GLOBAL SHIP LEASE

ESG REPORT 2022

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Message

from our Executive Chairman

George Youroukos
Executive Chairman
of Global Ship Lease, Inc

For our industry, the first half of 2022 continued in the vein of 2021 – with earnings and asset values reaching record highs. Capitalizing on the strong market and the full year benefit of the ships we purchased during 2021, we were able to grow revenues in 2022 by 44% and net income by almost 74% year-on-year.

However, the conflict in Ukraine, worryingly high inflation worldwide, slower than expected post-Pandemic growth in China, and increasingly extreme climate-related phenomena (wildfires beset many parts of the Mediterranean as I write this) have since changed the humanitarian, macro-economic, and environmental landscape quite dramatically.

In response to the decarbonization challenges we all face, significant regulatory milestones have been put in place over the last 12 to 18 months. These will help mark the road to emissions reduction going forward, and will continue to ratchet up pressure on the industry to decarbonize. Shipping's global regulator, the IMO, has targeted net zero emissions by around 2050, and the ongoing implementation of EEXI and CII are already having a positive impact on industry behavior and emissions reduction. This will be further accelerated in 2024, as shipping is folded into the European Union's Emission Trading System (EU-ETS), with further regulatory tightening to come.

In this, our fourth annual ESG report, we provide an update on what we are doing to manage the challenges, and grasp the opportunities, that lie ahead. To highlight a few points:

In a period when our vessel-owning days grew by 33.4%, our Scope 1 and 2 Emissions grew by less than half that, at 14.9% - reflecting improvements in our AER and EEOI emissions-related performance metrics. In the climate section of this report, we provide a progress update on the implementation of our decarbonization strategy, which is based on a full life-cycle approach to the carbon footprint of ships and a well-to-wake approach to that of clean fuels. In the near term, we believe that reducing emissions by improving the energy-efficiency of existing ships - both technically and operationally - will provide the most immediate and tangible societal benefits and economic returns. With this in mind, the four pillars of our decarbonization and fleet enhancement strategy in the near term are:

- **Energy Saving Technologies (ESTs).** We are upgrading our ships with energy-saving, and emission-reducing, technologies - in close cooperation with our charterers.
- **Data.** We are installing automated data capture and performance management systems on our ships, which will allow us to share real-time performance information with our charterers - targeting improved cooperation to unlock operational improvements, efficiency gains, and emissions reduction. Over time, as we gather ever richer data and AI continues to evolve at a break-neck pace, we expect these benefits to grow and accelerate.
- **Fuels.** Our charterers source and pay for fuel, and so this element of our decarbonization strategy will be strongly informed both by their preferences and by the market availability of clean and transition fuels. However, bio-fuel blends look promising, and we are working on making our fleet bio-fuel compatible.
- **Carbon capture & storage (CCS).** Transitioning to next-generation clean fuels, and supporting infrastructure, will take time. Although not without its challenges, we see CCS as an important transition solution towards more sustainable decarbonization, and have invested in a promising carbon capture venture accordingly. We have also established an R&D budget to support selective investment in other promising, value-generative decarbonization innovations.

In time, once genuinely clean fuels are commercially available and the technological, safety, regulatory, and economic implications are clearer, we will explore the benefits of next-generation fleet renewal.

In terms of social impact, The Safe Haven Project, which we established in 2022 to protect and accommodate the displaced families of our Ukrainian seafarers, has supported almost 300 people – a number of whom have decided to stay on in Greece. While we feel privileged to have been in a position to help, this is of course over-shadowed by the humanitarian tragedy that inspired us to take action.

On the governance front, we were delighted during 2022 to welcome our first female director to the GSL Board. We have continued to regularly review, and enhance, our governance structures, policies and practices, and Ms. Helfer's guidance and leadership have been instrumental in those efforts.

> **To conclude: everything we do in the ESG sphere is shaped not only by regulatory requirements and commercial relevance, but also by input gathered from a broad range of our stakeholders by way of our annual survey and materiality analysis. I hope all of you will be interested by the contents of this ESG report and will be encouraged by our direction of travel and efforts to continuously improve.**

About
this report

This is our 4th annual Environmental, Social, and Governance (ESG) report; unless otherwise noted, it covers the period from January 1, 2022 through December 31, 2022. As in previous years, where relevant, some of the data in this report includes the activities of our strategic partners: Technomar and ConChart, the technical and commercial managers of our fleet.

The report focuses on ESG topics identified as material* both by us and by our stakeholders, with a particular emphasis on decarbonization and Greenhouse Gas (GHG) reduction objectives established by the International Maritime Organization (IMO) and other regulatory and environmental bodies. It includes a roadmap towards our continuously evolving sustainability goals, together with an overview of the measures we are implementing and progress we have made to date.

In preparing this report we considered the following standards and reporting frameworks:

Global Reporting Initiative (GRI) Standards

Reporting based on the GRI Standards ensures that the content and issues discussed are relevant, consistent, and comparable across companies and sectors.

Sustainability Accounting Standards Board (SASB) for Marine Transportation

The report discloses information on the basis of SASB maritime industry-specific metrics.

* This report covers information we have determined to be important from an ESG reporting perspective, which is distinct from the materiality standard used for other purposes, including with respect to disclosures pursuant to U.S. Securities and Exchange Commission (SEC) rules and regulations. Thus, while certain matters discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with the U.S. federal securities laws and regulations, even if we use the words "material" or "materiality" in this report.

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About Global Ship Lease

About GSL

Company profile

Our goal

Our goal is to provide our liner operator customers with well-specified, operationally flexible, reliable, low-emission, high-reefer capacity, low-slot-cost containerships to support their operations within the highly competitive global logistics industry.
We take a partnership approach with our customers, providing flexible chartering solutions which enable them to free up capital and management resources to focus on other strategic priorities. We believe that strong relationships and active cooperation with our charterers will be of fundamental importance going forward to our collective efforts to decarbonize the fleet that we own but for which they determine the operating profile.

Global Ship Lease (GSL) is a containership owner, leasing ships to container shipping companies under industry-standard, fixed-rate time charters. The Company was established in 2007 and is incorporated in the Marshall Islands, with administrative offices in London and Athens. GSL has been listed on the New York Stock Exchange since August 15, 2008, under the ticker NYSE:GSL. We focus on mid-size Post-Panamax and smaller containerships, the workhorses of the global fleet, which tend to serve the faster-growing non-mainlane and intra-regional trades collectively representing over 70% of global containerized trade volumes.

Our guiding principles

01. Creating strong, long-lasting partnerships with reputable charterers

02. Aligning our ESG and commercial strategies by taking a full life-cycle approach to the carbon footprint of our ships

03. Utilizing applicable technology to reduce our environmental impact and improve our operational efficiency

04. Continuously improving our Environmental, Social and Governance (ESG) performance

Our investment model

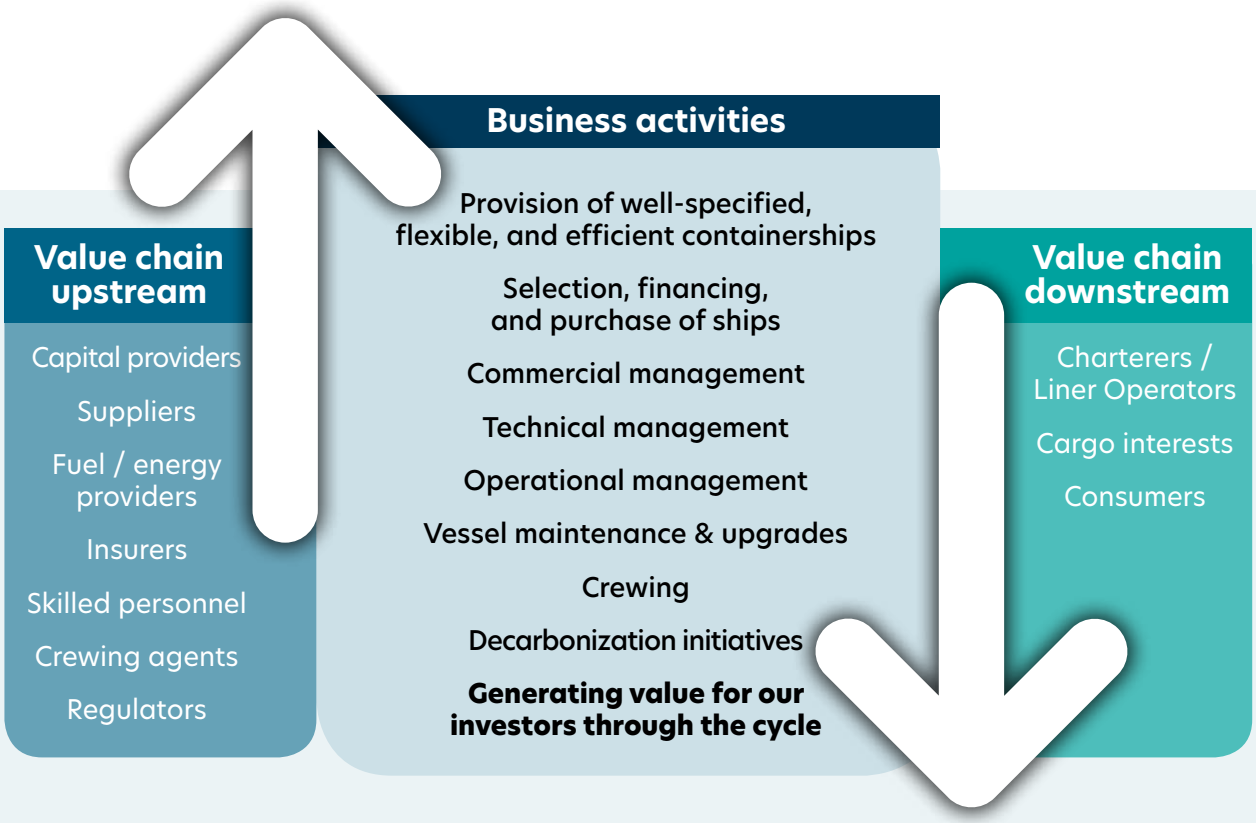
Our investment model seeks to combine strong, longer-term contract cover with selective shorter-term exposure to the containership charter market, providing a firm base with downside protection and forward visibility on cash flows, while also offering access to upside earnings potential in a cyclical market.

