



GRAM CAR
CARRIERS

2022 ESG report

Supporting the green mobility shift.



Key performance indicators

GHG emissions
(Mt CO₂e, owned vessels, Scope 1)¹

499,176

LTIF
(Zero marine casualties)¹

1.1

Fines or significant
environmental incidents

0

Sailing distance
(nm, owned vessels)

1,689,099

Number of owned vessels
in fleet (as at 31/12/2022)

19

Average age of fleet
(years)

12.8

¹ Scope 1: GHG Protocol – Approach: Financial Control



About this report

This report presents the environmental, social and governance (ESG) performance of Gram Car Carriers ASA for the period 1 January to 31 December 2022. The report has been prepared to meet the SASB Marine Transportation Standard (2018) and follows The Norwegian Shipowners' Association's ESG Reporting Guidelines (2021), referencing the GRI Standards (2021).

Gram Car Carriers ASA is listed on Euronext Oslo Børs with the ticker-code "GCC".

For further information contact mail@gramcar.com

Please see the [2022 annual report](#) for the full ESG report including the appendix containing Gram Car Carriers' Climate Risk Statement, Transparency Act Statement, SASB table and GRI Index.



This Report complies with the SASB Marine Transportation Standard (2018) and The Norwegian Ship Owners' Association ESG Reporting Guidelines 2021

A message from our CEO

“Gram Car Carriers has a strong foundation. With more than 40 years of involvement in the global car shipping market, we are an essential and supportive partner to the automotive industry as both vehicles and their logistics chain transitions towards a zero-emission future.”



We have a vision of being a leader in sustainable transport solutions to the global auto industry. This commitment is reflected in our mission, values and shared culture which serve as guiding principles for daily decision making and for long-term growth and value creation.

As part of delivering on our long-term strategy, we are actively preparing for the implementation of new regulations and reporting frameworks measuring our environmental, social and governance performance. We are ready to report the International Maritime Organization’s Carbon Intensity Indicator (CII) and are prepared for the inclusion of maritime shipping in the EU’s Emission Trading Scheme.

In 2022, we continued to work on reducing greenhouse gas emissions. This included ongoing biofuel trials, energy efficiency initiatives and the development of decarbonisation plans for each vessel in our fleet. We maintained our record of zero significant spills and progressed the installation of ballast water treatment systems on our vessels according to plan.

We assessed our climate-related risks and opportunities in line with Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. Furthermore, as required under the Norwegian Transparency Act, we executed a due diligence process to identify and manage human rights risks in our value chain. Our TCFD and Transparency Act Statements are presented in the appendix of this report.

There were no serious marine casualties or fatalities in the year as we maintained our unwavering focus on creating a safe work environment for our crews and supporting their well-being. I am deeply concerned by the war in Ukraine and its humanitarian consequences. The war is impacting our Ukrainian seafarers and their families. In response, we have established a financial hardship allowance for crew members and set aside further funds to assist them in 2023. Our priority is to support our seafarers and their families.

I would like to take this opportunity to thank our hard working and dedicated colleagues and partners for their continuous contributions to these important efforts. I invite you to read our ESG report and welcome your feedback.

About Gram Car Carriers

Gram Car Carriers ASA (“the Company” or “GCC”, together with its subsidiaries the “Group”) is the World’s third-largest car carrier tonnage provider, with a strong industry name having been engaged in car carrier investments since 1982. The Company provides modern fuel-efficient vessels and logistics solutions to operators, enabling precise and safe shipment with maximized cargo capability.

GCC is the operator and commercial manager of 19 owned vessels. The company is also the commercial manager of one existing vessel and four newbuildings owned by Global Auto Carriers (GAC), which is currently building four 7,000 CEU dual fuel Pure Car Truck Carriers (PCTC) in China with options for two additional vessels.

Crewing and ship management for the vessels owned and managed by the Company is outsourced to reputable service providers on a contractual basis. Service providers must meet the GCC’s ESG standards and requirements. The routing of vessels, choice of port and time in port is generally the choice of the Company’s clients, with GCC having limited influence over fuel consumption and emissions.

GCC has an extensive and long history of chartering vessels to all major global operators and key regional operators worldwide. The Company’s headquarter is in Oslo, Norway, with a branch office in Singapore. The Company’s shares are listed on Euronext Oslo Børs under the ticker-code “GCC”.

