated risks.

CYBER RISKS

Reducing our vulnerability to cyber-attacks has had a high focus in 2022. As part of this, we have migrated all systems to the cloud. In addition, we have implemented a 24/7 Security Operation Center service to assist our IT partner, UnITy, so that we can respond to security threats faster. Further, we train employees through interactive phishing tools, and we have established a Cyber Emergency Response Team, which among others, has carried out drill sessions to increase learning and cyber breach preparedness.

HUMAN RIGHTS RISK

The Norwegian Transparency Act, which promotes enterprises' respect for human rights and decent working conditions, came into effect on the 1st of July 2022. To prepare for as well as the initial reporting on the 30th of June 2023, we have worked on identifying Grieg Maritime Group's major risks in terms of human rights, set in place measures to reduce risk and prevent possible contribution to human rights violations.

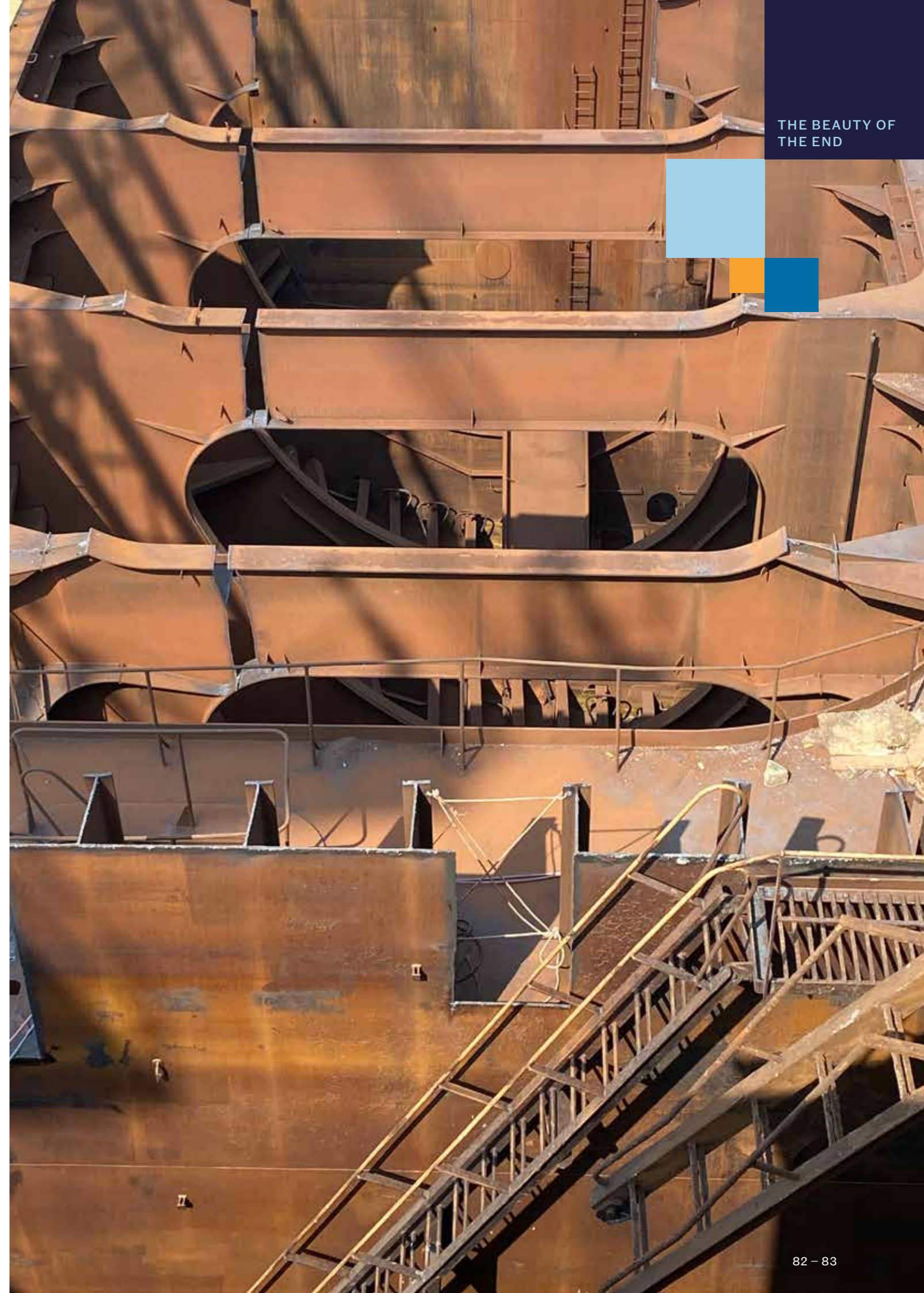
We identified the most prominent risks in the following activities in the Group, which were also shared on our website:

- Recycling of vessels: Risk of exploitation of workers at some yards, risk of accidents and injuries, breach of labour laws, and unhealthy working conditions.
- New building, drydocking and repair projects of the fleet: The complexity of newbuilding, dry docking, and repair projects makes it difficult to get a good overview of the whole value chain. There is also a risk of labour law breaches, below-acceptable safety, wage levels and working conditions, and a risk of corruption.
- Procurement: The sheer volume of goods needed to run ships makes evaluating Human Rights in all parts of the value chain difficult. There is a risk of several different Human Rights breaches, from both suppliers and their contractors.

We have taken following actions to reduce the identified risks:

- List of Risk Countries based on international indexes that cover corruption, sanctions, labour rights, child and forced labour and equality.
- Third-Party Screening Procedure to provide a framework for analysing suppliers, customers, and other types of counterparties; identifying risks through checks, screenings, and due diligence; and recording and handling of findings.
- Human Rights Impact Assessment Routine for when we have detected findings while screening suppliers, when the supplier is in a risk country, when whistle-blowers raise concerns regarding human rights or when we open a new business operation in a risk country.
- Remediation Routines for when GMG becomes aware of human rights violations in the supply chain that are not identified by audits or have not been resolved internally by the supplier.
- Reporting Guidelines to ensure GMG reports what is required according to regulations.

We will implement the routines and procedures by June 2023. We will give training on several of the items to ensure that competence in human rights and decent working conditions is embedded throughout Grieg Maritime Group.







Camilla Grieg
CHAIR OF THE BOARD

DIRECTORS' REPORT 2022

GRIEG MARITIME GROUP AS - CONSOLIDATED

We are very pleased to deliver an extraordinarily strong result in Grieg Maritime Group for 2022. Financially this can to a large extent be credited to a strong shipping market for Open Hatch ships. Just as valuable was the professionalism and dedication from our people and partners, including the capturing of the best bulk market upcycle in 10 years resulting in the sale of the Group's dry bulk activities. In addition, a successful turnaround was carried out in Grieg Green, utilizing its knowledge to improve the sustainability of maritime assets. With this, together with several interesting green and innovative projects developed by Grieg Edge, we consider Grieg Maritime Group to be in a good position, both financially and strategically - well equipped to keep developing its business activities in the coming year.

THE BUSINESS

Grieg Maritime Group builds on more than 135 years of marine experience and is part of the Grieg Group, a family-owned group of companies striving to create lasting values. At Grieg Maritime Group we innovate and deliver sustainability services to the maritime industry through our subsidiaries Grieg Edge and Grieg Green, while Grieg Shipholding provides world-class shipping through our activities in Grieg Shipowning, Grieg Star and G2 Ocean. We are long-term in our business approach, with strong focus on sustainability, organizational development and operational excellence, all key for developing new and existing business - on our own and together with partners. The Group has offices in Manila and Oslo and has its headquarters in Bergen.

AREAS OF OPERATION

Owner and manager of specialized Open Hatch vessels

At year-end 2022, Grieg Shipowning controlled a fleet of 31 (31) Open Hatch vessels having an average age of 15 (14) years. As specialized ships, the vessels are equipped with gantry or swing cranes and box-shaped

holds, constructed to offer a versatile transportation concept delivering superior cargo care through advanced handling and loading operations. The ships are traded by G2 Ocean, the world's largest Open Hatch shipping company, which we control jointly with Gearbulk. Operating more than 30 trades lanes and having thousands of port-calls in more than 60 countries each year, the G2 Ocean Open Hatch Pool delivers efficient, innovative, and high-quality services to customers worldwide. The commodities transported, mainly under Contracts of Affreightments, are wood pulp and other forest products, aluminum, steels, granite, and industrial minerals as well as project and non-unitized cargos like wind turbines. Grieg Star is our internal ship management organization, which takes care of the daily operation of the vessels but is also a driving force in developing the fleet to changing requirements. Highly skilled and experienced employees ensure not only safe and reliable operations but are essential for the ongoing transition to decarbonize our existing and future fleet.

Green services

Grieg Green is a world leading provider of advisory and supervision services related to sustainable recycling of ships, rigs, and oil & gas units. The company also delivers other green solutions like Inventory of Hazardous Materials and is ISO 9001 certified as well as approved by all the major class societies. Grieg Green works only with pre-audited and carefully selected shipyards and is committed to continuously improve the HSEQ practices at the yards we work with.

Maritime innovation

Grieg Edge is a dedicated innovation unit, established to identify and develop new business within the green transition in the maritime industry. Since it was incorporated in 2020, numerous business prospects and ideas have been assessed within the four key segments: Short Sea, Offshore Wind, Energy & Infrastructure, and Ocean Ventures. Partnerships have been key to our development and success. We have formed North Ammonia together with Arendals Fossekompagni, we are developing our ammonia distribution vessel concept with Wartsila, Skarv Shipping Solutions was formed in

2022 with Peak Group as joint venture partner, and we are conducting a feasibility study of Slagentangen in the Oslofjord as a hub for green fuels together with Exxon, Green H and North Ammonia. Furthermore, several investments have been made in promising start-up companies through our Ocean Ventures segment.