About GSL

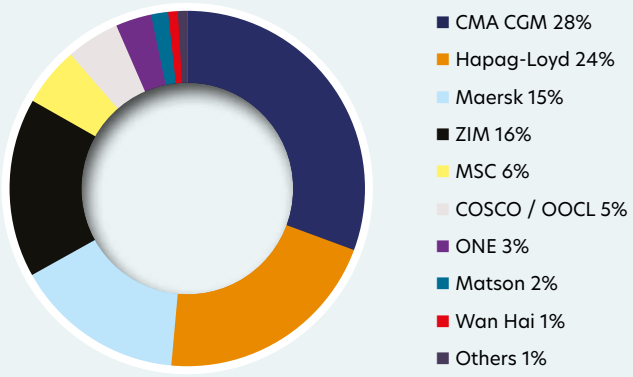
Our value chain

Our core activities are consistent with our business goals. They entail the selection, financing, and purchase of ships meeting our strategic and investment criteria; the crewing, and commercial, technical, and operational management of our fleet; and the ongoing maintenance of our ships together with the implementation of enhancements such as energy-saving retrofits and other decarbonization initiatives. Upstream, our business is supported by an extensive value chain incorporating, inter alia, capital providers, suppliers, energy-providers, skilled personnel, and crewing agents. Downstream, our business facilitates the global supply chain by supporting liner operators in the transport of containerized goods in global trades linking producers and other cargo interests with consumers, while endeavoring to generate value for our investors through the cycle.

The beside illustration represents our value chain, with a non-exhaustive list of upstream and downstream participants, together with our core business activities.



Our diversified charterer base by contracted revenue



Scale of operations

$645.6 Million
Total revenue in 2022

$2.1 Billion
Forward contracted revenues

3,383
Crew and shore employees

65
Containerships

2.7 Years
Contract cover

2
Offices
London, Athens

About GSL

Our fleet

A fleet of well-specified, operationally flexible, low-emission, high-reefer-capacity, low-slot-cost containerships

Our fleet consists of mid-size and smaller containerships that can be deployed on a wide range of trading routes. As of December 31, 2022, we owned 65 ships, ranging from 1,118 to 11,040 TEU, with a total capacity of 342,348 TEU. Approximately 67% of our fleet capacity is made up of 32 wide-beam Post-Panamax ships, of which nine are newdesign wide-beam "Eco" units. The average age of our vessels, weighted by TEU capacity, is 15.9 years - implying an average remaining useful economic life of approximately 14 years.

65 vessels
Total fleet

13 ECO ships
High-reefer, wide-beam (new design)

342,348
Total fleet TEU capacity

Summary of our fleet

32 Post - Panamax container vessels

Capacity 5,936 - 11,040 TEUs

20 built between 1999 - 2004
2 built between 2005 - 2009
10 built between 2010 - 2015

9 wide-beam (new design), ECO containerships

Total Capacity: 228,072 TEU

16 Panamax container vessels

Capacity 3,404 – 5,470 TEUs

7 built between 2006 - 2007
5 built between 2008 - 2010
4 built between 2012 - 2014

3 ECO containerships

Total Capacity: 72,649 TEU

16 Handymax container vessels

Capacity 2,207 – 2,824 TEUs

9 built between 2000 - 2003
5 built between 2005 - 2007
2 built between 2012 - 2014

3 ECO containerships

Total Capacity: 40,509 TEU

1 Feeder container vessels (sold 1Q 2023)

Capacity 1,118 TEU

Built in 2005

About GSL

Our partners for the technical & commercial management of our ships

Technical management

Technomar Shipping, Inc. has managed the majority of our vessels since 2019. In addition to the technical management and crewing of the ships themselves, Technomar also provides - under the supervision of the Global Ship Lease management team - a series of supplementary services which allow us to minimize our fixed overheads.

Technomar supplementary services include:

- Finance and accounting
- Invoicing and charter hire collection
- Insurances
- Legal support
- Health, Safety, Quality, and Environment (HSQE)

In 2022, the technical management of six of our ships was outsourced to the ship manager in place at the time they were purchased. Management has subsequently been transferred to Technomar.

Commercial management

We have an exclusive brokerage agreement with **ConChart Commercial, Inc.** to support the day-to-day commercial activities of Global Ship Lease. ConChart's well-established commercial network has allowed us to significantly diversify our chartering relationships, extending our commercial outreach and maximizing commercial uptime for our ships - while also minimizing fixed overhead.

> **Technomar is majority-owned and ConChart is solely owned by our Executive Chairman, George Youroukos. Any potential conflicts of interest are reviewed by a specially formed committee of the Board of Directors.**

Both our technical and commercial managers, have personnel and/or infrastructure dedicated to the management and operation of our ships, and the promotion and development of our commercial interests. Consequently, wherever appropriate, they have been included in the scope of this report.

Ratings[1]

Moody's **Ba3**

GSL Corporate Family Rating was **upgraded to Ba3 from B1**, with a stable outlook, by Moody's Investor Service ("Moody's") in June 2023.

S&P **BB**

S&P Global Ratings ("S&P") improved GSL's **long-term issuer credit rating to BB** with a positive outlook from BB with a stable outlook, in June 2023.

KBRA **BB**

In June 2023, Kroll Bond Rating Agency ("KBRA") affirmed GSL Corporate Family to BB with a stable outlook, and also affirmed the **BBB/stable investment grade rating** and outlook for GSL's $350 million Senior Secured Notes due July 15, 2027 – structured and placed by Goldman Sachs in June 2022.

1. The ratings shown are as at June 2023.

About GSL

Our commercial and operational performance

Our commercial strategy is conservative and risk-averse: we focus on chartering our ships for multi-year periods in order to lock in cyclically attractive rates, and provide forward visibility on cash flows, for as long as possible. Furthermore, we have a highly disciplined approach to acquiring ships - only doing so when such acquisitions are both immediately accretive and on terms that allow us to minimize residual value risk while maximizing upside potential.

During the reporting period we maintained business resilience and continuity, keeping our ships running efficiently and our personnel safe, despite the continuing challenges posed by the COVID-19 pandemic and Russia-Ukraine conflict.

As of December 31, 2022 we had an on-the-water fleet of 65 containerships with an aggregate capacity of 342,348 TEU.

Our total vessel ownership days in 2022 were up 33.4% on 2021, driving many of the significant differences in the year-on-year comparison of our economic and operating metrics.

Year-on-year, our 2022 Revenues were up 44.1% and our Net Income up 73.7%. At the end of 2022, we had forward contracted revenues of approximately $2.09 billion over a TEU-weighted average term of 2.7 years.

Statement of operations (in mil $)	2022	2021	% Difference
Time charter revenue	645.6	448.0	↑ 44.1
Operating expenses	(291.4)	(210.4)	↑ 38.5
Vessel operating expenses	(167.4)	(130.3)	↑ 28.5
Time charter and voyage expenses	(21.2)	(13.1)	↑ 61.8
Depreciation and amortization	(81.3)	(61.6)	↑ 31.9
General and administrative expenses	(18.5)	(13.2)	↑ 40.2
Impairment of vessels	(3.0)	-	-
Gain (Loss) on sale of vessels	-	7.8	-
Operating income	354.2	237.5	↑ 49.1
Income before income taxes	292.9	171.6	↑ 70.7
Net income available to common shareholders	283.4	163.2	↑ 73.7

Operational Overview	2022	2021	
Vessels in operation at year end	65	65	-
Ownership days	25,915	19,427	↑ 33.4
Planned offhire - dry-docking days	(635)	(752)	↓ 15.6
Unplanned offhire days	(462)	(260)	↑ 77.7
Idle days	(30)	(88)	↓ 65.9
Operating days	(24,788)	18,327	↑ 35.3
Port calls	5,588	4,326	↑ 29.2
Countries visited	90	96	↓ 6.2
Nautical miles travelled	5,402,058	4,311,126	↑ 25.3
Utilization	95.7%	94.3%	↑ 1.4

About GSL

Our ESG roadmap

The tables below provide an overview of the status and progress of our strategic commitments by key ESG category:

Category	Actions/ Targets	In progress	Embedded
Climate Change & GHG Emissions	Meet and beat the targets set by the International Maritime Organisation (IMO) and achieve Net Zero emissions by the year 2050.	●	
	Implement transparent reporting of vessel emissions to the EU and IMO under their respective reporting schemes.		●
	Full compliance with IMO 2020 regulations to reduce Sulphur emissions, either through the adoption of low-Sulphur fuel or through the selective installation of Exhaust Gas Cleaning Systems (scrubbers).		●
	Extend the lifecycle, and enhance the operating performance, of existing ships in order to minimize the carbon footprint associated with the construction of new tonnage until next-generation clean fuel and propulsion technologies are commercially available.		●
	Join and support the Getting-to-Zero Coalition industry think-tank.		●
	Foster alignment of our commercial and ESG strategies: there is a high correlation between low-slot-cost ships and low-emissions per TEU-mile of cargo carried.		●
	Minimize discretionary air travel in order to reduce emissions.		●
Operational Optimization & Innovation	Facilitate continuous improvement of the environmental performance and energy efficiency of our ships, through EEOI (Energy Efficiency Operational Indicator) monitoring.		●
	Coordinate with charterers to adopt and install technologies and structural enhancements that facilitate improvements in the operating performance and energy efficiency of our ships.		●
	Support R&D activities for the development of clean technologies for the container shipping industry (in 2022, we established a decarbonization R&D budget of $8 million; allocation to date includes an investment in Aqualung, a venture focused on carbon innovation in the shipping space).		●
Marine Environment	Zero-tolerance approach to oil spills.		●
	Installation of IMO / USCG-compliant Ballast Water Treatment systems on all ships in our fleet.		●
Waste management	Strict no garbage overboard policy.		●
	Onboard recycling: sort, separate, and compact waste aboard; dispose of ashore.	●	