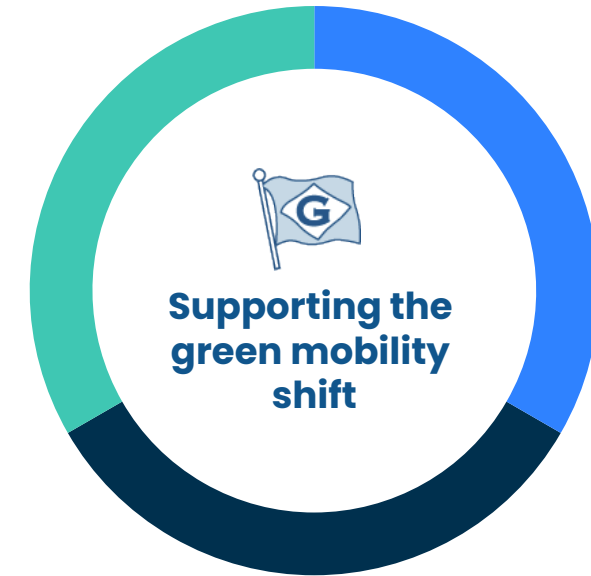
Supporting the green mobility shift

Gram Car Carriers’ culture is built on a strong sense of purpose supported by the Company’s vision, mission and values, which influence how the Company carries out the everyday work to assist its customers and partners.

The GCC sustainability framework

The Company focuses on environmental, social and governance (ESG) performance, including formalising how it measures, manages and reports on material ESG topics. The specific material topics have been assessed with an external sustainability expert’s assistance and serve as the focus areas of this report. GCC seeks to provide relevant, financially material, and industry specific ESG information to its stakeholders, with whom the Company engages in continuous dialogue.

In 2022, GCC focused on implementing environmental initiatives that support decarbonisation ambitions, as well as putting emphasis on the wellbeing of the vessel crews given the current geopolitical situation.



Environment

- GHG emissions
- Air emissions
- Fuel efficiency
- Ecological impacts
- Ship recycling

Social

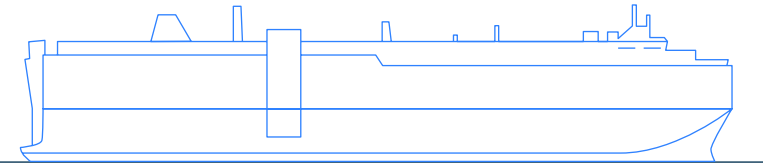
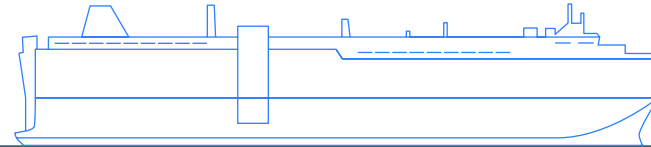
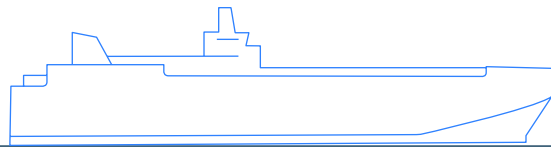
- Health and safety
- Diversity
- Human rights
- Developing human capital

Governance

- ESG governance
- Conduct, ethics and anti corruption
- Data privacy and cyber security

Fleet Description

Diversified fleet of 19 owned PCTCs



5 Distribution vessels

(up to 2,000 CEU)

10 Mid-size vessels

(up to 5,000 CEU)

4 Panamax vessels

(up to 7,000 CEU)

Third party vessels

1 Mid-size (Mediterranean Sea)

4 Panamax newbuilds and 2 options for Global Auto Carriers

Environment

GHG Emissions

Gram Car Carriers is committed to reducing greenhouse gas (GHG) emissions to meet International Maritime Organization (IMO) intensity targets of at least 40% reduction by 2030 and pursuing efforts towards 70% reduction by 2050, compared to 2008.