OUR FINANCIAL RESULT

Based on a strong shipping market for Open Hatch, topped with profit from the sale of the Group's dry bulk activities, Grieg Maritime Group produces a consolidated profit before tax for 2022 of USD 155.7m (USD 38.0m).

Earnings, operating costs, and finance result

Grieg Maritime Group's revenues consist primarily of freight income, which is accounted for as time charter hire. Other income is mainly related to green services and gains from sale of fixed assets. The latter was an important contributor to the 2022 result, as we realized the Group's investments in owned and chartered dry bulk vessels. This, together with strong vessel earnings, resulted in total Group revenues of USD 319.3m, up from USD 214.0m in 2021. Most of the explanatory factors for the strong earnings can be found in general supply and demand imbalances, related to such as pent-up demand after Covid-19 and logistic inefficiencies, amplified by the effects of China's zero-tolerance Covid-19 policy and the war in Ukraine. While the number of Open Hatch pool vessels remained the same throughout the year in the G2 Ocean pool, its total activity level increased through usage of chartered-in vessels. This contributed not only to higher revenues to Grieg as pool partner, but also to more efficient trading patterns, reducing number of ballast days and emission per cargo unit carried.

Total operating costs before depreciations decreased in 2022, to USD 117.0m (USD 131.3m). This was mainly due to the sale of the dry bulk vessels that started out in 2021, but also because of a lower activity level in Grieg Green. Vessel operating costs decreased, to USD 74.5m (USD 76.5m). Measured per vessel operating day, there was however a significant increase as the operations was far from immune to the global price rises. Crew travel costs were for instance much higher than normal as it was not possible to carry out crew changes in Asia due to Covid-19 restrictions. In addition, a few vessels needed unforeseen technical repairs when being brought under Grieg technical management. On the positive note was improved safety performance and ef-

iciency at dry dockings, which more than one third of the fleet went through during 2022. Time charter and bareboat charter costs decreased to USD 22.5m in 2022 (USD 34.1m), mainly because of the sale of long-term dry bulk agreements, but also due to the purchase of the semi-Open Hatch vessel Kai Xuan (renamed Star Toscana) that had previously been chartered in on bareboat. Payroll and administration cost decreased to USD 20.0m (USD 20.6m), primarily because of the previous year restructuring of Grieg Green, but also as an effect of a weaker Norwegian Kroner versus the US Dollar. With improved revenues, and lower operating expenses, the Group's EBITDA increased with as much as 144%, up to USD 202.3m in 2022 (USD 82.7m).

Depreciation costs decreased to USD 31.7m (USD 33.2m) in 2022. The main reason for this is the effect of the previously mentioned bulker sales, which more than off-set the depreciation effect of purchasing Star Toscana. There were no impairments or reversal of impairment in the 2022 accounts, resulting in a Group operating profit of USD 170.6m (USD 53.7m).

Net financial items were minus USD 14.9m in 2022 (USD -15.7m). This is slightly less than in 2021 as loan interest expenses decreased to USD 16.4m (USD 17.9m) as loans were repaid which offset the increased Libor rate, plus a net positive financial income on excess liquidity of USD 0.4m (USD -0.2m). All in all, this results in a consolidated profit after tax of USD 150.9m (USD 38.0m) for Grieg Maritime Group in 2022.

Balance sheet, financial situation, and cash flow

Based on net cash flows from operations of USD 176.2m (USD 65.1m), cash flow from investments of minus USD 1.2m (USD 24.5m) and a net cash flow of minus USD 133.2m (USD -51.4m) from financing activities, net change in liquid funds in 2022 was USD 41.9m (USD 38.3m).

Long-term interest-bearing debt including financial leases is USD 229.1m (USD 329.4m) as of year-end 2022, which is after ordinary debt repayments and sale of two bulk vessels. And with a strengthened liquidity position, one of the fleet loan agreements was amended into a revolving credit facility, which as of year-end 2022 is undrawn. Otherwise, financing terms and conditions were maintained or improved for all loan agreements, all with first-class banks and leasing partners. Several of the loan facilities are up for refinancing in 2023 and 2024, and we aim to continue to utilize our solid financial position and a favorable lending market to further improve our capital structure and terms.

Group equity was USD 359.1m at year end 2022 (USD 288.4m), improving the equity ratio to 53% (44%) ex dividend. By the end of 2022, Grieg Maritime Group has total assets of USD 675.9m (USD 656.2m) of which the shipping fleet constitutes 76% (81%) and liquid funds 20% (14%) of the balance sheet. Current assets accounts for USD 144.7m (USD 105.9m), of which liquid funds is USD 133.6m (USD 93.8m). Given the Group's strong asset values and sufficient liquidity, we consider Grieg Maritime Group to be in a good financial position.¹

OUR PEOPLE

Developing our employees

Our success is dependent on developing, retaining, and attracting the best talent. In 2022, we spent considerable time to strengthen the foundation for further organisational growth. To structure and support the development of our employees and the organisation, we developed a framework called Empowered People. It represents the employees' lifecycle in Grieg Maritime Group, describing the steps we take to attract and recruit the best people, develop our employees professionally and personally, and retain essential resources. Simply put; a strategic roadmap to foster and grow our organisation and its culture. The framework categorises the employees into three groups, depending on where they are in their careers: Emerging Professionals, Experienced Professionals, and Seasoned Professionals. No matter which groups the employee belongs to, or how long the employee chooses to stay with us, he/she/they journey through a specific lifecycle divided into three phases: Attraction, Retention, and Attrition. Each of these phases has specific targets, which we will focus on in the next few years. With a commitment to this lifecycle, we are confident Grieg Maritime Group offers a workplace where employees are empowered.

A new HRM system was put in place during 2022 to ensure improved onboarding and offboarding processes, and digital employment agreements. Our company-wide training on Sustainable Co-workership was completed in the first quarter of 2022, and we plan to continue with Sustainable Co-workership training in

2023, as part of strengthening our organisational culture. To provide what employees look for, and in the end successfully deliver on our strategy, we need more than just hard skills, such as technical and digital competence. We must ensure that power skills, such as empathy and vulnerability, are part of who we are. In the latter part of 2022, we conducted leadership seminars for all leaders across our business units, where we focused on building power skills, especially related to psychological safety, diversity, communication, and authenticity. Continuous attention to personal and professional development, no matter what role in the company, is essential to keep up with the rapid progression seen in most industries. Common goals throughout all our business areas are based on the belief that digitalization and new innovative processes with data driven decisions will improve our performance. 2022 has been a significant year in harvesting the value of our cloud computing journey and build out of our skills and abilities in data analytics. We will continue to focus on this into 2023.

Our work force, health, working environment and safety

The total number of employees in Grieg Maritime Group was 683 employees by year-end 2022, which is an increase compared to 2021 (666) as several vessels were insourced on internal ship management. 597 (576) of the employees were working at sea, and 86 (90) were shore-based of which are 25 (35) in the offices abroad and 61 (55) in Norway. The reduction abroad is primarily due to the restructuring of Grieg Green which also included the decision to close the Shanghai office, as we no longer perform recycling activities in China. In Norway on the other hand, the activity level picked up, leading to new hires in the ship management and business support activities. In addition to the mentioned number of employees, the Group also had one temporary position in 2022, but whom has been employed by us from the start of 2023, and two part time employments that were occupied by a student and a retired colleague.

The Board considers conditions related to the Group's working environment and health to be good. This is

¹ Grieg Maritime Group AS is the parent and holding company for the consolidated group of companies consisting of Grieg Green, Grieg Edge, and Grieg Shipholding with subsidiaries. Grieg Maritime Group AS with its corporate and business support functions supplies management services to Group's semi-autonomous business units within strategy, administration, accounting, finance, legal, business and project development as well as IT and HR. The company accounts for 2022 shows a result before tax of USD 63.8m (19.7m) and result after tax of USD 25.4m (USD 19.7m). The result is primarily made of dividend from subsidiaries. Total assets per year end 2022 is USD 351.7m (USD 303.2m). A 91% (90%) equity ratio reflects that the company's main assets are shares in subsidiaries.

also shown through numbers, as absence rates and the numbers of injuries are low. In 2022, registered sick leave for our global onshore organisation was 0.6% (0.9%). Sick leave for the Norwegian based employees was unchanged at 0.5%, which we consider to be very low, while it was halved from 1.6% to 0.8% in the offices abroad. Besides medical follow-ups, the Group encourages and facilitates participation in physical activities for our personnel to stay fit.

Records show no (0) injuries onshore in 2022. The number of serious human injuries onboard vessels continues to stay at a low level. There were only three occasions where someone from our crew had to be repatriated due to the severity of injuries suffered. We are constantly working to reduce this number to the only number we can accept for anyone working for the company, which is zero. A real concern in 2022 has been the dramatic increase in the number of stevedore injuries attending the loading and discharging of our vessel operations. Considerable efforts are made to improve this situation, where we are working in close cooperation with Gearbulk and G2 Ocean through a joint G3 Safety Culture Initiative.

The Covid-19 pandemic continued to have significant impact on many aspects of our operations also in 2022. Thanks to relentless effort by our crew, our Maritime HR operations, risk based Covid-19 procedures and robust management, it enabled us to run the operations, including conducting 13 dry dockings in China, without any significant implications.

Equal opportunities

At Grieg Maritime Group we do not accept discrimination in any form. The business operations are to be conducted based on principles of equality and respect. As part of our work on this in 2022, we improved existing policies and developed new ones to address amongst others employee equity, diversity, and inclusion. And to ensure that the Group maintains a gender equity-based approach, we report on progress to the SHE Index.