Category	Actions/ Targets	In progress	Embedded
Water consumption	Protocols to reduce water consumption aboard our vessels.		●
	Water recycling and on-board generation of potable water.	●	
Environmental Lifecycle Management	Document Inventory of Hazardous Materials (IHM) for each ship, consistent with European Union Ship Recycling Regulations (EU SRR).		●
	Adhere to Hong Kong Convention (HKC) for ship recycling.		●
Quality certifications	Implement management systems required to meet quality certifications related to environmental policy and management practices (ISO 14001:2015 or later) and to energy management policy and practices (ISO 50001:2011 or later).		●
Reduce carbon footprint in the office	Minimize paper use.	●	
	Eliminate use of single-use plastics.	●	
	Increase recycling.	●	
Safety	Ensure strong safety culture, targeting zero injuries or fatalities aboard our ships.		●
	Reinforce strong risk-mitigation protocols, targeting zero incidents or accidents.		●
Human rights	Embed human rights due diligence procedures and requirements in our own operations, and throughout our supplier and contractor network.		●
Child and forced labor	No child or forced labor permitted in our own operations.		●
	Requirements and screening to preclude child or forced labor by any of our suppliers or contractors.		●
Sustainable procurement	Establish a sustainable procurement policy and adopt practices consistent with those of IMPA ACT, and further introduce our own Suppliers' Code of Conduct.	●	
	Establish ESG screening of our suppliers and contractors.	●	
Attraction & Recruitment	Increase diversity throughout all levels of the organization.	●	
	Meet and exceed ILO requirements for the employment of seafarers.		●
Employee retention	Achieve annual employee retention rates above 75%.		●
	Adopt and maintain flexible working, where practical, to assist with family issues and work-life balance of employees.	●	
	Support our managers in maintaining a respectful and cooperative working environment.	●	
Training & Development	Ensure company culture of safety, ethics, cooperation, and sustainability is promoted throughout the organization.		●
	Establish an onboard familiarization and seagoing experience program for shore-based employees.	●	
	Provide internship programs.		●

Category	Actions/ Targets	In progress	Embedded
Rotation & Promotion	Implement cross-functional rotation of employees to broaden skill-sets and understanding.	●	
	Cultivate opportunities for upward mobility, allowing employees to take on more responsibility.	●	
Support Local Communities	Maintain a community-giving program in areas in which we operate.		●
	Provide support and sponsorship for vulnerable groups, either independently or in conjunction with local or international NGOs.		●
	Cultivate a spirit of volunteerism within the organization, with activities that aim to protect the environment and/or support vulnerable groups.		●
Compliance	Ensure the highest standards of compliance with industry and international regulations.		●
	Flag and classify our ships with reputable flag states and classification societies.		●
	Engage high-quality and internationally recognized auditor.		●
	Comply with Sarbanes-Oxley requirements.		●
Reporting	Meet all NYSE financial reporting and disclosure standards.		●
	Establish transparent ESG reporting.		●
	Adopt SASB standards for ESG reporting.		●
Discipline & Transparency	Maintain a high quality Board, aligned with shareholders' interests.		●
	Ensure Management is held to rigorous standards by the Board and expert committees.		●
	Ensure all transactions and contractual arrangements are on commercial, arm's-length terms.		●
Whistle-blowing	Maintain an effective whistle-blowing system, and periodically assess all whistleblowing cases.		●
Corruption	Zero-tolerance approach to bribery and corruption.		●
ESG Governance	Introduce gender diversity at Board level.	●	
	Periodically engage with key stakeholder groups to ensure alignment of ESG goals.		●
	Establish ESG committee to establish ESG targets and monitor performance against those targets.		●
	Actively engage with and support the application of the Poseidon Principles.		●

About GSL

2022 Summary of performance

The table below summarizes our ESG performance through KPIs associated with the Environment pillar (E). Where appropriate, year-on-year improvements, or deteriorations, during 2022 have been determined either on a TEU-mile-adjusted or vessel-ownership-days-adjusted basis

Pillar	KPI	Annual performance 2022 (65 Ships*)	Annual performance 2021 (65 Ships*)	Improvement status	SASB material disclosure topic
Environment	Energy Efficiency Operation Index (EEOI) Handymax (gr CO_2 / TEU-mile)	171.8	180.4	✓	
	Energy Efficiency Operation Index (EEOI) Panamax (gr CO_2 / TEU-mile)	143.4	145.0	✓	
	Energy Efficiency Operation Index (EEOI) Post-Panamax (gr CO_2 / TEU-mile)	107.1	107.1	-	
	Average Fleet Energy Efficiency Operation Index (EEOI) (gr CO_2 / Tonne-mile)	21.4	23.0	✓	
	Average Fleet Annual Efficiency Ratio (AER) (gr CO_2 / DWT-mile)	10.03	10.6	✓	
	Total direct GHG emissions (tn CO_{2e}) *Scope 1*	3,266,174	2,842,616**	✓	●
	Total indirect GHG emissions (tn CO_{2e}) *Scope 2*	116.46	92.11**	✓	
	Total fuel consumption (tn)	1,042,689	907,423	✓	
	Total SOx emissions (tn)	4,665	4,167	✓	●
	Total NOx emissions (tn)	80,912	65,167	✓	●
	Total PM emissions (tn)	3,742	3,169	✓	●
	Total waste generated (m^3)	48,067	43,259	✓	
	Total water consumption (m^3)	155,875	126,655	✓	
	Total water reclaimed (m^3)	137,809	111,639	✓	
	Percentage of fleet implementing ballast water treatment (%)	86	60	✓	●
	Number and volume of spills and releases to the environment	0	0	-	●

* Fleet size at year-end.

** Restatement of information: The carbon dioxide (CO_2) emissions resulting from the consumption of heating oil in the company's offices have undergone a reassessment and have been included within the Scope 1 category

The tables below summarize our ESG performance though KPIs associated with the Social (S) and Governance (G) pillars:

Pillar	KPI	Annual performance 2022 (65 Ships*)	Annual performance 2021 (65 Ships*)	SASB material disclosure topic
Social	Total number of seafarers in the pool	3,071	2,798	
	Total number of training hours (seafarers)	14,006	1,860	●
	Total women on board our ships	9 (8 officers)	13 (12 officers)	
	Seafarers' retention rate (%)	89	91	●
	Total number of employees ashore	312	308	
	Gender diversity (%) all levels, ashore, including senior management	36	38	
	% of employees with seagoing experience	29	27	
	Total number of new hires	45	92	
	Total number of internships	6	3	
	Total number of employee turnover	48	N/A	
	Percentage of office employees covered by collective bargaining agreements	100%	N/A	
	Percentage of seafarers covered by collective bargaining agreements	100%	N/A	
	Total number of onboard drills per vessel	100	88**	
	Number of onboard internal audits	108	73	
	Number of port state control deficiencies and other deficiencies	281***	194	●
	Number of serious marine incidents	1	6	●
	Lost time injury (LTIF) rate per 1,000,000 manhours	0.20	0.21	●
	Total Recordable Cases Frequencies (TRCF) per 1,000,000 manhours	0.59	0.62	
Governance	% port calls in countries that have the 20 lowest rankings in the CPI	11.1	15	●
	Amount of legal and regulatory fines associated with bribery or corruption	0	0	●
	Number of controls and process tests conducted	204	195	
	Number of material weaknesses or deficiencies	0	0	

* Fleet size at year-end.
** Restatement of information: The provided value represents the total number of onboard drills per vessel conducted in 2021 considering ships operated both by Technomar and by other third party managers.
*** The increased number of deficiencies compared to 2021 derives from the fact that PSC inspections resumed in the post-Covid era.

About GSL

We promote a diverse and inclusive environment

3,071
Total number of seafarers

312
Employees ashore

2
offices

25
Nationalities on board our ships

36.2 %
Proportion of female office-based employees

45
New hires in 2022

90
Countries visited in 2022

Includes Global Ship Lease, Technomar, ConChart, and seafarers on our ships.