The Company seeks to reduce its total GHG emissions by at least 50% by 2050, compared to 2008. In 2023, the IMO intends to revise its emission reduction targets to reflect increased ambitions. The revision is expected to be followed by new regulations, including requirements supporting the use of green shipping fuels as well as market-based pricing of carbon emissions. On a regional level, the EU's legislative bodies recently agreed on a regulation aiming to increase the uptake of greener fuels in the maritime sector (FuelEU Maritime), as well as the inclusion of maritime shipping into the EU Emission Trading System (EU ETS). The Company is closely monitoring these developments and plans to align investments and targets with the upcoming regulations.

GCC expects to achieve the targeted GHG reductions in line with the Company's long-term decarbonisation plan through its ongoing biofuel trials and the introduction of individual vessel decarbonisation plans with defined actions.

In 2022, Scope 1 GHG emissions increased due to a larger fleet and increased vessel utilisation. The carbon intensity indicator increased due to post COVID-19 restrictions and logistics backlogs, leading to additional waiting time, extended lay-ups and variable sailing speeds.

Emissions from owned vessels	2022	2021	2020
Scope 1 GHG Emissions (metric tonnes CO ₂ e)	470,969	378,749	251,594
Carbon Intensity Indicator (CII) (g CO ₂ e / t.nm)	8.26	7.16	6.91

Successful biofuel trials

GCC have conducted biofuel trials on the City of Oslo and Viking Constanza in cooperation with Euro Marine Logistics. During the trials, the vessels operated successfully without technical issues while using two different grades of biofuel. The Company is in the process of obtaining permanent class approval for the use of biofuel on these vessels. The use of biofuel has shown to reduce carbon emissions by up to 90%.

Poseidon Principles

Gram Car Carriers is a foundation signatory to the Poseidon Principles – a global framework for responsible ship finance. The Poseidon Principles provide a framework for integrating climate considerations into lending decisions to promote international shipping's decarbonisation.



EU ETS for shipping

The Company is closely monitoring the development of the new EU emissions trading scheme (ETS) for shipping, scheduled for implementation in 2024, subject to final adoption expected in 2023. The cap-and-trade system aims to reduce GHG emissions by setting a limit, or cap, and will apply to all voyages and port calls within the EU/EEA, and to 50% of emissions on voyages into or out of the EU/EEA. It is therefore likely to have a direct impact on the Company's operations.

Climate risk

Risk management is an integrated part of daily operations and management processes. Every year, enterprise risks, including climate risks, are formally presented by management to the Board of Directors based on input from technical managers and consultants. Climate-related risks include both physical risks such as weather disruption and vessel handling and transitional risks such as regulations and customer requirements.

The Company follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and has summarised these disclosures below. For a more comprehensive overview of the climate risk governance, please refer to the TCFD statement in the Appendix to this report. GCC also monitors the developments of the Task Force on Nature-Related Financial Disclosures (TNFD) and will adapt to it accordingly.

Governance

Climate-related risks and opportunities are regularly reviewed by the Board of Directors as part of its overall responsibility for risk governance. The Board receives updates on climate risks, emerging regulations, developments in the Company's performance relative to the decarbonisation strategy, emissions reduction trajectories, and technological developments.

Strategy

Gram Car Carriers has undertaken a climate risk review and analysis to understand how climate risks and opportunities are likely to impact the business, its strategy and financial planning. By using information from these sources and the ongoing monitoring of GHG emission performance across the

fleet, Gram Car Carriers believes it is well positioned to absorb, mitigate or adapt to climate-related risks; and, in some cases also capture available opportunities.

Risk management

Climate risk identification is incorporated into the general risk management and internal control system. The Board receives regular updates on relevant potential risks as part of the risk management system.

Targets and metrics

The Company measures its total GHG emissions (Scope 1) in CO₂ equivalents by applying the IMO CII Carbon Intensity Indicator, and the Average Efficiency Ratio (AER) is measured and reported as grams of CO₂e per deadweight nautical ton-mile.

Air emissions

Since 1 January 2020, The Company has complied with the IMO's reduced Sulphur fuel content requirement, lowering the upper limit from 3.5% down to 0.5%. In 2022, GCC maintained a level below 0.496%. By using cleaner fuels, the Company is not required to install scrubber devices on its owned vessels.

Emissions from owned vessels	2022 ¹	2021 ²	2020
SO _x emissions (tonnes)	7,915	5,891	3,570
NO _x emissions (tonnes)	12,812	11,266	7,109
Particulate matter (tonnes)	1,202	1,412	872

¹ Emissions have increased due to a larger fleet and increased vessel utilisation.