At year-end 2022, the land-based workforce reflected a gender distribution of 52% (48%) women and 48% (52%) men. In 2022, the same year as we signed the Women in International Shipping and Trading Associations' (Wista) "40 by 30" pledge, wherein we committed to strive towards 40% females in leading management positions within 2030, we managed to achieve this. We now have 41% (33%) women in leading management

positions. And we have 20% females in technical positions. 50% (43%) within our top management team are women, while the Board of Director composition is 43% (50%) men and 57% (50%) women. Grieg Star, our ship management unit, trains female cadets for officer positions on the vessels. In 2022, 19 (14) of the 597 (576) seafarers onboard were women, of which 1 (1) was holding a senior management position and 11 are holding junior management position. In addition 8 (3) of 30 (20) on our cadet program are female. There were no women on maternity leave in the Norwegian entities in 2022, while the average number of leave weeks taken out by male employees were 15 weeks (11 weeks). Although we are not where we want to be in all areas of equality, we were proud to receive Wista International's Corporate Diversity Award for 2022, recognizing our Group for making significant strides in incorporating diversity into our business, and our contribution and commitment to improving practices and making working environments more inclusive.

Grieg Maritime Group uses Korn Ferry's grading system which rates all land-based positions based on the level of required competence, degree of problem solving and accountability. This enables us to compare positions across the organization and provides an efficient benchmark to measure variances in payroll and support the work to achieve equal pay across gender and ethnicity for equivalent positions. For positions onboard our vessels, remuneration is based on equal pay for the same position, adjusted for the number of years in the position and the company.

OUR IMPACT ON THE ENVIRONMENT

While seaborne transportation constitutes about 90% of world trade, emissions of Greenhouse Gases (GHG) from ships represent about 3% of global emissions, something our industry is committed to reduce. In addition to the requirements of the International Maritime Organization (IMO), Grieg Maritime Group have adopted the Norwegian Shipowner Association's target to reduce GHG emissions per transported unit by minimum 50% by 2030 from 2008 levels and become net zero by 2050. These targets can however not be achieved without a value chain supporting low and zero emission fuels with competitive terms, well ahead of 2030.

Over the course of 2022 we have consistently worked

towards understanding the risks, opportunities, and barriers for adopting zero emission fuels. Among specific actions is the Deep-Sea Ammonia Pilot study performed together with multiple partners, supported by the Norwegian Green Shipping Program. A test utilizing two different blends of biofuel was also performed on a cross Atlantic voyage with positive results. A digital support tool has been developed enabling charterers and operators to project Carbon Intensity Indicator (CII) implications of future operations and support fleet CII control. We also reached our ambitious goal of having at least 90% of all plastic waste from internally managed vessels delivered to shore facilities that have responsible waste handling and recycling capacity.

The IMO CII framework has received significant criticism for amongst other not incentivizing maximum transport work per emission unit, and not having concrete sanctions in place for non-compliance. We share many of the concerns raised and support efforts to adjust the framework such that incentives and sanctions are better aligned on reducing the carbon footprint of the transport work performed by the maritime industry.

Despite the mentioned challenges we can however not sit back, and therefore need to be proactive. Evaluation of emission reducing initiatives and measures to upgrade our existing fleet or as part of future newbuild programs has therefore high priority. This is also why Grieg Edge's investments in potentially future production and distribution of green ammonia and hydrogen are important not only to Grieg Maritime Group but the maritime industry in general, to enable the transition to emission free shipping.

The main regulations in the recycling industry is the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (HKC). This is yet to be ratified by enough countries and has thereby not entered into force globally. The EU Ship Recycling Regulation (EU SRR) is on the other hand in force for vessels with EU flag and/or EU trade. While the wording in both regulations is open for interpretation, their purpose is to keep both the environment and the yard workers safe during the dismantling and recycling process. Grieg Green, through detailed pre-recy-

cling planning and local site supervision, ensure that the working conditions are according to ethical standards, that safety and quality procedures are in place for all processes, that equipment used is suitable and verified, and not least that the environment - sea, air, and soil, is protected from hazardous waste.

OUR SUSTAINABILITY PROGRESS

For several years, Grieg Maritime Group has worked with the UN Sustainable Development Goals (SDGs) as part of the Grieg Group agenda. For ensuring progress, a series of KPIs have been elaborated which all companies must operationalize and report on annually. This fits well with Grieg Maritime Group's own objectives and strategy which is specifically linked to a few selected SDGs². These have accompanying KPIs at business unit level and is the foundation for our daily operations, development initiatives and investments³.

In 2022, there has been strong focus on ensuring that we are reporting our emissions in line with the GHG Protocol. Thus, it has been a priority to establish the organizational boundaries in terms of reporting as well as mapping the indirect emissions from our value chain (scope 3 emissions). Further, considerable efforts have been put into implementing the Norwegian Transparency Act that came into force mid-2022, mapping our biggest risks as well as drafting procedures and guidelines for mitigating the risks and preventing possible contributions to human rights violations. And we have carried out our first materiality assessment, which has helped to shape the annual report content as well as provided better insight into which topics are the most important to our stakeholders and where the Group has a significant impact.

What we have done has significant value but is only a first step for what is coming next. Governments are putting efforts on standardizing the way companies shall report, and a proof of that is the EU Corporate Sustainability Reporting Directive (CSRD) that came into effect in January 2023. With this, the path is set and we are taking actions, preparing ourselves for the upcoming European Sustainability Reporting Stand-

² Seven SDGs are targeted as material to the Group: 4. Quality Education, 5. Gender Equality, 9. Industry, Innovation and Infrastructure, 12. Responsible Consumption and Production, 13. Climate Action, 14. Life Below Water and 15. Life on Land.

³ To report on progress we also follow the ESG reporting recommendations from the Norwegian Ship Owners Association, and report with reference to the Integrated Reporting Framework and the Global Reporting Initiative (GRI).

ards (ESRS) which we must report on from 2025. It will be a priority to make sure that Grieg Maritime Group not only complies with this but is ahead. Therefore, 2022 concluded with a set of projects that will be developed in the upcoming years, that will prepare us for these new standards as well as meet the increasing expectation from stakeholders. We want to ensure that Grieg Maritime Group is on track for the upcoming ESG requirements as well as to continuously show progress towards the Grieg Group's purpose: "We shall restore our oceans".

OUR RISKS

Risk management is vital to protect people, the environment and the business' assets, and managing risk is therefore essential for the Group's value creation and an integrated part of our governing model. Grieg Maritime Group's key risks relate to operational activities, market and financial risk, compliance and regulatory framework, as well as human rights, climate, security and cyber risks. Strategies, policy development, guidelines, and risk-mitigating measures play vital roles in managing and reducing these risks.

Areas that have been subject to particular focus in 2022 are amongst others human rights - as part of implementing the Norwegian Transparency Act, sanction risks and third party screening, the mapping and handling of GDPR activities and not least cyber security training and response, where Russia's war in Ukraine imposed several implications and increased company risks. The strong 2022 financial result and reduced debt level is on the other hand supportive of a reduced financial risk level for Grieg Maritime Group. For more insight to our risks and handling of such, please see the separate section Sustainable Governance and Risk Management in the Integrated Annual Report.

OUR MARKET AND FUTURE OUTLOOK

The positive market sentiment from 2021 continued into the first part of 2022 as Covid-19 reliefs fueled a sense of economic recovery, coupled with high levels of market inefficiencies. However, as the year progressed, geopolitical and macroeconomic events created uncertainties. The war in Ukraine, fears of uncontrolled inflation with higher interest rates, unwinding market inefficiencies with lower congestion and China's zero Covid-19 strategy were all part of the factors creating a

downward pressure on the market as 2022 progressed. Total dry bulk demand in 2022 is estimated to have contracted by 2.5%, with ton-mile demand contracting by 2%. Shipments of wood pulp, the single most important commodity for our Open Hatch activities rose 8% in 2022, with EU and Chinese imports really picking up in the final months of the year.

For 2023, global GDP growth is forecasted at 2.7% by the International Monetary Fund, with emerging markets and developing economies forecast to grow by 3.7%. China, specifically, which is a very important market for dry bulk including wood pulp, is forecasted to grow by 4.4%. Thus, much of the optimism for a bounce in the global economy and dry bulk market relies on China forcefully coming back after moving away from its zero Covid-19 policy. Sub-capesize seaborne demand growth is estimated at 1.9% and ton-mile growth at 2.1%. For Grieg Maritime Group's core trades in the G2 Ocean pool; forest product seaborne trade is expected to increase by around 5% year-on-year, and demand for wood chips and wood pulp, specifically, is expected to continue to grow at a steady pace. Also, with a historically low dry bulk orderbook, the scene is set for an improvement in the overall supply-demand balance going forward. Still, there is downside risk as slower economic growth and higher interest rates create continued economic uncertainty. And a weakened container market may have unforeseen implications on our business. While we should gain from operating in an industrialized segment, with G2 Ocean controlling a significant share of forward cargo contracts at favorable market levels, we do not foresee a repeat of 2022 but expect more normalized earnings as we move forward.

Most ships and offshore assets are dismantled and recycled without any supervision, but as transparency requirements tighten the need for supplier due diligence will increase. As of end 2022, Grieg Green has completed 150 recycling supervision projects whereof 13 were completed in 2022. 443 ocean-going commercial ships and floating offshore units were sold for recycling in 2022, down from 763 units in 2021. The number is expected to increase somewhat in 2023 and drastically from 2025 as the global fleet is aging and stricter emission regulations make older vessels obsolete. The wider industry has great potential to improve the circularity and sustainability of ship recycling services. Grieg Green will in 2023 focus on acquiring new customers and broadening the company's sustainability service offerings, as well as positioning ourselves for the expected growth within our core services.

Grieg Edge has in 2022 continued to focus on operationalizing its strategy, assessing a significant number of business concepts leading to several investments and partnerships. During 2022 we received approval in principle (AiP) for our MS Green Ammonia project, a tanker planned for distributing green ammonia to end users along the Norwegian coast from 2026. We formed a partnership with among others Exxon to conduct a feasibility study on developing Slagentangen in the Oslofjord as a green hub for future marine fuels, and we joined forces with Peak Group to develop zero-emission short sea vessels through our joint venture, Skarv Shipping Solutions. Grieg Edge experiences a large inflow of projects and expects to increase its investments in 2023.