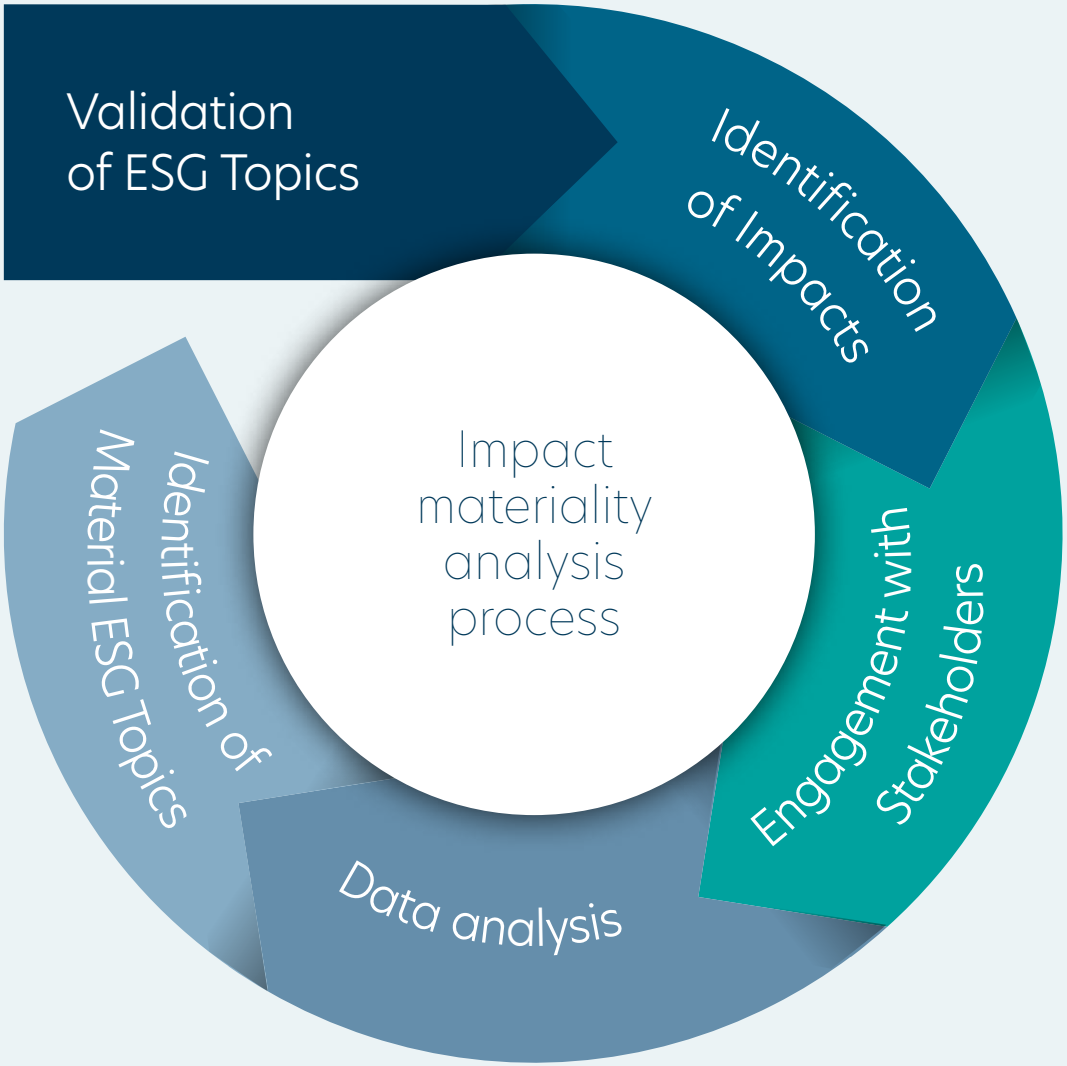
2 Materiality analysis

Materiality analysis

Impact materiality analysis process

Our ongoing goal is to embed ESG at the heart of our business strategy and processes in order to build sustainable value. To facilitate this, we periodically approach our stakeholders to better understand the materiality of ESG topics to them. For this year's report, we have refined our methodology for determining materiality in accordance with the Global Reporting Initiative (GRI) 3: Material Topics 2021 Standards. These standards introduce the "impact materiality" approach and require organizations to identify, assess, and manage the ESG-related impacts associated with their business activities.

Incorporating this new methodology, we have taken into account the positive and negative impacts - both actual and potential - of our business practices, operations, and value chain on the broader economy, environment, society, and individuals - including human rights. Furthermore, we continuously monitor the rapidly evolving regulatory environment in order to adjust our strategy and business activities appropriately.



Materiality in the context of GRI & SASB ESG reporting guidelines.

Materiality analysis

Our key stakeholder groups

Employees

- Seafarers
- Office employees
- Crewing Agents

Community and Society

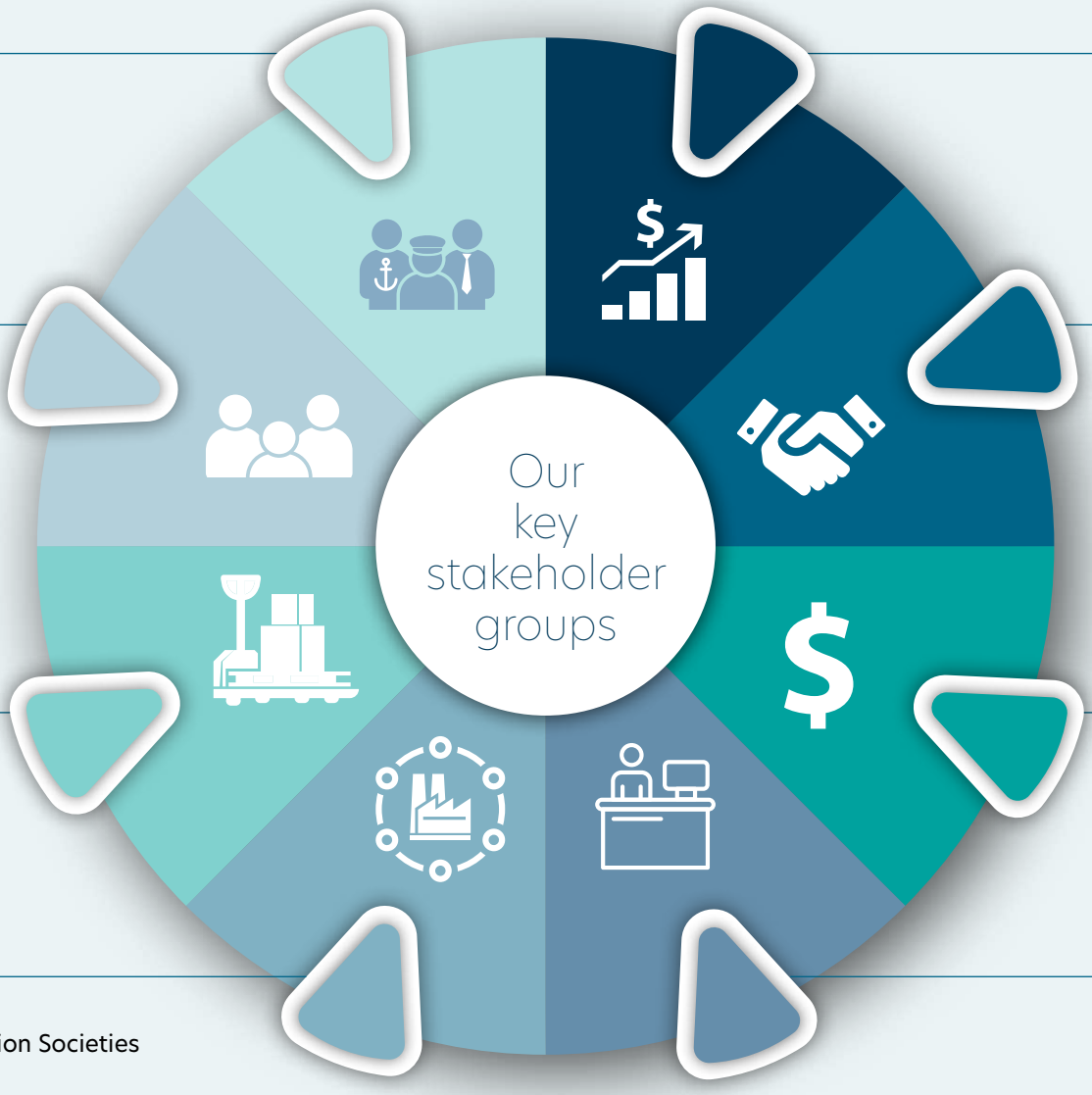
- Community Representatives
- Academic institutions
- Media Organizations

Suppliers

- Ship Brokers
- General suppliers

Industry Organizations

- Industry Analysts
- Insurers
- P&I clubs
- Classification Societies



Shareholders/Investors

- Equity Investors
- Credit Investors

Customers

- Charterers / Liner Operators
- Ship Brokers

Financial Institutions

- Commercial Lenders & Financial Lessors
- Investment Banks
- Financial Analysts

Authorities

- IMO
- Flag States
- Port Authorities

Materiality analysis

Overview of results and material topics

The following table presents an overview of our material sustainability topics and their associated impacts. The table provides a comprehensive summary of the significance and scope of each impact, along with the connection between our material topics and the United Nations Sustainable Development Goals (SDGs).

	Material Topics	Impacts	Nature of impact	Significance*	Link to UN SDCs
Environment	Greenhouse Gas (GHG) emissions and air pollution	Reduction of fleet's carbon intensity, through the implementation of our Climate Strategy.	Positive Potential	2.82	
		Increased emissions of air pollutants per vessel due to the use of conventional, fossil-based fuels - if such emissions were to be un-mitigated.	Negative Potential	2.66	
	Marine environment and biodiversity	Protection of aquatic life, through the responsible management of ballast water and the reduction of underwater radiated noise levels.	Postitive Actual	2.80	
		Degradation of the marine environment due to incidents of fuel and lubricant spills into the ocean.	Negative Potential	2.74	
Social	Occupational health, safety and security	Improved health, safety and security, through the adoption of proactive safety measures, the implementation of onboard internal audits and inspections, and "extra mile" measures beyond regulatory requirements.	Postitive Actual	2.78	
		Failure to protect employees' health and safety in case of increased work-related accidents caused by the inadequate monitoring of hazards or the absence of a Health and Safety Management system.	Negative Potential	2.63	
	Employee wellbeing and benefits	Improved employee satisfaction and working conditions, through the provision of benefits and the implementation of initiatives that promote work-life balance.	Positive Potential	2.77	
	Human rights	Protection of human rights, through the adoption of a clear code of conduct & business ethics, supported by a whistleblowing policy and appropriate whistleblowing channels.	Postitive Actual	2.82	
		Discrimination and harassment incidents in case of inadequate processes, lack of training, and/or limited awareness on sensitive matters.	Negative Potential	2.65	

* Using a three-point scale to determine significance, all topics were assigned a combined score of 2.35 and above, with the results showcasing their importance. Following best practice and to determine the list of material topics, the materiality threshold was set at 2.70, capturing seven out of the sixteen topics taken into consideration.

Materiality analysis

Overview of results and material topics

	Material Topics	Impacts	Nature of impact	Significance	Link to UN SDCs
Governance	Corporate governance, ethics, and transparency	Promotion of a strong culture of ethical business conduct, integrity, and accountability, through transparent disclosure practices and regular engagement with the Company's stakeholders.	Postitive Actual	2.79	8, 16, 17
		Increased oversight of ESG related matters and performance, through top-down engagement including the establishment of an ESG Committee at Board level.	Postitive Actual	2.74	
		Code of Business Conduct and Ethics violations in case of a lack of transparent disclosure practices and policies related to corruption, fraud and bribery.	Negative Potential	2.57	
	Regulatory compliance	Regulatory compliance, through appropriate oversight of legal and regulatory requirements.	Postitive Actual	2.86	16, 17
		Penalties and/or disruptions to the Company's operations in case of inadequate internal controls and/or oversight of legal and regulatory requirements.	Negative Potential	2.64	

The impact materiality assessment incorporated a total of 31 impacts, which were grouped into 16 distinct topics: five environmental, seven social, and four governancerelated. The following topics, despite not meeting stakeholders' aggregated significance thresholds, are nevertheless considered important to achieving the Company's business objectives:

(i) Responsible waste management and recycling;
(ii) Responsible ship recycling;
(iii) Research, innovation and clean technologies;
(iv) Diversity and inclusion;
(v) Responsible labor practices;
(vi) Sustainable procurement practices;
(vii) Community investments;
(viii) Cyber security and data protection; and
(ix) Financial performance and commercial strategy.

Materiality analysis

Supporting the United Nations Sustainable Development Goals

We have incorporated the United Nations Sustainable Development Goals (UN SDGs) adopted by IMO within our thinking and are guided by them when conducting our business operations in order to help stimulate sustainable development.