² Emissions increased significantly due to increased activity after Covid restrictions were lifted.

Energy efficiency

The Company is investing in fuel efficiency initiatives that optimise speed, performance and energy use to reduce GHG emissions:

- Low-speed efficient bulb design
- New efficient propeller design
- Anti-fouling reducing hull resistance
- Energy saving vessel operation

GCC plans to invest in shore power connections on all deep-sea vessels by 2024. Depending on shore power availability, the GHG reduction potential from this initiative is between 2% and 5%. To optimise operations, the Company is also investigating variable engine speed options for vessels that have four stroke engines.

	2022	2021
Total amount of energy consumed (GJ)	7,069,178	6,194,025
Percentage of energy consumed coming from heavy fuel oil (vs. renewable)	99.77%	99.75%

Case study

Individual vessel decarbonisation plans

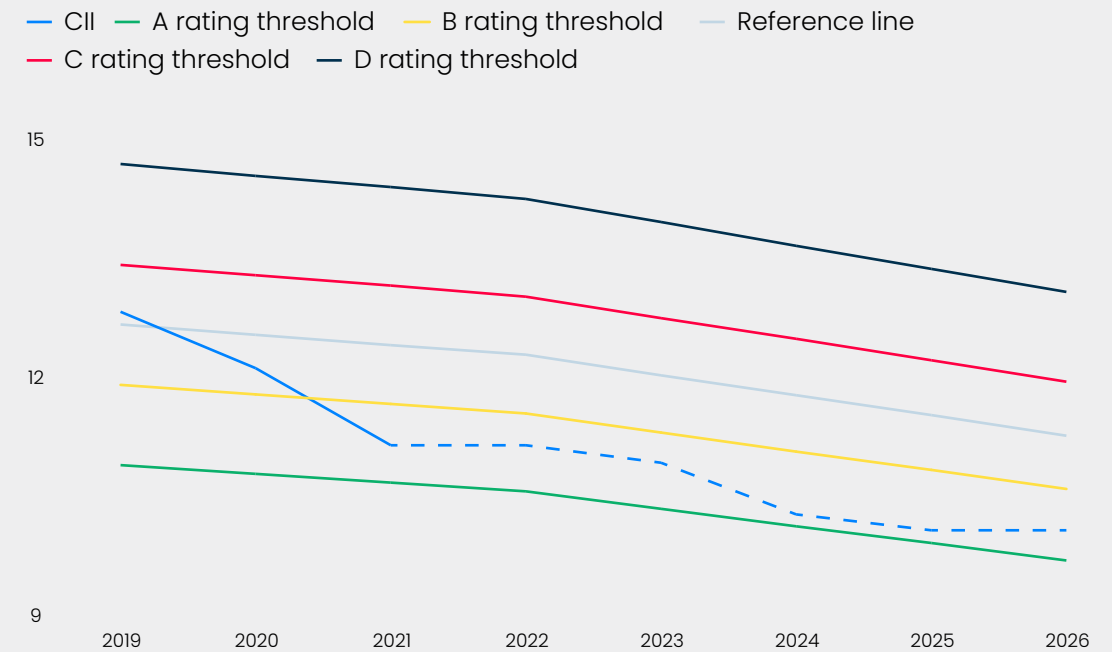
In 2022, GCC established decarbonisation plans for each of its vessels together with DNV. The plans are based on maintaining a CII C rating or better throughout the lifetime of each vessel. Regulations are likely to change before end-of-life for several of the vessels and regular reviews of each plan will be undertaken to assess current operation and any re-alignment required to meet updated specifications.

The Company will seek to implement several of the operational measures detailed in each of the decarbonisation plans in collaboration with the vessel charterers. A 6% GHG reduction due to operational measures is assumed for all vessels. Such measures represent a cost-efficient solution for reducing GHG emissions through material fuel savings and limited investments.

Additionally, a low friction silicon paint will be tested on the Viking Sea. The Company will compare the vessel's emissions to one of the sister ships with a similar operational pattern to assess the efficacy of the paint. If positive results are achieved, the paint will be applied to the remaining fleet as appropriate.