GOING CONCERN

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

Today's world is hampered by many uncertainties such as the ongoing war in Ukraine, geopolitical storms, food and energy shortage and not least our common environmental challenges. To which extent this may

affect Grieg Maritime Group's business operations and values is uncertain. What we do know is that tackling this needs action! Actions by governments, the public sector and private business.

The extraordinary financial result achieved in 2022 is essential for Grieg Maritime Group going forward. With this upcycle after a decade of low returns, we have ability to reinvest and take part in the green transition which the maritime industry is facing.

Our industry is an important contributor to Norwegian value creation. Our preferred strategy is to do this in Norway. In that regard, we are expecting that our industry will continue to have the stable and predictable framework conditions. They are essential for our continued value contribution to society.

We expect to continue to strengthen Grieg Maritime Group's financial position in 2023. This should give opportunity to continuing to reward our shareholders with satisfactory dividends but also ensure the Group's ability to invest.

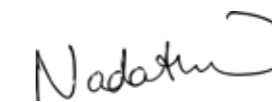
We are also proud of that a significant part of the value we create are given back to the society through the support of humanitarian, social and cultural projects, and initiatives, as Grieg Maritime Group as part of the Grieg Group is owned 25% by Grieg Foundation. Finally, the Board would like to thank all the employees for their great efforts. The value of the business is dependent on the world class performance by our people.

BERGEN, 23RD OF MARCH 2023
THE BOARD OF DIRECTORS OF
GRIEG MARITIME GROUP AS



Camilla Grieg

CHAIR OF THE BOARD



Nada Ahmed

MEMBER OF THE BOARD



Didrik Munch

MEMBER OF THE BOARD



Elisabeth Grieg

MEMBER OF THE BOARD



Kai Grøtterud

MEMBER OF THE BOARD



Ragnhild Janbu Fresvik

MEMBER OF THE BOARD



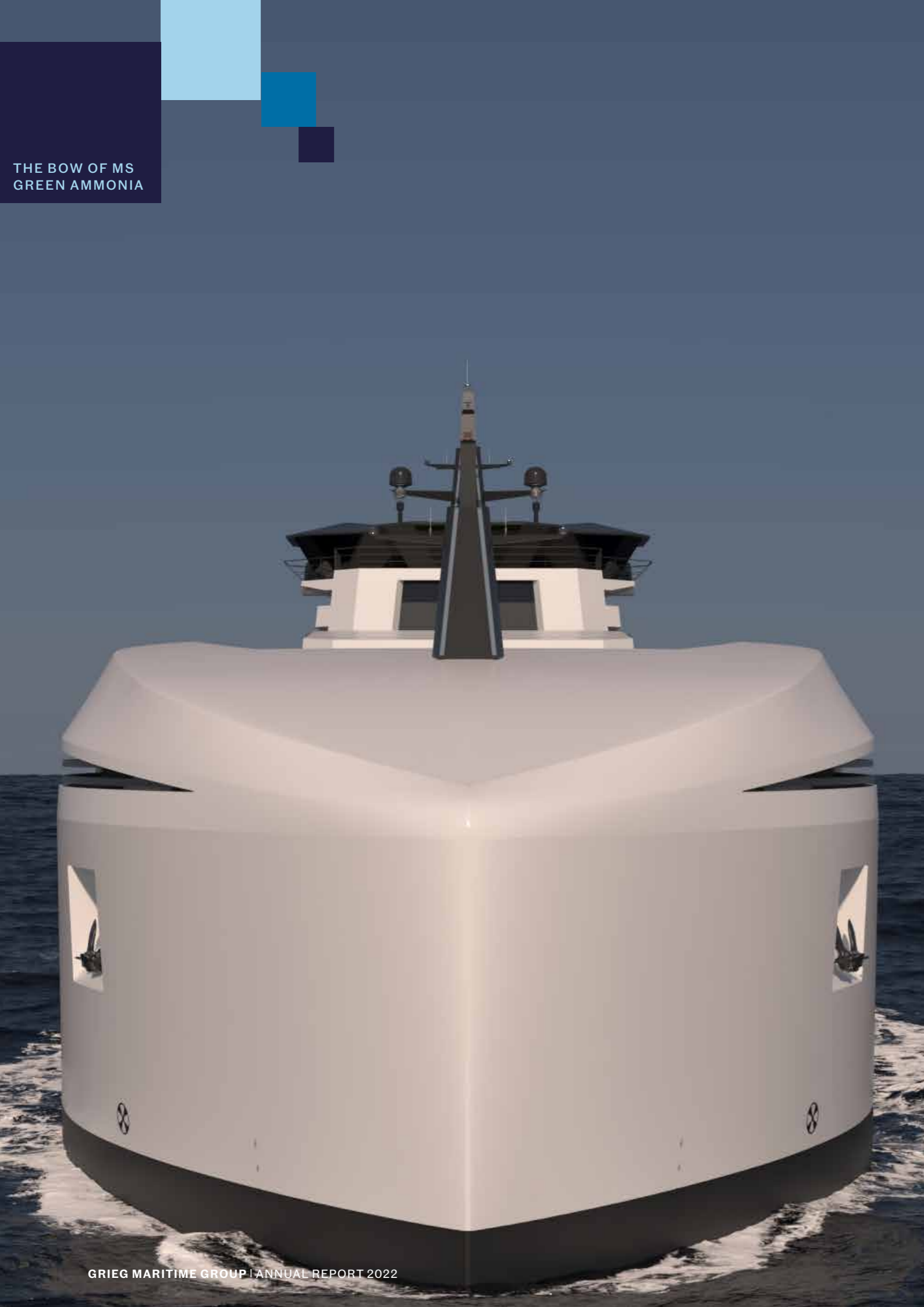
Matthew Robert Cagienard Duke

CEO



Rune Birkeland

MEMBER OF THE BOARD



INCOME STATEMENT

GRIEG MARITIME GROUP AS
(figures in usd 1000)

GRIEG MARITIME GROUP CONSOLIDATED
(figures in usd 1000)

2022	2021	Note
4 505	2 560	3
4 505	2 560	
-	-	
-	-	4
4 803	3 129	5.6
2 264	2 353	7
2		8.9
-	-	
7 069	5 482	
-2 564	-2 922	
3		
11	24	2
-		21
-458	-119	2
65 941	22 677	
-38 338		
		12
-		10
-		10
851	55	
28 011	22 637	
25 446	19 715	
-0		18
25 446	19 715	
65 941	22 677	
-40 495	-2 962	
25 446	19 715	

2022	2021
REVENUES	
Operating revenue	292 512 198 656
Other income	26 785 15 313
TOTAL REVENUES	319 297 213 969
OPERATING EXPENSES	
Vessel operating expenses	74 517 76 535
TC and BB-hire	22 489 34 148
Payroll and social security expenses	12 227 12 354
Other operating expenses	7 776 8 243
Depreciation	31 726 33 171
Write-downs reversed	- -4 163
TOTAL OPERATING EXPENSES	148 734 160 289
OPERATING PROFIT	170 563 53 680
FINANCIAL ITEMS	
Interest income	2 424 170
Interest income group	- 385
Other financial income	149 537
Interest expenses	-16 421 -17 926
Interest expenses group	-0
Dividend from subsidiaries	-
Writedown shares in subsidiaries	-
Other financial expenses	-52 -36
Result on investment in associated company	694 -226
Change in value of financial investments	-2 062 -325
Realized return on market-based fin. Investm.	7 325
Gain/loss on foreign exchange	353 1 370
NET FINANCIAL ITEMS	-14 908 -15 725
PROFIT BEFORE TAX	155 655 37 955
TAX	-4 710 44
PROFIT FOR THE YEAR	150 945 37 999
PROPOSED DIVIDEND GROUP CONTRIBUTION TO OR (FROM) OTHER EQUITY	