3 Climate strategy

Climate strategy

Our industry

The container shipping industry forms a key part of the global supply chain linking the producers and consumers of goods: over 80% of physical global trade is carried by sea, and around 90% of non-bulk seaborne cargo is carried by containership. In 2022, containerships are estimated to have carried 213 million TEU, equating to about 1.9 billion tonnes of containerized cargo.
The industry is a contributor to the United Nations Sustainable Development Goals, especially those associated with poverty alleviation, economic growth, and infrastructure.

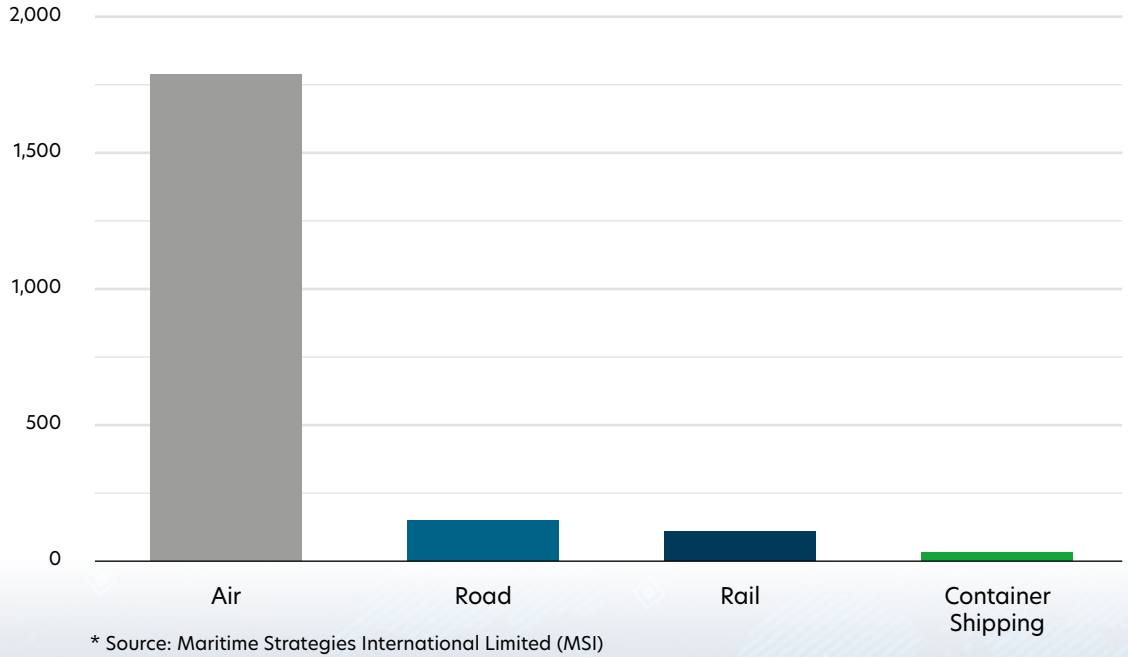
Decarbonizing shipping

Shipping represents a low carbon form of transportation, particularly when compared to emissions associated with moving comparable volumes of cargo over the equivalent distances using other common modes of freight transport such as air, road, or rail. Nevertheless, shipping (across all sectors) is responsible for approximately 3% of the world's total Greenhouse Gas (GHG) emissions.

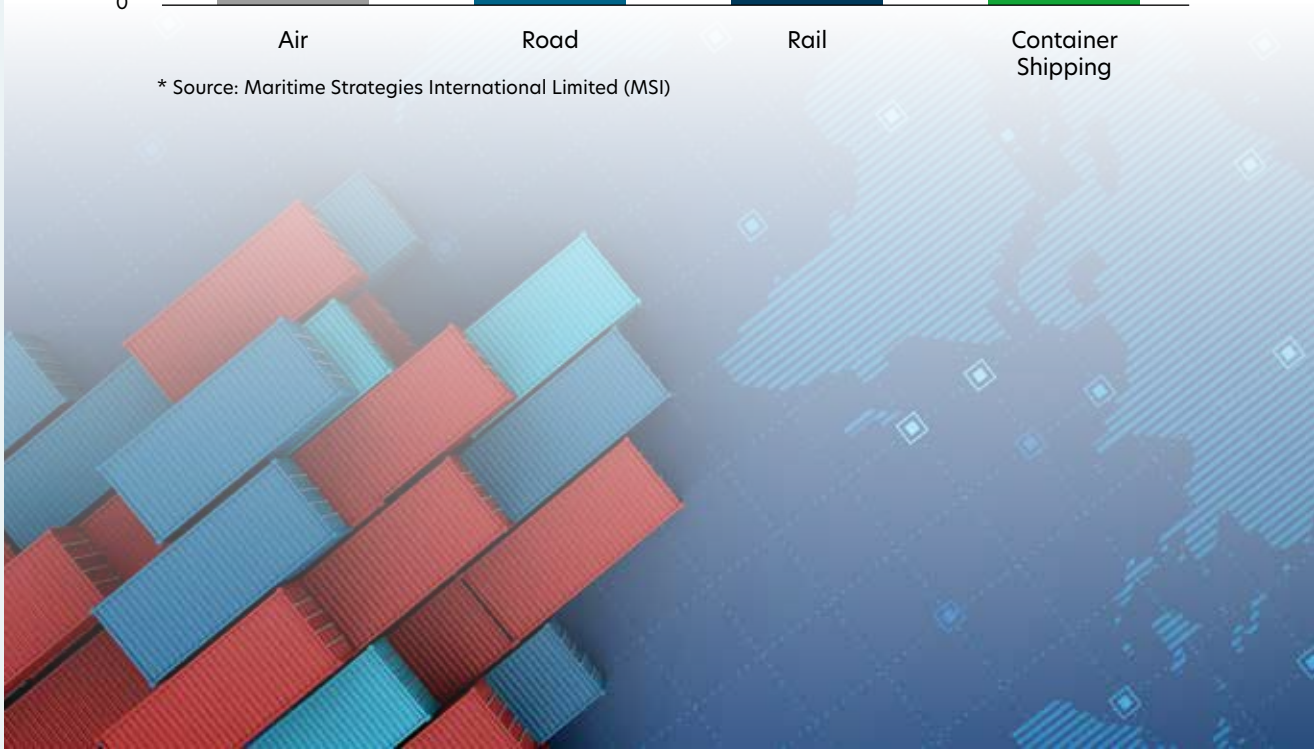
Decarbonizing shipping and helping to reduce the carbon footprint of the global supply chain, is increasingly understood to be an important step towards minimizing the negative effects of climate change.

> **Multiple regulatory bodies, industry organisations, and companies are setting decarbonization targets and taking action accordingly.**

Illustrative emissions by transport mode (gr CO_2 / Tonne-Km)*



* Source: Maritime Strategies International Limited (MSI)



Climate strategy

Complying with evolving regulatory requirements

International Maritime Organization (IMO)

- In 2018, the IMO, shipping's global regulator, adopted a strategy for the reduction of GHG emissions from ships, targeting an absolute reduction of 50%, v. 2008 levels, by 2050. Simultaneously, a reduction in carbon intensity of at least 40% by 2030 was targeted, with further efforts towards a reduction of 70% by 2050. In 2023, the IMO published a revision to its earlier GHG reduction strategy, setting a more ambitious target for reaching Net Zero emissions from international shipping by around 2050 and committing to the uptake of alternative zero and near-zero GHG fuels by 2030.

- In 2021, the IMO adopted amendments to the MARPOL convention that require ships to combine technical and operational measures to reduce their carbon footprint.

  - **Technical:** the Energy Efficiency Existing Ship Index (EEXI) reflects the energy efficiency of a ship in relation to an established baseline, and is determined by the technical characteristics of that ship. EEXI entered into force from January 1, 2023, and the most common and cost-effective compliance measure involves the retro-fitting of Engine Power Limiters (EPLs) to ships' main engines.

  - **Operational:** The Carbon Intensity Indicator (CII) is a measure of how efficiently a given ship is operated and is expressed in terms of grams of CO_2 emitted per unit of cargo carrying capacity per nautical mile. Consistent with the IMO's carbon intensity reduction goals, ships will be obliged to progressively reduce their carbon intensity by 2% year-on-year from 2023 through 2026. Attaining and maintaining favourable CII ratings require close cooperation between ship owners (lessors) and operators (lessees) to optimize the energy efficient-operation of ships.

European Union (EU)

- In 2019, the European Commission formulated the Green Deal with the aim of making the European Union climate-neutral by 2050. A prominent goal is to reduce CO_2 emissions from transport by 90%, v. 1990 levels, by 2050. Regulations incorporated within the Green Deal require increased transparency on ESG data across all business sectors, including shipping.

- To complement the Green Deal, the EU is implementing a taxonomy focused on sustainable investments, intended to direct funding towards climate-friendly activities.

- In 2021, the European Commission published "Fit for 55": an update to the Green Deal, targeting a 55% reduction in carbon emissions by 2030. The Fit for 55 legislative package covers a wide range of areas including energy efficiency, renewable energy, land use, energy taxation, effort sharing, and emissions trading – with shipping to be included within the EU Emissions Trading Scheme (EU ETS) from 1 January 2024 onwards. Under EU ETS, companies receive or procure Emission Allowances (EUAs) which must be surrendered on an annual basis. EUAs are tradeable, and their issuance is capped - with the cap reducing year-on-year in order to drive a reduction in emissions. Supply-demand dynamics, together with regulatory and political pressure, are expected to increase the cost of EUAs over time. In the maritime sector, EU ETS will cover CO_2 emissions from ships over 5000 gross tons: 100% of emissions generated during voyages within the EU, and 50% of emissions from voyages commencing, concluding, or transiting within the EU while concluding or commencing elsewhere. EU ETS will also encompass emissions from ships while they are berthed in EU ports. An additional component of the EU's Fit for 55 package, FuelEU Maritime, is expected to be implemented from 2025. FuelEU Maritime is a "well-to-wake" (full fuel life-cycle) initiative aimed at promoting the utilisation of genuinely renewable and low-carbon fuels, thereby mitigating greenhouse gas emissions within the maritime industry.