Reduction plan – CII

Carbon intensity (gCO₂/capacity-mile)



Ecological impacts

Operating to the highest environmental standards

GCC’s fleet of modern and fuel-efficient vessels are operated to the highest environmental standards in line with the Company’s Environmental commitments, stated on our website.

The Ballast Water Management Convention (BWMC) requires that all ships from 2024 have an approved ballast water management treatment system, according to the so-called “D2 standard”. This is implemented to reduce the risk of spreading invasive species through the discharge of ballast water. At year-end 2022, installation was completed on 84% of the GCC fleet. The three remaining vessels will have operational systems installed in 2023 and 2024.

	2022	2021	2020
Significant spills	0	0	0
Ballast water treatment system installation (% of vessels)	84%	38%	38%
Environmental incidents or fines	0	0	0
Onboard waste generated (metric tonnes)	766	904	Not reported

Responsible ship recycling

GCC follows the EU ship recycling regulation and the Hong Kong convention for the safe and environmentally sound recycling of ships. No vessels have been recycled the past three years (2020–2022). The Company’s Ship Recycling policy states the Company’s commitment to responsible recycling of ships, thereby safeguarding the environment, human health and safety. The same commitment applies to all the subsidiaries within the Group. The policy is available on [our website](#).

When appropriate, GCC aims to sell its vessels to responsible buyers that commit to green scrapping which meets all relevant laws and regulations to support circular economy practices in the shipping industry. The Company inspects the yards it works with every five years and applies contractual clauses that support responsible ship recycling.

Social

Health and safety

The safety of our people is of utmost importance. The Company is committed to seeking zero harm by maintaining a safe environment and protecting people’s health and operates all vessels in accordance with the Health & Safety Policy.

GCC has established a set of clear health and safety principles to guide its operations:

- Commercial considerations will never come before the safety considerations of personnel
- Ensure all our operations are undertaken with due regard to safety requirements
- Personal incidents are unacceptable and should be always prevented
- We consider regulatory requirements to be a minimum standard.

	2022 ¹	2021	2020
Lost Time Incident Rate (LTIR)	1.1	0	0
Marine casualties (no. of incidents)	0	0	0
Sickness absence % (GCC only)	1.9	na	na

¹ Injury and sickness rates increased from their artificially low levels after Covid 19 restriction were lifted

Developing human capital

The Company aims to be an employer of choice and commits to developing the capabilities, skills and competencies of its workforce. Providing employees with constructive training programs supports human capital growth and retention.

From onboarding and induction, through to formal and on-the-job training, GCC views the investments in training and development as essential to creating a continuous learning opportunity for employees.

	Male	Female
Onboard - average hours of training per employee	7.8	8.1
Onshore - average hours of training per employee	26.7	26.6

	Male	Female
Percentage of onshore employees receiving regular performance and career development reviews.	100%	100%



Case study

Support for Ukrainian Seafarers

Supporting our crews and their families in difficult times

Approximately 58% of the seafarers onboard the GCC fleet are Ukrainian nationals. Following the Russian invasion of Ukraine in February 2022, the Company established a hardship allowance to provide financial support for these crew members and their families. Additional measures have been put in place to support the mental health and wellbeing of employees and crews affected by the war. As a result of the ongoing conflict, several of the Company's Ukrainian officers have moved and are now living in other European countries with their families.

It is important for GCC to maintain the Ukrainian crew base and the competencies and capabilities they represent. The Company has made a long-term commitment to the education of seafarers through the cooperation with the Odessa Maritime Academy. For 2023, GCC has allocated a further USD 200,000 to support crew members choosing to relocate to outside of Ukraine.



Diversity and Inclusion

GCC seeks to create a diverse workforce and to enable inclusive participation of workers from all different backgrounds. The Company believes that diversity contributes to learning, understanding and innovation. This is also recognised as one of the key Human Capital principles applied by GCC.

Board	2022	2021	2020
Gender diversity	43% female	43% female	12.5% female
Age (under 30 30-50 over 50)	0% 29% 71%	0% 29% 71%	0% 57% 43%

Onshore	2022	2021	2020
Gender diversity	31% female	33% female	33% female
Age (under 30 30-50 over 50)	6% 44% 50%	0% 47% 53%	6% 61% 33%

Onboard	2022	2021	2020
Gender diversity	2% female	0.9% female	4.1% female
Age (under 30 30-50 over 50)	27% 56% 17%	32% 51% 17%	14% 63% 23%

Human Rights and Labour Rights

The Company's Human Rights Policy guides the approach to working with suppliers and how to establish labour conditions aboard the vessels. GCC provides training to the employees and actively monitor business areas for potential human rights issues. The policy is available on our website.