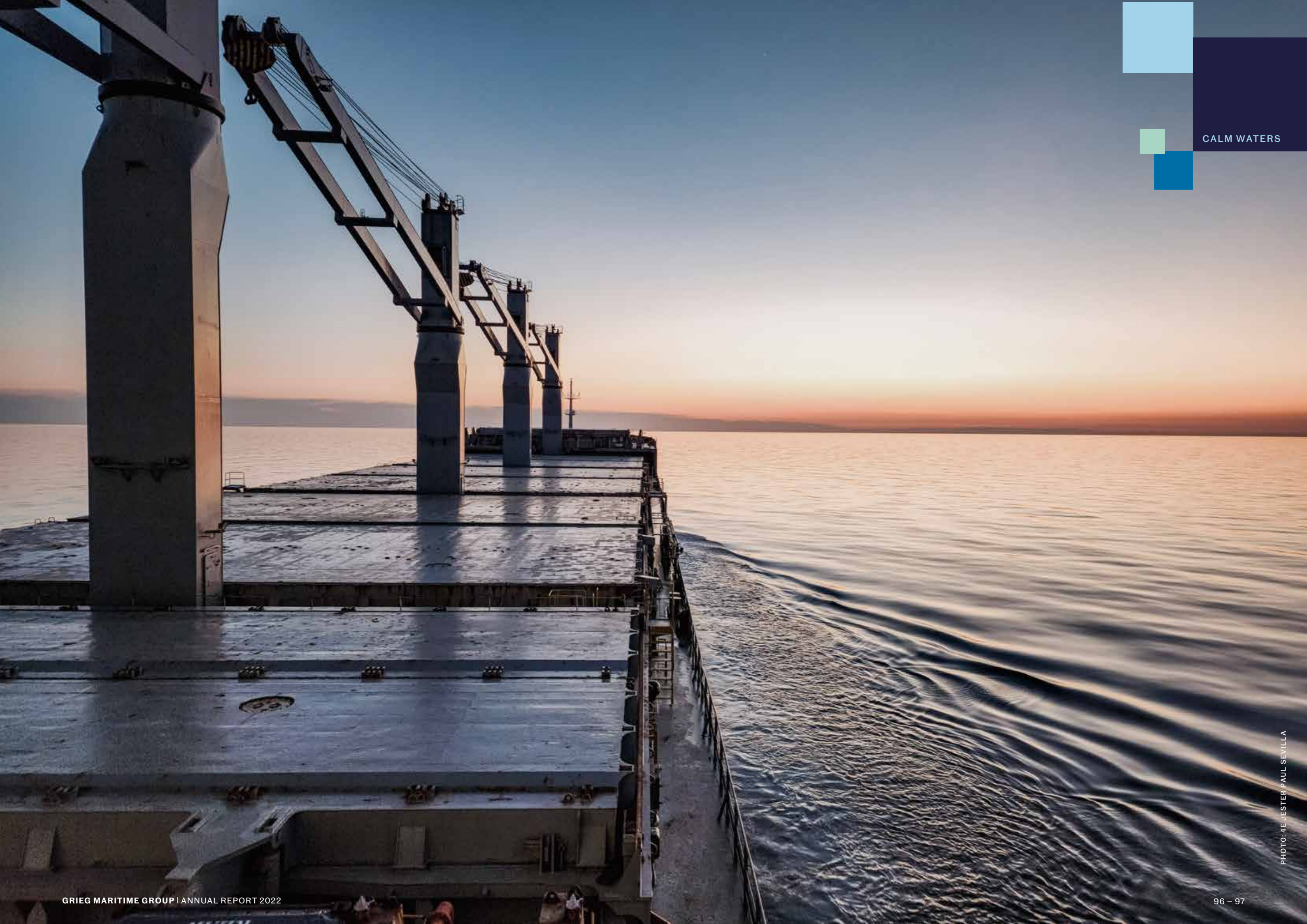




PHOTO: 30 CARL JOVY LAMOSAO

CASH FLOW STATEMENT

GRIEG MARITIME GROUP AS

Consolidated			Parent	
2022	2021		2022	2021
155 655	37 955	Cash flow from operations	25 446	-2 962
-300	-409	Profit before income taxes	-	-
-198	-	Taxes paid in the period	-	-
39 297	40 240	Gain/loss from sale of market based investments and subsidiaries	-	-
-767	-520	Depreciation incl docking	2	-
-22 330	-12 434	Pension costs without cash effect	-	-
-	-	Gain/loss from sale of fixed assets	-	-
-	-4 163	Writedown shares in subsidiaries	38 338	-
468	1 081	Impairment of fixed assets	-	-
1 342	62	Change in inventory	-	-
1 137	2 720	Change in trade creditors	15	25
283	107	Change in group debtors	-42 386	633
-671	-4 447	Change in group creditors	-	-
915	4 989	Change in public debt and other short term debt	-	774
-	-	Change in other provisions	255	-
1 368	-	Effect of exchange fluctuations	-	-
176 199	65 181	Items classified as investments or financing	-	-
		Net cash flow from operations	21 670	-1 530
		Cash flow from investments		
37 855	42 046	Proceeds from sale of fixed assets	-	-
-38 548	-4 373	Purchase of fixed assets	-20	-
-	6 427	Proceeds from sale of market based investments	-	-
-7	-17 771	Purchase of market based investments	-	-
-	-	Loan repayments received from Group companies	-	-
-	-	Capital increase subsidiaries	-6 019	-
-836	-1 844	Aquisition of shares in associated company	-	-
384	-	Repayment of investments	-	-
-1 153	24 484	Net cash flow from investments	-6 039	-
		Cash flow from financing		
-100 400	-47 889	Proceeds from long term loans	-	-
-	-	Proceeds from long-term Group loans	17 175	6 134
-32 786	-3 516	Payment of dividend	-32 786	-3 516
-133 186	-51 405	Net cash flow from financing	-15 610	2 618
41 860	38 260	Net change in cash and cash equivalents	20	1 088
-	-	Cash and cash equivalents at establishment	-	-
68 720	30 460	Cash and cash equivalents at the beginning of the period	1 088	-
-	-	Currency translation differences	-	-
110 580	68 720	Cash and cash equivalents at the end of the period	1 109	1 088
		Cash and cash equivalents at the end of the period consists of:		
		Bank deposits	1 109	1 088
110 580	68 720			

NOTES

Note 1 Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Subsidiaries

Subsidiaries are posted in the company accounts applying the cost method. The investment is stated at historical cost of the shares unless a write-down has been necessary. The investment is written down to fair value when the reduced value is due to causes which are not deemed to be temporary. Write-downs are reversed when the grounds for the write-down no longer exist.

Dividends and other distributions are recognised in the year in which they are provided for in the accounts of the subsidiary. If the dividend exceeds the profit after the acquisition, the surplus amount represents repayment of the capital investment and the distributions are deducted from the amount of the investment in the balance sheet.

Investment in joint ventures and associated companies
Investments in associated companies are stated according to the cost method in the company accounts and according to the equity method in the group accounts. Investments in 50/50% joint ventures are stated according to the gross method.

Operating revenues

Operating revenues are entered as income at the time of delivery. The time of delivery is understood to mean the time of transfer of risk and control related to the delivery.

Classification and valuation of balance sheet items
Current assets and current liabilities relate to items which mature within one year from the date of purchase. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lower of historical cost and fair value. Current liabilities are carried at nominal value at the date of issue. Fixed assets are valued at historical cost, but are written down to recoverable amount in the event of impairment which is not deemed to be temporary.

Long-term liabilities are carried at the nominal amount at the establishment date.

Intangible assets

The cost of intangible assets is posted in the balance sheet if it is considered likely that the future economic benefits related to the assets will accrue to the company and a reliable measurement of the historical cost of the asset in question has been established.

Asset impairments

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The Group's open hatch vessels are sailing in a pool, which are market and operated by G2 Ocean AS. The bulk activities, with chartered and owned vessels controlled by respectively Grieg Star Bulk AS and Grieg Maas AS is marketed and operated by G2O Ocean in a suprmamax/ultramax pool. Having the vessels sailing in a pool means that the operational use of the vessels, including optimization of routes, is combined for the fleet. Earnings of each individual vessel is therefore af-

ected by the earnings of other vessels in the pool. The open hatch fleet and the bulk fleet are therefore considered to be the respective cash-earnings of other vessels in the pool.

Fixed assets

Fixed assets are valued at historical cost less accumulated depreciation. Depreciation is charged on a straight line basis over the remaining expected useful life of each asset adjusted for the residual value. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period.

Improvements are capitalised and depreciated in pace with the asset involved. Docking costs are capitalised and depreciated over the period to the next scheduled dry-docking. Depreciation of the docking is classified as an operating expense.

The recoverable amount of an asset is measured whenever there is an indication that an asset may be impaired, written-down and the asset is stated at the lower of the recoverable amount and the cost price less any write-down. The write-down is reversed when the grounds for the write-down no longer exist.

Stocks of inventories

The inventories of lub oil, paint and provision are valued at the lower of cost and fair value.

Receivables

Trade debtors and other debtors are carried at nominal value after deducting provisions for expected losses. Loss provisions are based on an assessment of individual receivables.

Short-term investments

Short-term investments in shares and mutual funds are regarded as part of the financial trading portfolio and are stated at fair value at year-end. Dividends received and other distributions are entered as income under other financial income.

Foreign currency

Consolidated accounts are reported in USD. Financial statements denominated in other currency than USD are recalculated against USD at the average exchange rates and the balance sheet at the exchange rate at year end. Monetary items denominated in foreign currency are valued at the year-end exchange rate against USD. Exchange rate per 31.12.2022 is NOK/USD: 9.8573. Currency gain or loss from operation and monetary items

in foreign currencies are posted at the exchange rate of the relevant date of balance. Transactions in foreign currencies are restated at the foreign transaction rate.

Foreign exchange hedging

Derivatives purchased in order to reduce currency risk are treated as hedging transactions for accounting purposes. Gains and losses on foreign exchange contracts are therefore recognised in the same period as the hedged transactions occur.

Unrealised gain/loss on the hedging contracts is not posted on the balance sheet.

Interest rate hedging

Interest rate hedging contracts are recognised and classified in the same way as the related mortgage loan. The interest received/paid under the contract is therefore recognised in the interest period in question and is included in interest expenses for the period.

Unrealised gain/loss on the hedging contracts is not posted on the balance sheet.

Freight risk hedging

Forward Freight Agreements (FFA) are recognised and classified in the same way as the related operating income. The freight received/paid under the contract is therefore recognised in the same period as the hedged transactions occur.

Unrealised gain/loss on the FFA contracts is not posted on the balance sheet.

Pensions

The Group's main pension scheme is a defined contribution plan. Moreover, the Group has continued some defined benefit plans.

For the defined benefits plans, pension costs and pension commitments are calculated on a straight line earnings profile basis, based on assumptions related to the discount rate, future salary regulation, pensions and benefits under the National Insurance scheme, the future return on pension fund assets and actuarial assumptions about mortality, voluntary withdrawals etc. Pension fund assets are recognised at fair value and deducted from net pension commitments in the balance sheet. Changes in commitments due to changes in pension plans are spread over the expected remaining period of service. The same applies to estimated deviations and changed circumstances in so far as they

exceed 10% of the larger of the pension commitment and the pension fund assets (corridor). In the balance sheet, the schemes are treated separately with pension fund assets booked as financial assets and pension commitments as a financial liability. Pension commitments in the balance sheet include Employers' National Insurance contributions.

For the defined contribution plans, the Group makes contributions to an insurance company. The Group has no further payment obligations once the contributions have been paid. Contributions are charged as payroll expenses. Any prepaid deposits are recorded as an asset in the balance sheet to the extent that the deposits can be offset against future payments.