Climate strategy

Complying with evolving regulatory requirements

Other illustrative national and pan-national initiatives

- The governments of Denmark, Norway, and the United States, along with the Global Maritime Forum (representing the Getting to Zero Coalition) and Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, have established an international public-private partnership – the "Zero-Emission Shipping Mission". By 2030 the Mission aims to introduce commercially viable zero-emission vessels to the global fleet, scale up efficient production of zero-emission fuels, and establish global port infrastructure to support vessels operating on zero-emission fuels. Throughout the past period, Germany, Canada, uropean Commission, France, Ghana, Republic of Korea belong to the Mission Support Group; Australia, India, Morocco, Singapore, and the United Kingdom are Core Mission Members.

- China has released a national action plan for carbon emissions to peak by 2030, with carbon neutrality to be achieved by 2060. In relation to the domain of shipping, China has focused on accelerating the process of modernizing outdated vessels, fostering the production of electrically-powered and liquefied natural gas-fueled ships. In parallel, the adoption of cold ironing by ships during their stay at ports, is promoted. Additionally, extensive initiatives towards the support and operation of environmentally-friendly and intelligent ships along the coastline and inland waterways, are being conducted, taking into account the unique conditions of the region. In 2021, the Shanghai Emissions Trading System (ETS) incorporated local shipping companies and ports into its carbon emissions allowance management unit list. This development suggests the possibility of a broader expansion of the national ETS.

- The United Kingdom has established a Net Zero Strategy, targeting Net Zero emissions by 2050. In the maritime sector, the UK introduced the Zero Emission Vessels and Infrastructure (ZEVI) initiative in February 2023, which is intended to foster environmentally sustainable maritime transport - aligned with the objective of limiting global temperature increase to 1.5 °C, as outlined in the Paris Agreement.

- The Maritime and Port Authority of Singapore (MPA), in consultation with industry partners, has published the Maritime Singapore Decarbonization Blueprint 2050, identifying seven focus areas to drive the decarbonization of the maritime industry by 2050.

- In 2022, the United States government established the Inflation Reduction Act (IRA): legislation to address the climate crisis and facilitate a pathway towards achieving a net-zero economy by 2050. Among other things, the IRA includes the Energy Infrastructure Reinvestment (EIR) loan program. This initiative aims to support the retooling, repowering, repurposing, or replacement of energy infrastructure that has ceased operations or to enhance the cleanliness and efficiency of existing infrastructure that is currently operational. Carbon Capture and Storage (CCS) is also an important plank of the IRA legislation.

Poseidon Principles and other finance sector initiatives

- In June 2019, the Poseidon Principles were developed by a group of leading lenders to the shipping industry to provide a framework for integrating climate considerations into lending decisions and to promote the decarbonization of international shipping. The Principles are consistent with the IMO's decarbonization goals. At the time of writing of this report, there were 30 signatories to the Poseidon Principles – jointly representing approximately $ 200 billion in shipping finance.

- The Climate Bond Standard, as part of the Climate Bonds Initiative, and the Green Bond Principles of the International Capital Market Association (which overlap with the Poseidon Principles), are examples of frameworks developed in recent years to promote sustainable, environmentally-responsible finance.

Climate strategy

Our approach to decarbonization

We take a full life-cycle approach to the carbon footprint of ships: considering the impact of building and recycling ships, as well as operating them. We see expanding the economic life of existing ships - while enhancing their energy-efficiency and optimizing their operation - until next-generation sustainable fuels and propulsion technologies become well-established, commercially available, and economically viable, as being both environmentally sensible and financially prudent.

We continuously monitor our performance and apply measures to improve our carbon footprint.

Recognizing the challenges and implications of climate change, and the significant value of transitioning shipping to a decarbonized future, we are a committed member of the **"Getting to Zero Coalition" (GTZ)**, a partnership between the Global Maritime Forum and the World Economic Forum. GTZ is committed to getting commercially viable, deep-sea, zero-emission vessels, powered by zero-emission fuels, into operation by 2030.

GLOBAL MARITIME FORUM

Getting to Zero Coalition

In 2021, we became signatories of the Call to Action for Shipping Decarbonization on world leaders to:

- **Commit to decarbonizing international shipping by 2050** and deliver a clear and equitable implementation plan to achieve this when adopting the IMO GHG Strategy in 2023.
- **Support industrial scale zero emission shipping projects** through national action, for instance by setting clear decarbonization targets for domestic shipping and by providing incentives and support to first movers and broader deployment of zero emissions fuels and vessels.
- **Deliver policy measures** that will make zero emission shipping the default choice by 2030, including meaningful market-based measures, taking effect by 2025 that can support the commercial deployment of zero emission vessels and fuels in international shipping.

Climate strategy

Our approach to decarbonization

Our decarbonization strategy

Our target is to achieve Net Zero carbon emissions by 2050. Our decarbonization strategy is phased, in accordance with the following underlying principles:

- We believe that improving the energy efficiency, and reducing the emissions, of existing ships provides the most immediate and tangible societal benefits and economic returns. We estimate that technical enhancements and operational adjustments can improve the energy efficiency of existing ships by up to 20%.
- We take a full life-cycle approach to ships, considering the carbon footprint associated with their construction, operation, and eventual recycling. Ships are long-lived assets, requiring that a multi-decade view be taken on the fuel and propulsion technology of newbuildings.
- We take a well-to-wake (full life-cycle) approach to green fuels. Next-generation fuels will only be genuinely sustainable if they are produced in a sustainable manner, using renewable energy.
- It is not yet clear which will be the industry's fuels of the future. A non-exhaustive list of potential alternatives includes LNG (although primarily as a transition fuel), ammonia, hydrogen, methanol, bio-fuels, battery-hybrids, and nuclear.
- It will take time for infrastructure to be built to support the production, distribution, commercialization, and widespread adoption of next-generation fuels. Current consensus forecasts are that the inflection point for such adoption will be around 2030.
- Decarbonizing the supply chain will depend upon a high level of cooperation between all energy- and supply-chain participants.

2021-2023

Set target to achieve net zero carbon emissions by 2050

Craft decarbonization strategy, phased to align with underlying principles:

- Near term, through **~2030**
- Long term, through **2050**

2030

Regulatory compliance

Optimization of existing fleet and processes through technical and operational enhancements

Incremental improvement in emissions profile through selective growth and fleet renewal with more energy-efficient assets

Maximization of flexibility to adapt to the industry's evolving propulsion trends

2050

Net Zero by 2050

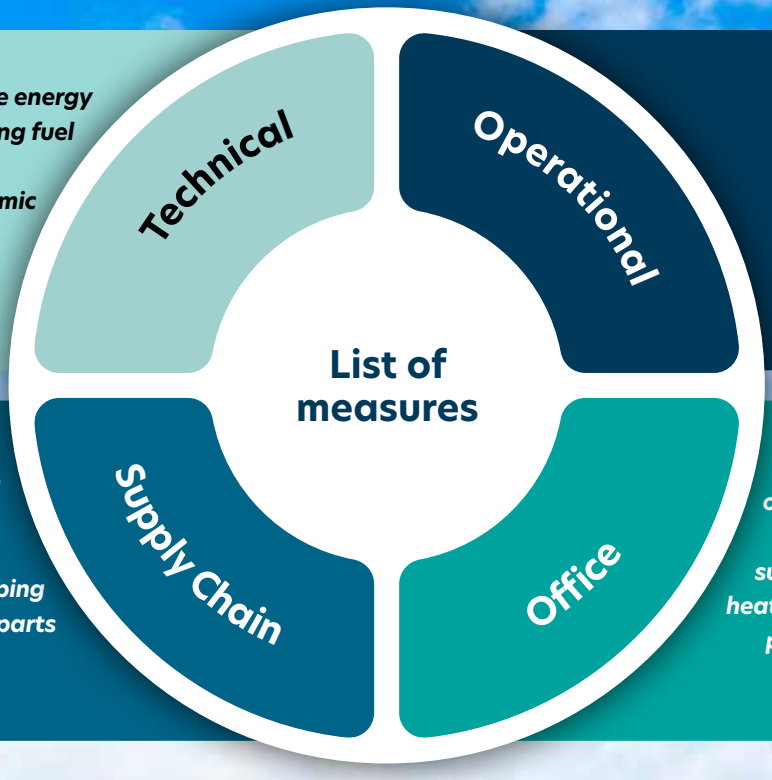
across our operations and supply chain

Fleet renewal with next-generation green assets

Climate strategy

Our approach to decarbonization

Near term decarbonization measures



Measures that will improve the energy efficiency of our ships - reducing fuel consumption and emissions - by enhancing their hydrodynamic profiles, optimizing their main and auxiliary engines, and reducing their energy loads

Measures that will improve the operational profile of our ships, leading to reduced fuel consumption and CO_2 emissions

Measures related to optimizing the procurement-to-delivery cycle to reduce the carbon footprint associated with keeping our ships supplied with spare parts and provisions

Measures related to daily office activities that affect our environmental performance, such as reducing electricity and heating oil consumption, reducing paper use, improving recycling practices, etc.

We take a holistic approach to decarbonization, endeavoring to reduce our footprint across all our activities. However, we recognize that improving the energy efficiency, and reducing the emissions, of our fleet will have the most meaningful and positive impact in absolute terms.

Climate strategy

Our approach to decarbonization

The four pillars to our fleet decarbonization strategy, and progress to date*

01. ESTs

- Existing ships fitted with Energy-Saving Technologies (ESTs).
- Increase capacity of existing ships to reduce emissions per tonne-mile.

➔ **ESTs installed and capacity enhancements implemented: 263.****

02. Data

- Install emissions-monitoring systems.
- Implement real-time automated data capture and live performance management systems.

➔ **Monitoring systems installed: 65.**

➔ **Live performance management systems installed: 8.**

03. Fuels

- Make existing fleet low-carbon bio-fuel ready.
- Explore scope to retro-fit existing ships to be methanol-compatible.

➔ **Ships ready for bio-fuel trials: 38.**

04. Carbon capture

- Support research and development efforts focused on marinizing carbon capture and storage (CCS) technology.
- Support efforts to create a virtuous cycle between carbon capture and green methanol synthesis.

➔ **Co-invested in promising CCS venture.**

* Through June 30, 2023.
** Does not include Engine Power Limiters (EPLs) installed for EEXI compliance.