The Company seeks to abide by the following principles:

- Support and respect the protection of internationally proclaimed human rights; and
- Make sure that we are not complicit in human rights abuses.

The Neptune Declaration

GCC is a Signatory to The Neptune Declaration, which protects workers' rights and establishes best-practices for crew changes throughout the ongoing global COVID-19 pandemic.

For more information on the management of Human Rights as a material topic, please refer to the Company's Transparency Act Statement in the appendix of this report.





ESG Governance

The Board of Directors governs the approach to ESG issues in alignment with the Company's Sustainability Policy, available on the Company's website. The Company strives to be unwavering in relation to ethical, environmental and social standards, regardless of operating conditions. GCC adheres to the Corporate Governance guidelines issued by the Norwegian Corporate Governance Board (NUES).

Climate-risk management is integrated in the overall risk management processes of GCC. The Company follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and has summarized these disclosures in this report. For a more comprehensive overview of the climate risk governance, please refer to the TCFD statement in the appendix.

ESG-linked compensation

Executive compensation is linked to ESG performance to incentivise improved performance and achievement of the Company's strategic ESG ambitions. A portion of the executive at-risk bonus is directly linked to the achievement of ESG targets, including the Company's rating in the annual Position Green ESG100 report based on an analysis of the 100 largest companies on Oslo Børs. All members of executive management are subject to this scheme.

Code of conduct, ethics and anti-corruption

The Code of Conduct and Ethics Practices clearly sets out the Company's behavioural expectations. GCC has zero tolerance for corruption in any form, as stated in the Anti-Corruption Policy. The [Code of Conduct](#) and Anti-Corruption Policy can be found on the Company's website. GCC provides regular anti-corruption awareness training to the employees and seafarers and actively monitors for potential corruption incidents.

The Company operates an independent whistleblowing hotline and manages all reports received in line with the [Procedure for Reporting Concerns](#) (whistleblowing policy) and data protection laws. All employees, including non-permanent/temporary staff, and everyone employed or operating on board Group vessels, are encouraged to report their concerns of any misconduct related to business operations that should be prevented or corrected. Information about reporting a concern and the Whistleblowing Policy is available on the Company's website.

In compliance with the Norwegian Penalty Act and the OECD Anti-Bribery Convention, GCC monitors governance risks within own business operations and within that of business partners. These include corruption, bribery, money laundering and anti-trust behaviour.

Supplier code of conduct

All suppliers are required to adhere to the same environmental, social and ethical standards as GCC's own employees. These standards are set out in our [Supplier Code of Conduct](#) and include clauses related to safety and the environment, anti-corruption, economic sanctions, regulations and human rights. The Company actively screens its suppliers based on these standards and, in cases of non-conformance, suppliers are actively followed up in order to comply with our Supplier code of Conduct.

GCC is an active member of the Marine Anti-Corruption Network (MACN) – the leading anti-corruption initiative in the Maritime Industry.

There were no reported breaches of the Code of Conduct in 2022 and no reported corruption or bribery incidents.

	2022	2021
Port calls in countries with 20 lowest rankings in Corruption Perception Index	101	161
Facilitation payments made	0	0
Inspections	95	34
Deficiencies	44	17
Detentions	2	0
Supplier screenings	164	N/A

Data privacy and cyber security

GCC is committed to protecting privacy and maintaining data security. All employee, customer and company data are held in line with the Company's Data privacy and security Policy. GCC complies with the EU's General Data Protection Regulation (GDPR) and the IMO Resolution on Maritime Cyber Risk Management.

There were zero reported data privacy or security breaches in 2022 and 2021.



Head Office

Gram Car Carriers ASA
Bryggegate 9 (Aker Brygge)
0250 Oslo
Norway

Phone: +47 22 01 74 50
E-mail: mail@gramcar.com

Singapore office

Gram Car Carriers Services Pte Ltd.
6 Temasek Boulevard #39-02
Suntec Tower Four
Singapore 038986

Phone: +65 6334 9519
E-mail: mail@gramcar.com