Leases

The company differentiates between financial leasing and operational leasing based on an evaluation of the lease contract at the time of inception. A lease contract is classified as a financial lease when the terms of the lease transfer substantially all the risk and reward of ownership to the lessee. All other leases are classified as operational leases. When a lease contract is classified as a financial lease where the company is the lessee, the rights and obligations relating to the leasing contracts are recognised in the balance sheet as assets and liabilities. The interest element in the lease payment is included in the interest costs and the capital amount of the lease payment is recorded as repayment of debt. The lease liability is the remaining part of the principal. For operational leases, the rental amount is recorded as an operating cost.

Taxes

The tax charge in the profit and loss account includes taxes payable for the period and changes in deferred tax. Deferre tax is calculated at 22% (with effect from January 1st 2019) based on the temporary differences that exist between accounting and tax values, and taking account of the tax loss carried forward at the end of the financial year. Tax enhancing and tax reducing temporary differences which are reversed or can be reversed in the same period have been set off. The net deferred tax advantage is posted in the balance sheet where it is expected that this can be utilized. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and losses carried forward, is based on estimates of future of earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Grieg Shipping III AS, Grieg Shipping II AS, Grieg International II AS, GriegMaas AS (liquidated 2022) and GriegMaas Ultramax AS (liquidated 2022) are ship-owning companies which are taxed under the Norwegian tonnage tax system pursuant to chapter 8 of the Taxation Act. The European Surveillance Authority has approved the Norwegian tonnage tax regime for a new 10 year period from January 1st 2018, with some adjustments.

Estimates

When preparing the annual accounts in accordance with good accounting practice, the management makes estimates and assumptions which affect the profit and loss account and the valuation of assets and liabilities, as well as information about contingent assets and liabilities at year-end.

Contingent losses which are likely and quantifiable are charged against income on an ongoing basis.

Cash flow statement

Cash flow statements are prepared according to the indirect method. Accordingly, the cash flows from investment and financing activities are reported gross, while the accounting result is reconciled against the net cash flow from operations. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that can immediately and with no major exchange rate risk be converted into a known amount and maturing less than three months from the transaction date.

Group account cash pool agreement

The Group account cash pool agreement with Grieg Shipholding AS as a Group Account Holder, divided into two cash pool agreements. Grieg Shipholding AS is the Group Account Holder for one of the agreements, and Grieg Shipowning AS for the other agreement.

In Grieg Shipholding AS' cash pool, Grieg Star AS, Grieg Star 2017 AS and Grieg Star Bulk AS is included. In Grieg Shipowning AS' cash pool, Grieg Shipping II AS, Grieg International II AS, Grieg Shipping III AS and Grieg Star OH Pool AS is included.

Under these agreements, alle participating companies are jointly liable for the overdraft facility and other participant's overdraft. Net aggregated cash balance on the group account is recognised as cash balance in the balance sheet statement of respectively Grieg Shipholding AS and Grieg Shipowning AS, as Group Account Hold-

ers. Participating companies' share of aggregated cash balance are recognised as intercompany balances in each participating company's balance sheet.

Consolidation

The consolidated accounts include the subsidiaries specified below and show the parent company and subsidiaries as a single enterprise. Shares in subsidiaries are eliminated using the purchase method. Shares in subsidiaries are set off in an amount corresponding to the book value of equity attributable to the shares at the date of purchase. Any difference arising on elim-

ination is assigned to specific assets. Excess values that cannot be assigned to specific assets are posted as goodwill and amortised over the expected lifetime. Intra-group transactions and balances are eliminated. Conversion of subsidiaries with a currency other than USD is for items in the balance sheet recalculated at the exchange rate at year end. Profit & loss is recalculated at the average exchange rate in 2022. Substantial items, if any are recalculated to the exchange rate on the day the transaction is accomplished. Conversion differences related to exchange rates are posted against the equity.

COMPANY	"REGISTERED OFFICE"	OWNERSHIP
Grieg Maritime Group AS - holding company	Bergen	100%
Grieg Shipholding AS - shipping holding company	Bergen	100%
Grieg Shipowning AS - shipowning holding company,	Bergen	100%
Grieg Star AS - ship management company	Bergen	100%
Grieg Star 2017 AS - administration company	Bergen	100%
Grieg Edge AS - maritime innovation	Bergen	100%
Grieg Green AS - green recycling and certification services	Oslo	100%
Grieg Star Bulk Pool AS - pool company	Bergen	100%
Grieg Star OH Pool AS - pool company	Bergen	100%
Grieg Maas AS - shipowning holding company, tonnage taxed (liquidated 2022)	Bergen	50%
Grieg Maritime Group AS which comprises the following companies:		
Grieg Shipholding AS - shipowning holding company		
Grieg Green AS - green recycling and certification services		
Grieg Edge AS - maritime innovation		
Grieg Edge AS is a group which comprises the following companies:		
North Ammonia AS - maritime innovation	Oslo	50%
Grieg Ammonia Distribution Vessels AS - maritime innovation	Bergen	100%
Grieg Green is a group which comprises the following companies:		
Grieg Consulting and Advisory Company Ltd - Recycling services	Shanghai, China	100%
Grieg Shipowning is a group which comprises the following companies:		
Grieg Shipping II AS - shipowning company, tonnage taxed	Bergen	100%
Grieg International II AS - shipowning company, tonnage taxed	Oslo	100%
Grieg Shipping III AS - shipowning company, tonnage taxed	Bergen	100%
Grieg Star Bulk AS - shipowning company	Bergen	100%
GriegMaas is a group which comprises the following companies:		
GriegMaas Ultramax AS - shipowning company, tonnage taxed (liquidated 2022)	Bergen	50%

Note 2 Related parties

PARENT COMPANY

Figures in USD 1 000

	2022	2021
Other receivables		
Grieg Shipping II AS	1 116	363
Grieg International II AS	335	110
Grieg Shipping III AS	48	16
Grieg Star Bulk AS	5 618	
Grieg Star AS		32
Grieg Green AS	404	
Grieg Edge AS		2 156
Grieg Shipholding AS		81
Grieg Maturitas II AS		125
Grieg Shipholding AS (dividend)	60 323	22 677
Total	67 844	25 560
Other current liabilities		
Grieg Shipholding AS	320	122
Grieg Group Resources AS	10	1
Grieg Gaarden AS	1	0
Grieg Maturitas II AS	0	1
Grieg Maturitas II AS (dividend)	65 941	22 677
Total	66 271	22 802
Long-term receivables		
Grieg Edge AS	102	-
Total	102	-
Long-term liabilities		
Grieg Shipholding AS	22 979	6 009
Total	22 979	6 009

Transactions with related parties

Company	Type of services	2022	2021
Revenue			
Grieg Star 2017 AS	Management fee	22	35
Grieg Star Bulk AS	Management fee	56	69
Grieg Shipholding AS	Management fee	43	52
Grieg Star AS	Management fee	1 048	971
Grieg Shipowning AS	Management fee	86	69
Grieg Shipping II AS	Management fee	1 785	698
Grieg Shipping III AS	Management fee	77	30
Grieg International II AS	Management fee	539	212
Grieg Star Bulk Pool AS	Management fee	22	35
Grieg Star OH Pool AS	Management fee	13	35
Grieg Green AS	Management fee	30	
	Interest income	4	
Grieg Edge AS	Management fee	467	149
	Interest income	7	24
North Ammonia AS	Management fee	11	77
G2 Ocean AS	Rental fee/adm	15	28
Grieg Maturitas II AS	Management fee	286	100
Total		4 511	2 584
Expenses			
Grieg Shipholding AS	Interest expense	458	119
	Management fee	347	254
	Rental- and IT fee	635	497
Grieg Star AS	Management fee		353
Grieg Maturitas II AS	Service fee	747	1 166
Total		2 187	2 389
GROUP			
Figures in USD 1 000			
Long-term receivables associated companies		2022	2021
G2 Ocean AS		2 100	3 150
Total		2 100	3 150
Other short-term receivables		2022	2021
Joachim Grieg Star KS			
Grieg Shipbrokers Serv. KS		11	12
Grieg Maturitas II AS		3	129
Grieg Kapital AS		1	2
Grig Strat. Serv. AS			2
Grieg Investor AS		21	19
Grieg Group Services AS		0	0
Grieg Maturitas AS		2	
Total		39	163

Other short-term liabilities	2022	2021
Grieg Shipbr. Valuation AS		2
Grieg Group Resources AS	20	4
Grieg Gaarden AS	1	0
Grieg Investor AS	13	10
Grieg Maturitas II AS	5 072	1
Total	5 106	17

Office services from Grieg Group Resources AS to the Group	219	309
Office and parking rental agreement between the Group and Grieg Gaarden AS	546	583
Commission agreement and compensation between the Group and Grieg Shipbrokers Val.	0	82
Commission agreement between the Group and Grieg Shipbrokers KS	565	748

Note 3 Other income

The bare boat vessel Star Louisiana was refinanced in 2022 with a profit of USD 0.9m.

Commission fee of USD 0.16m is included in the profit calculation.

The time charter contracts related to the vessels Star Nike, Star Maru and Star Gaia were sold in 2022 with a total profit of USD 16.2m.

The vessels Star Crios and Star Artemis were sold in 2022 with a profit of USD 6m. Commission fee of USD 0.3m is included in the profit calculation.

Note 4 Operating lease agreements

GROUP

The Group has the following long-term operating lease agreements related to chartering of vessels:

	Number of vessels	Average duration	Operating lease expense recognised in the year
Bare-boat hire	5	8.1 years	USD 13.3 m
Long-term time charter vessels	1	1.0 year	USD 9.2 m

Note 5 Payroll expenses, number of employees, remuneration etc.