Climate strategy

Our approach to decarbonization

The following table presents measures supporting our near term climate strategy for our fleet.

Measures supporting our near term climate strategy for our fleet

Area of Enhancement	Measure	Description
EST: Hydro-Dynamics	ECO-Bow	Retrofitting bulbous bows optimized to minimize water resistance at speeds and drafts matching the required operating profiles of vessels, thus reducing fuel consumption and emissions
EST: Hydro-Dynamics	ECO-Propeller	Installing propellers optimized to match the required operating profiles of vessels, improving efficiency, and thus reducing fuel consumption and emissions
EST: Hydro-Dynamics	PSV / HVAF	Enhancing propeller efficiency through the installation of PSVs (Pre-Shrouded Vanes) and HVAFs (Hub Vortex Absorb Fins)
EST: Hydro-Dynamics	Enhanced Hull Coatings	Applying high-specification hull coatings (often silicon-based) to reduce water-resistance, hull-friction, and drag during vessel operations - thus reducing fuel consumption and emissions
EST: Hydro-Dynamics	Trim Optimization	Installing TROP systems to optimize trim and ballast to improve ships' hydro-dynamic profiles, thus reducing fuel consumption and emissions
EST: Engines & Machinery	Main Engine De-Rating (EEXI-Compliance)	Reducing the upper limit of the Maximum Continuous Rating (MCR) of ships' main engines, in order to reduce fuel consumption and emissions. Where required, EPLs (Engine Power Limiters) are installed to limit MCR and ensure compliance with the IMO's EEXI regulations
EST: Engines & Machinery	Turbocharger Cut-Outs	Installing turbocharger cut-outs further enhances the fuel economy, and thus energy efficiency, of de-rated main engines
EST: Engines & Machinery	Electronic Engine Control	Electronic engine control improves dynamic tuning, optimizes the combustion cycle, and improves overall engine efficiency to reduce fuel consumption and emissions
EST: Engines & Machinery	Machinery Optimization	Installing "intelligent combustion" systems on ships' main engines reduces fuel consumption by optimizing engine efficiency through the load spectrum, and especially at lower engine loads associated with slow steaming. Variable Frequency Drives (VFDs) improve the energy efficiency of water pumps and ventilation fans
EST: Engines & Machinery	Shaft Generators	Shaft generators are driven by ships' main engines, in conjunction with propeller shafts, providing electrical power more efficiently (and thus at lower fuel consumption) than that provided by diesel generators
EST: Engines & Machinery	Alternate Marine Power	Alternate Marine Power (AMP), also known as "cold ironing", significantly reduces emissions when ships are operating at ports and terminals by allowing those ships to "plug in" to shoreside power infrastructure

Climate strategy

Our approach to decarbonization

Measures supporting our near term climate strategy for our fleet

Area of Enhancement	Measure	Description
EST: Engines & Machinery	Slide-Type Fuel Valves	Installing slide valves improves fuel injection efficiency, combustion efficiency, and combustion cleanliness – improving engine efficiency and reducing emissions
EST: Engines & Machinery	LED Lighting	Replacing conventional lighting aboard ships with LED lighting increases energy efficiency and improves longevity, lengthening replacement cycles
Data: Monitoring	Reporting Tools (CII & EU-ETS Compliance)	Through installation of the RINA CII-reporting tool we expect to accurately monitor the emissions and CII rating profiles of our ships, and to take pro-active measures, in collaboration with our charterers, to ensure regulatory compliance and operational enhancement. We also expect the RINA tool to support our reporting obligations under EU-ETS. RINA is our MRV & IMO/DCS verifier, which should ensure seamless data flow
Data: Optimization	Live Performance Management Tools	We believe that the installation of automated data capture & real time performance monitoring systems on our ships will allow us to gather and analyze data, and take pro-active and collaborative measures to optimize vessel operations and materially improve energy efficiency over time
Data: Optimization	Optimization Tools	Optimization tools include Weather Routing - to reduce exposure, where possible, to heavy adverse weather that would otherwise cause fuel burn to increase; and Speed Optimization – to identify and, where possible utilize, the optimum speed for a given hull form, cargo load, and cargo route whereby the fuel used per TEU-mile is minimized without compromising contractual commitments
Fuels: Bio-Fuel / Blends	Compatibility Measures	The well-to-wake emissions footprint of our ships can be reduced through the use low carbon index bio-fuel blends. To become bio-fuel compatible, ships may require structural modifications to fuel tanks in addition to the adoption of special fuel protocols. Among others, approvals are also required from main engine makers, Class, and insurance underwriters
Fuels: Sulphur Content	Low Sulphur Emissions (Compliance)	Our ships use low-sulphur fuel, unless fitted with exhaust gas cleaning systems ("scrubbers"), in order to reduce sulphur emissions and comply with IMO 2020 regulations
General	Capacity Enhancement	Increasing ships' Deadweight (DWT), via Scantling Draft re-assessment, can improve cargo carrying capacity and thus reduce fuel consumption (and emissions) per tonne-mile / TEU-mile of transport work
General	Energy Awareness Training	Increasing the awareness and skillsets of our crew to improve the energy-efficient operation of our ships

Climate strategy

The importance of cooperation

Operational and technical enhancements that improve the energy efficiency of a ship result in lower emissions as a consequence of reduced fuel consumption. The economic benefits of reduced fuel consumption accrue to the operator (lessee) of that ship.

Successful decarbonization of the global containership fleet will thus require close cooperation between containership owners (lessors), such as Global Ship Lease, and the container shipping lines chartering and operating the ships (lessees), to ensure that environmental and economic incentives are appropriately aligned with the "polluter pays" principle.

We apply the following criteria when assessing vessel enhancements in conjunction with our customers:

CAPEX (k$): Required investment

Savings (k$): Savings unlocked by the respective measure: primarily fuel related

Emissions Reduction (%): Reduction in GHG emissions facilitated by the respective measure; closely correlated to reduction in fuel consumption

Payback Period (years): Time period needed to pay back the initial investment. assuming CAPEX and savings are linked to the same party (a key commercial discussion point)

Lead Time (months): Time required to analyse and test prospective energy-enhancements, and to source and install the required technology. Where commercially and operationally possible, ESD retro-fitting will be timed to coincide with ships' regulatory / scheduled dry-dockings

Vessel Age (years): Linked to payback period: EST economics must be value accretive within the respective ship's expected lifetime

Climate strategy

Our decarbonization R&D budget and investment in carbon capture

Meeting the evolving regulatory and commercial requirements for decarbonization will require innovation. To this end, in 2022 we established a research and development (R&D) budget to allow us to support selective investment in promising, value-enhancing decarbonization initiatives.

One of the biggest challenges faced by the shipping industry on the road to decarbonization is to adapt to what is likely to be a non-standardized, multi-fuel environment in the future – with each fuel type requiring its own infrastructure, propulsion technology, safety protocols, training, and all else that such a fundamental shift involves.

Successfully navigating such complexity will take time. Industry bodies consider that a 5 - 10% adoption rate of clean fuels by the industry by 2030 would be a success.

We believe that **carbon capture** potentially offers a powerful, and more rapidly available tool to mitigate exhaust gas emissions as the industry transitions to the clean fuels of future.

Although not without technological challenges of its own, a compelling advantage of carbon capture is that, almost regardless of the initial fuel input, the output of combustion is a **standardized and well-understood carbon dioxide molecule**. And, as demonstrated by container shipping itself, standardization can unlock a virtuous cycle: reducing costs and facilitating and accelerating the build-out of support infrastructure and services.

In May 2022, we announced our investment in a carbon capture initiative led by Aqualung Carbon Capture AS. Aqualung is recognized as a pioneer in membrane carbon dioxide capture and separation technology, and our participation in this initiative is alongside other prominent industry leaders in shipping, energy generation, infrastructure, and lithium production. The targeted outcome of this collaboration is the development of containerized carbon capture units that can be retrofitted to containerships and other seagoing vessels.

We believe that such a technology can play a central role in **extending the lives of existing ships** by significantly mitigating their emissions and increasing their competitiveness in an increasingly carbon-regulated environment – which is a key step, in our view, in transitioning to a **decarbonized future**.

Leveraging real time data and AI to improve operations and unlock savings

Data is one of the four pillars of our decarbonization strategy. We are in the process of installing automated data capture and live performance management systems on our fleet. These systems will allow us to source, share, and analyze ever richer data sets in real time. As Artificial Intelligence (AI) and Machine Learning capabilities and applications continue to evolve, we expect to unlock increasing decarbonization, operational, commercial, and economic benefits from this data. Clear potential areas of opportunity in the near-to-medium term include efficiency-enhancements through routing optimization, operational smoothing and cooperation, pro-active maintenance, and increasingly automated emissions monitoring and regulatory disclosure. Over a longer time-frame, the scope and potential for additional benefits are very considerable.

Our participation in the voluntary carbon market

In order to help fund the acceleration of our decarbonization initiatives, we are working with third party specialists to participate in the voluntary carbon markets. **Marsoft's GreenScreen** allows shipowners like us to calculate the fuel saving and emissions reductions that can be expected from retrofitting ships, and to earn carbon credits to offset the cost of those retrofit investments. Developed in collaboration with the Massachusetts Institute of Technology SeaGrant Design Laboratory, and delivered jointly with **ClimeCo**, a global sustainability company, GreenScreen is a rigorously audited way to assist owners in funding shipping retrofits by issuing carbon credits in compliance with the Gold Standard (a certification body established by the World Wildlife Fund). We believe that carbon credits are consistent with our full asset life-cycle approach to decarbonization, and will support our efforts to extend the life of existing ships while at the same time reducing their carbon footprint.

4 Environment

Related SDGs

Environment

Container shipping is a low-carbon form of transportation, with significantly lower greenhouse gas (GHG) emissions per ton-mile of cargo carried than that of other common modes of freight transport.

Over 80% of physical global trade is carried by sea, and around 90% of non-bulk seaborne cargo is carried by containership.

We consider protection of the climate in general, and of the marine environment in particular, to be of fundamental importance. We have established policies and procedures that go beyond regulatory requirements to proactively mitigate the environmental impact of our operations.

The shipping industry currently faces an energy transition challenge and there is an increased regulatory pressure, heavily focused upon emissions reduction.