PARENT COMPANY

Figures in USD 1 000

Payroll expenses	2022	2021
Salary including bonus	3 419	2 287
Employers' national insurance contributions	574	16
Pension costs	236	137
Other remuneration	573	688
Total	4 802	3 129

As from 01.04.2021 the management was transferred from Grieg Shipholdings AS to Grieg Maritime Group AS

The number of employees on shore at 31.12	19	14
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Remuneration to management	CEO	Board
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Salary	496	174
Pension costs	20	
Other remuneration	11	

As from 01.04.2021 the management was transferred from Grieg Shipholding AS to Grieg Maritime Group AS.

No loans or loan security have been given to the CEO, the members of the board of directors or any related parties. No loans or loan security has been given which individually correspond to more than 5% of the company's equity.

GROUP

Figures in USD 1 000

Payroll expenses	2022	2021
Salary including bonus	9 275	10 026
Employer's national insurance contributions	1 439	995
Pension costs	593	589
Other remuneration	920	744
Total	12 227	12 354

The number of employees on shore at 31.12	86	90
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The number of sailing personnel at 31.12	597	576
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Salary costs related to sailing personnel (employed by Grieg Philippines and other manning companies) totalled USD 29.3m. The payroll expenses are recognised in the P&L as vessel operating expenses.

Note 6 Pensions

PARENT COMPANY

There are no employees with defined benefit pension in Grieg Maritime Group AS.

GROUP

Grieg Maritime Group has both defined benefit and defined contribution pension schemes. The Group has also pension schemes for certain employees with salaries in excess of 12G. This pension gives the right to future defined benefits and the obligations are primarily dependent on years of service, salary at retirement and level of national insurance benefits. Pension costs and commitments depend principally on length of service, salary at retirement and level of National Insurance benefits. The scheme covers one individual.

Grieg Star 2017 AS and Grieg Shipholding AS have an early retirement scheme for employees who were in the main pension plan until the decision was made to close it. The early retirement scheme pays 70% of salary at the time reaching the age of 65 until 67 years. This scheme is not funded but is financed through operations. Pension liabilities in the balance sheet related entirely to Grieg Star 2017 AS and Grieg Shipholding AS. The pension scheme covered 63 people as at 31.12.2022, hereof 18 persons received pension in 2022.

All of the pension schemes comply with the Norwegian Accounting Standard for pension costs (NRS 6). When actuarial estimates differences exceed 10% of the higher of the calculated pension commitment, including Employers' National Insurance contributions and pension fund assets, the excess amount is amortised over the remaining pension earning period.

	2022	2021
Defined benefit pension scheme		
Current service cost	-	10
Interest cost	196	205
Expected return on plan assets	-239	-244
Social security	-6	-4
Administrative expenses	80	94
Plan change through profit/loss	-	-
Actuarial (gains) / losses	171	28
Net pension expenses	202	88

	2022	2021
Contribution based pension scheme		
Payments to the contribution based pension scheme (Norway)	236	135
Sum	236	135

Total pension cost	438	223
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Economic assumptions:

	2022	2022	2021
	Norway	Canada	Norway
Discount rate	3,00%	2,80%	1,90%
Anticipated rise in salaries	3,50%		2,75%
Anticipated return on pension fund assets	4,70%		3,10%
Anticipated increase in National Insurance base rate	3,25%		2,50%
Anticipated rise in pensions paid	3,25%		3,10%

The actuarial assumptions for 2022 are based on assumptions generally applied within the insurance industry relating to demographic factors.

Figures in USD 1000	Canada	Norway	Norway	Consolidated
	Funded	Funded	Unfunded	
Distribution by scheme at 31.12.22				
Present value of obligations	867	9 547	668	11 081
Fair value of plan assets	-268	-7 558		-7 826
Surplus (deficit) of pension plans	599	1 989	668	3 255
Actuarial (gains)/losses not recognised		-297	-41	-338
Social security		198	94	292
Liability in the balance sheet	599	1 889	721	3 209

Figures in USD 1000	Canada	Norway	Norway	Consolidated
	Funded	Funded	Unfunded	
Distributed by scheme at 31.12.21				
Present value of obligations	1 030	11 557	822	14 156
Fair value of plan assets	-147	-9 184		-9 372
Surplus (deficit) of pension plans	883	2 750	822	4 455
Actuarial (gains)/losses not recognised		-843	-58	-901
Social security		382	41	423
Liability in the balance sheet	883	2 289	805	3 977

Asset Allocation in Norway as of 30.06:

	2022	2021
Shares	11,3 %	9,7 %
Bonds	47,0 %	46,3 %
Property	10,8 %	13,6 %
Money market	8,3 %	10,6 %
Other	22,6 %	19,8 %

Note 7 Auditor's fee

PARENT COMPANY

Figures in USD 1000

Auditor's fee	2022	2021
Statutory audit	12	14
Tax advisory fee (incl. technical assistance)	8	13
Tax advisory fee (incl. technical ass. with tax return)	1	0
Other non-audit services		0
Total fee to auditor excl. v.a.t.	21	27

GROUP

Figures in USD 1000

Auditor's fee	2022	2021
Group auditor	2022	2021
Statutory audit	136	149
Technical assistance and other attest services	38	56
Tax advisory fee (incl. technical ass. with tax return)	17	37
Total fee to Group auditor excl. v.a.t.	191	242

Note 8 Intangible assets

GROUP

Figures in USD 1000

Intangible assets	Research and development	Goodwill	Contracts	Total
Acquisition costs at 01.01	506			506
Additions	382			382
Disposals				
Acquisition cost at 31.12	888			888
Accumulated depreciation at 31.12	123			123
Accumulated write-downs				0
Book value at 31.12	765			765
Depreciation	51			51
Depreciation period	3 years	20 years	20 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	

The research and development is related to Grieg Green AS and Grieg Ammonia Distribution Vessels AS.

Note 9 Fixed assets

GROUP

Figures in USD 1000

	Vessels	Docking	New buildings	Total
Acquisition cost at 01.01	1116 681	45 985		1162 666
Additions	22 743	16 628		39 371
Reclassification				0
Disposals	19 000	12 777		31 777
Reverse of write-down				0
Acquisition cost at 31.12	1120 424	49 836		1170 260
Accumulated depreciation at 31.12	550 923	25 904		576 827
Accumulated write-downs	77 550			77 550
Accumulated write-downs reversed				0
Book value at 31.12	491 951	23 932		515 883
Share of financial lease:				58 309
Depreciation charge for the year	31 668	7 579		39 247
Depreciation plan	Straight-line	Straight-line	None	
Depreciation period	25-30 years	5 years		

	Other property	Machinery, vehicles etc.	Total
Acquisition cost at 01.01	518	1381	1899
Additions		20	20
Disposals			0
Acquisition cost at 31.12	518	1401	1919
Accumulated depreciation at 31.12		1375	1375
Book value at 31.12	518	25	543
Depreciation charge for the year	0	7	7
Depreciation plan	None	Straight-line	
Depreciation period		3-10 years	

Note 10 Market-based investments

GROUP

Figures in USD 1000

	Acquisition cost 2022	Market value 2022	Acquisition cost 2021	"Market value" 2021
Mutual funds	3 782	3 034	3 782	3 866
Bonds	8 854	8 284	8 847	9 705
Money market funds	11 413	11 679	11 413	11 482
Book value at 31.12	24 048	22 997	24 042	25 052

	2022		Total profit/ loss
	Realised	Unrealised	
Mutual funds		-830	-830
Bonds	7	-1428	-1421
Money market funds		197	197
Profit/loss from market-based investments	7	-2 062	-2 054
	2021		Total profit/ loss
	Realised	Unrealised	
Mutual funds		84	84
Bonds	76	-151	-76
Money market funds	250	-257	-7
Profit/loss from market-based investments	325	-325	0

Note 11 Guarantee

GROUP

Grieg Shipholding AS has issued performance guarantees as follows:

		duration	remaining lease debt
Grieg International II AS	2 Fin. leasing vessels	12.9 years	77.8m
Grieg Shipping II AS	2 BB vessels	11 years	55.5m

Note 12 Interests in joint ventures

Grieg Shipholding AS and Gearbulk established a joint venture, G2 Ocean, 2 May 2017. The interest in the joint venture is accounted for using the equity method of accounting.

Reconciliation to carrying amounts:

In USD 1000	2022	2021
Opening net assets 1 January	4 705	4 819
Acquisition cost		
Share of profit	981	-114
Effect of change revenue recognition principal	0	0
Carrying amount at 31 December	5 686	4 705

Summarised consolidated financial information 2022 joint ventures:

Grieg Edge AS and AFK Energy AS established a joint venture, North Ammonia AS, 25 August 2021. The interest in the joint venture is accounted for using the equity method of accounting.

Reconciliation to carrying amounts:

In USD 1000	2022	2021
Opening net assets 1 January	461	
Acquisition cost		572
Share of profit	-287	-111
Carrying amount at 31 December	174	461

Summarised consolidated financial information 2022 joint ventures:

In USD 1000	Share of equity	Equity	Profit/loss
G2 Ocean Holding	35%	14 033	2 804
North Ammonia AS	50%	336	-575

Note 13 Taxes

PARENT COMPANY

Figures in USD 1000

Tax charge and tax payable in the accounts

Temporary differences	2022	2021
Fixed assets	2	
Tax losses carried forward		-2 955
Basis for deferred tax/(deferred tax assets)	2	-2 955
Deferred tax/deferred tax assets	0,4	-650
Deferred tax asset no recognised in the balance sheet		650
Deferred tax/(deferred tax assets) in the balance sheet	0,4	-

Basis for taxation, change in deferred tax and tax payable

Profit before tax	3 461	-2 962
Permanent differences	-6 414	7
Basis of tax charge for the year	-2 953	-2 955
Change in temporary differences	-2	
Change tax losses carried forward	-2 955	2 955
Basis for payable taxes in the income statement	-	-
+/- Group contribution received/given	-	-
Tax loss carried forward	-	-
Taxable income (basis for tax payable in the balance sheet)	-	-

Tax expense consists of

Tax payable (22% of basis for tax payable in the profit and loss account)	-	-
Currency effects	-	
Change in deferred tax	0,4	
Tax charge / (tax income)	0,4	

Tax payable in the balance sheet

Tax payable (22% of basis for taxes in the profit and loss account)	-	-
Under/over provision for tax payable		
Tax payable in the balance sheet	-	-

GROUP

Figures in USD 1000

	2022	2021
Tax expense consists of:		
Tax payable on taxable income	3 557	80
Currency effects	-484	
Change in deferred tax	3 660	-64
Group contribution, tax effect	-2 023	-60
Tax expense (income)	4 710	-44

Tonnage tax (classified as an operating expense in the income statement):	243	441
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Deferred tax:		
Long-term debt		
Fixed assets	-99	-143
Shares in subsidiaries	0	-77
Early retirement	-328	-523
Pension	-2 610	-5 133
Other temporary differences	303	3 924
Financial instruments and other short-term investments	3 066	768
Profit/loss account	4 341	2 358
Tax loss carry forwards	-44 351	-85 958
Basis for deferred tax/(deferred tax assets)	-39 677	-84 784
Deferred tax/(deferred tax assets)	-8 729	-18 652
Deferred tax assets not recognised in the balance sheet	9 627	15 998
Deferred tax/(deferred tax assets) recognised in the balance sheet	898	-2 575

Tax loss carry forward subject to ordinary income tax 31.12.2022 USD 4 240 TUSD

Tax payable consists of:

Taxable financial income for companies under Chapter 8 of Taxation Act	64	90
Profit before tax subject to ordinary income tax	9 173	-14 728
Permanent differences	3 773	16 568
Changes in differences included in the basis for deferred tax/deferred tax assets	-1 214	-3 255
Group contribution		
Changes in deficit and remuneration brought forward	-11 727	1 415
Basis of tax charge for the year	70	90
Current tax payable of net income	15	20
Tax payable period before establishment		
Tonnage tax	243	441
Tax prepaid		
Effect of Group contribution		
Tax payable in the accounts	258	461

Grieg Star Bulk AS left the tonnage tax regime in 2019. Unrealized currency losses that were not tax deductible in 2018 given the restrictions under the tonnage tax regime, was claimed to be tax deductible in 2019 when the company became subject to ordinary taxation. The tax authorities has notified that the deduction of unrealized currency losses will be reversed by NOK 69 875 810 which will reduce tax losses carry forward.

The company has reduced the tax losses carry forward with NOK 69 875 810 in 2022.

The company has challenged the tax authorities' position. A final conclusion from the tax authorities is expected to be received during 2023.

Note 14 Financial market risk

The Group uses various financial derivatives to manage its financial market risk. This includes forward contracts, interest rate swaps and forward rate agreements.

Interest rate risk

The Group's long term debt and some of its lease agreements are at floating interest rate terms, exposing the company to interest rate risk in both short and long term. The Group's strategy is to hedge parts of its interest rate exposure by utilizing interest rate swap agreements. Gains and losses arising from interest rate swaps are recognised in the same period as the related interest expense.

At 31.12.22 the Group held interest swap agreements of USD 165.6m. Total unrealised MTM value, not recognised in the balance sheet, was USD 10.7m.

Foreign exchange risk

The company hedges expenditures in currencies other than USD forward contracts. At 31.12.22 the company had entered into hedging agreements through the use of currency swaps for USD 3.8m. Total unrealised MTM value, not recognised in the balance sheet at 31.12.22, was USD 0.4.

Freight risk

Forward Freight Agreements (FFA) are from time to time used as a risk management instrument in order to smooth out freight volatility. The FFA contracts are settled as an adjustment of operating income. At 31.12.22, the company had not entered into any Forward Freight Agreements (FFA).

Note 15 Subsidiaries

GROUP

Figures in USD 1 000

Subsidiary	"Denominated in"	Registered office	Ownership / voting rights	Equity 2022 (100%)	Result 2022(100%)
Grieg Shipholding AS *	USD	Bergen	100%	238 297	36 098
Grieg Shipping II AS	USD	Bergen	100%	257 157	96 876
Grieg International II AS	USD	Oslo	100%	107 916	28 207
Grieg Shipping III AS	USD	Bergen	100%	12 267	5 116
Grieg Shipowning AS **	USD	Bergen	100%	220 291	21 913
Grieg Star OH Pool AS	USD	Bergen	100%	(55)	-13
Grieg Star AS	USD	Bergen	100%	488	296
Grieg Star 2017 AS	USD	Bergen	100%	12 446	-503
Grieg Star Bulk AS	USD	Bergen	100%	5 292	18 776
Grieg Star Bulk Pool AS	USD	Bergen	100%	-61	-23
Grieg Edge AS	USD	Bergen	100%	5 424	-368
Grieg Ammonia Distrib. V	USD	Bergen	100%	537	0
Grieg Green AS	USD	Oslo	100%	-3 597	-590

Book value at 31.12

* Grieg Shipholding AS owns 100% of Grieg Shipowning AS,

** Grieg Shipowning AS owns 100% of Grieg Shipping II, Grieg International II AS, Grieg Shipping III AS and Grieg Star Bulk AS.

Note 16 Investments in shares

GROUP

Figures in USD 1 000

	Registered office	Ownership	Book value
Incentra (co-operative)	Oslo	2.7%	2
Grieg Philippines Inc.	Makati City	25%	51
Star Blue Holding Inc	Makati City	25%	10
Grieg Star Philippines Inc.	Makati City	100%	200
Grieg Consulting Shanghai	Shanghai	100%	3
Viridis Kapital AS	Oslo	40%	5
Wavefoil AS	Trondheim	1%	117
Green H. AS	Oslo	10%	650
Ocean Oasis AS	Oslo	10%	560
North Ammonia AS (joint venture acc. for using the equity method)	Oslo	50%	174
Skarv Shipping Solutions AS	Bergen	50%	25
Evoy AS	Florø	14,4%	811
G2 Ocean Holding AS (joint venture)	Bergen	35%	5 686
Book value at 31.12			8 294

Incentra is a non-profit maritime purchasing organisation, which seeks to ensure that the participants have the best possible suppliers of spare parts and consumer goods. Framework agreements have been made with various suppliers on behalf of the organisation.

Grieg Philippines Inc. has been the Group's manning agent in the Philippines since 2009.

North Ammonia AS is a joint venture between Grieg Edge and Arendals Fossekompagni developing supply of green ammonia

G2 Ocean Holding AS is the holding company of G2 Ocean AS, marketing and operating the Group's vessels in one open hatch pool and one dry bulk pool.

Note 17 Receivables maturing later than one year

GROUP

Figures in USD 1 000

	2022	2021
Other loans	136	154
Deposit on office rent	469	524
Total	606	677
Other long term receivables	2 558	2 827
Total	2 558	2 827

Note 18 Restricted bank deposits

GROUP

Figures in USD 1000

	2022	2021
Other restricted deposits	1 279	938

Note 19 Equity

PARENT COMPANY

Figures in USD 1 000

Changes in equity	Share capital	"Other paid-up equity"	"Other equity"	Total
Equity at 01.01	1 164	274 723	-2 331	273 556
Dividend Nov 2022		-10 108	0	-10 108
Profit for the year			25 446	25 446
Group contribution, net				0
Provision for dividends			-65 941	-65 941
Equity at 31.12	1 163	264 615	-42 826	222 953

GROUP

Figures in USD 1 000

Changes in equity	Share capital	"Other paid-up equity"	"Other equity"	Total
Equity at 01.01	1 164	274 723	12 518	288 406
Dividend Nov 2022		-10 108		-10 108
Profit for the year			150 945	150 945
Provision for dividends			-65 941	-65 941
Group contribution			-3 956	-3 956
Other changes			-279	-279
Equity at 31.12	1 164	264 615	93 286	359 066

Note 20 Share capital and shareholder information

PARENT COMPANY

The share capital consists of	Number of shares	Nominal value	Book value in USD 1 000
	100 000	11,64	1164
Total	100 000		1164

Shareholders at 31.12	Number of shares	Total	Ownership
Grieg Maturitas II AS	100 000	100 000	100%
Total	100 000	100 000	100%

Note 21 Interest-bearing debt

GROUP

Figures in USD 1 000

Mortgage loans

As of 31.12.22, the Group has 7 mortgage loans. All loans are denominated in USD.

Loan covenants

Covenants common to all mortgage loans is that the Group must continue to be controlled by the Grieg family, Grieg Shipowning on a consolidated basis must maintain a minimum of USD M25 / 5% of total interest bearing debt in liquidity and a book equity ratio >25%.

Grieg Shipowning AS is providing guarantees in the amount of USD 17.7m per 31.12.2022 for Grieg International II AS vessel and USD 7.6 for the Grieg Shipping III AS vessel.

Grieg Shipping II AS and Grieg International II AS are providing guarantees in the amount of USD 221.2m for Grieg Shipowning AS.

The companies have been in compliance with the covenants throughout the year.

	2022	2021
Mortgage loans (1st priority)	177 759	274 410
Total	177 759	274 410

Of which long-term debt with maturity later than 5 years	2022	2021
Debt to credit institutions	0	0
Total	0	0

Balance value of mortgaged assets	2022	2021
Vessels	320 813	466 372
Total	320 813	466 372

Other long term debt	2022	2021
Financial leasing	50 397	54 031
Other long term debt	979	923
Total other long term debt	51 376	54 954



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To the General Meeting of Grieg Maritime Group AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Grieg Maritime Group AS, which comprise:

- the financial statements of the parent company Grieg Maritime Group AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Grieg Maritime Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.



In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 23 March 2023
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant
(This document is signed electronically)





GRIEG MARITIME GROUP