GSL is closely following all regulatory developments and taking the appropriate steps to adjust our business strategy and operations accordingly.

Please refer to the climate strategy section of this report for further details.

GSL Climate strategy

Although emphasis is placed on the reduction of GHG emissions and the improvement of our fleet's energy efficiency, our approach also encompasses other environmental considerations, such as water and waste management, biodiversity protection, and responsible ship recycling.

Key elements of our environmental approach include:

- Embedding Environmental Management Systems (EMS) in accordance with ISO 14001 :2015 and ISO 50001:2011.
- Implementing environmental and energy efficiency programs and taking measures, focused on continuous improvement of energy efficiency and minimization of GHG emissions, discharge, and waste.
- Setting clear targets for the improvement of environmental performance, and the embedding of best practices for operational management.
- Promoting a culture of environmental awareness both on shore and at sea.

Environment

Complying with environmental regulations

Compliance with environmental regulations is of fundamental importance for the integrity of our business. In 2022, zero environmental fines and incidents of non-compliance were recorded.

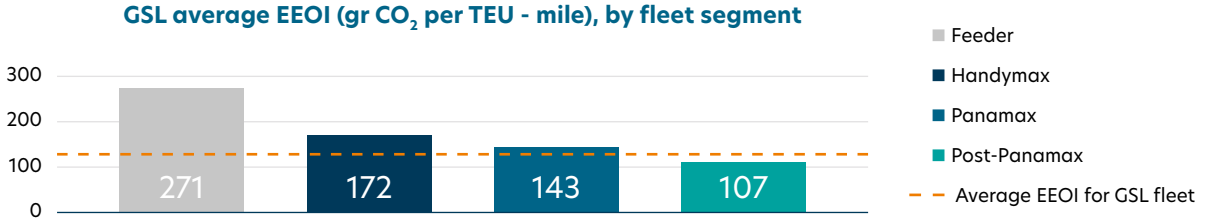
0 Environmental fines

0 Incidents of non-compliance

Regulation	Description	Our response
Inventory of Hazardous Materials (IHM)	A regulation to control hazardous materials on board ships for EU Ship Recycling Regulations (EU SRR) and the Hong Kong Convention (HKC) for the Safe and Environmentally Sound Recycling of Ships. Any ship which is 500 GT or over, regardless of flag, will require a valid and certified IHM on board if calling at an EU port or anchorage. Non-EU flagged vessels can also be certified against EU SRR by complying with the HKC IHM requirements. Entry into force for IHM compliance with EU SRR: December 31, 2020.	We recycle scrap during hull repairs and maintenance and engage in environmentally sound ship recycling contracts. All our ships hold a verified IHM certificate.
Emission Trading Scheme (ETS)	Maritime shipping will also be included in the EU Emission Trading Scheme (EU ETS) as of January 1, 2024 with a phase-in period. Shipping companies will need to purchase and surrender emission allowances (EUAs) that represent their MRV-recorded carbon emission exposure for a specific reporting period.	We are reinforcing our existing emissions data capture and reporting protocols, establishing EUA trading and compliance accounts, and liaising with our Charterers to facilitate the appropriate recovery and submission of EUAs.
MARPOL Annex VI 0.50% sulphur limit	A regulation intended to reduce the amount of sulphur oxide emissions from ships - either by adopting alternate fuels (e.g. LNG), or installing Exhaust Gas Cleaning Systems (EGCS / scrubbers), or by using fuel oil with a Sulphur content of no more than 0.50% m/m (mass by mass). Entry into force: January 1, 2020.	We have switched to high-quality, low-Sulphur fuels to meet the Sulphur emissions limits. Two of our ships are retrofitted with scrubbers.
IMO Strategy on reduction of GHG emissions from ships	The IMO aims to achieve Net Zero GHG emissions from international shipping around 2050 and a reduction in carbon intensity of 40% by 2030 (v. 2008). Entry into force: October 2018; accelerated (2050) net zero goal ratified in 2023.	We are committed to meet the IMO's ambitious 2030 and 2050 targets by working with industry peers and stakeholders to make decarbonized deep-sea shipping commercially viable.
IMO Ballast Water Management Convention	Sets standards for proper management of ballast water and sediments to prevent the spread of harmful marine species. Entry into force: September 8, 2017.	We implement strict Ballast Water Management Plans, maintain appropriate Ballast Water record books, and have scheduled to equip all of our vessels with Ballast Water Treatment systems by end-2023.
Energy Efficiency Existing Ship Index - (EEXI)	EEXI is a technical metric. All vessels above 400 GT in size are required to comply with the MARPOL Convention amendments and calculate the Energy Efficiency Existing Ship Index (EEXI), that measures the theoretical energy efficiency of ships. Entry into force from January 1, 2023.	We have calculated the EEXI values for our ships, with those values being verified by classification societies. Where required, we will fit Engine Power Limiters (EPLs) to our ships to ensure EEXI compliance.
Carbon Intensity Indicator (CII)	CII supports the IMO's objective to reduce the GHG emissions of the shipping industry. It is expressed in grams of CO_2 per deadweight-nautical mile, and it is a measure of vessel efficiency of CO_2 emitted in transporting cargo. The CII and CII rating scheme will apply to all ships of 5,000 GT and above. The annual operational CII achieved will be required to be documented and verified against the required CII. Entry into force: from January 1, 2023. Note that CII assessments are backward-looking, so first rating will be given in the first half of 2024 based on the 2023 reporting year.	We have installed systems to monitor the CII performance of our ships on an ongoing basis, and are liaising with our Charterers to improve vessels' operating profiles, and their corresponding CII ratings, where appropriate and possible. The methodology used for the calculation and reporting as well as the annual operational CII will be included in the revised Ship Energy Efficiency Management Plan (SEEMP) for each vessel.
Cyber Security	The IMO adopted a resolution on Maritime Cyber Risk Management, that requires ship owners and managers to assess cyber risk and implement relevant measures across all functions of their safety management system, until the first Document of Compliance after 1 January 2021.	We monitor Information Technology (IT) risks and initiate actions for mitigation to eliminate all significant threats to our business activities. We have developed specific policies to ensure the appropriate use, handling, storage and protection of sensitive information, and review such policies on a regular basis.

Environment

Energy efficiency and GHG emissions



We aim to protect the environment while simultaneously improving our fleet's operating performance. To this end, we constantly seek and assess potential operational and technical initiatives to be implemented on board our vessels.

Please refer to the Climate Strategy section of this report for further details of measures we are taking to improve the energy-efficiency, and reduce the carbon footprint, of our business.

21.4 gr
CO_2 / Tonne-mile
Average Fleet EEOI

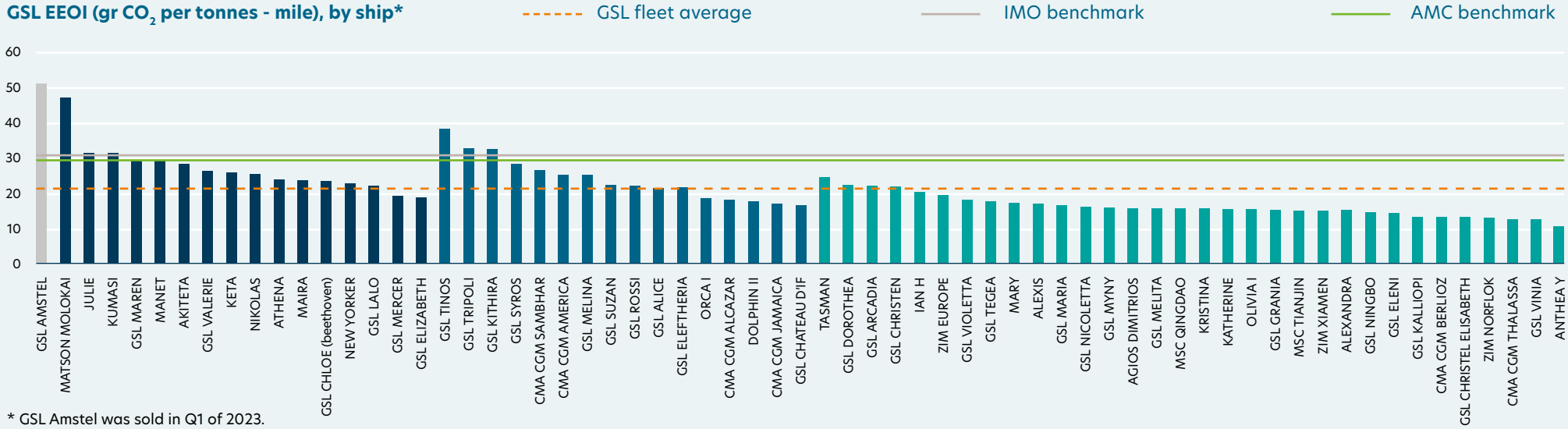
Our performance

We utilize the IMO **Energy Efficiency Operational Indicator** (EEOI), to monitor the energy performance of our ships, both individually and as a fleet. EEOI measures the fuel efficiency of vessel operations and is a helpful indicator to monitor the impact of the operational enhancements and technical modifications applied on board.

Our TEU-weighted average EEOI (gr CO_2 / Tonne - miles) improved by approximately 6.83%, from 23 gr CO_2 / Tonne-miles in 2021 to 21.43 gr CO_2 / Tonne-miles in 2022, indicating more efficient fleet utilization throughout the year 2022, compared to 2021.

EEOI is converted to a tonne-mile measurement in order to facilitate broader benchmarking against industry data from the IMO and AMC. The IMO average index benchmark (basis 2009 - with 2008 as the industry's "year zero" for emissions benchmarking) for containerships is 37.04 gr CO_2 / tonne-mile for Handymax and 30.74 gr CO_2/ tonne-mile for Panamax and Post-Panamax vessels. Furthermore, the AMC average index benchmark (2022) is 29.85 gr CO_2 / tonne-mile for Handymax, 21.46 gr CO_2 / tonne mile for Panamax and 19.67 gr CO_2 / tonne-mile for Post-Panamax vessels.

In each instance, we use the most demanding comparative performance metric (i.e. the one showing lowest emissions) against which to benchmark our ships. During 2022, the majority of our ships maintained an EEOI below industry benchmarks.



* GSL Amstel was sold in Q1 of 2023.

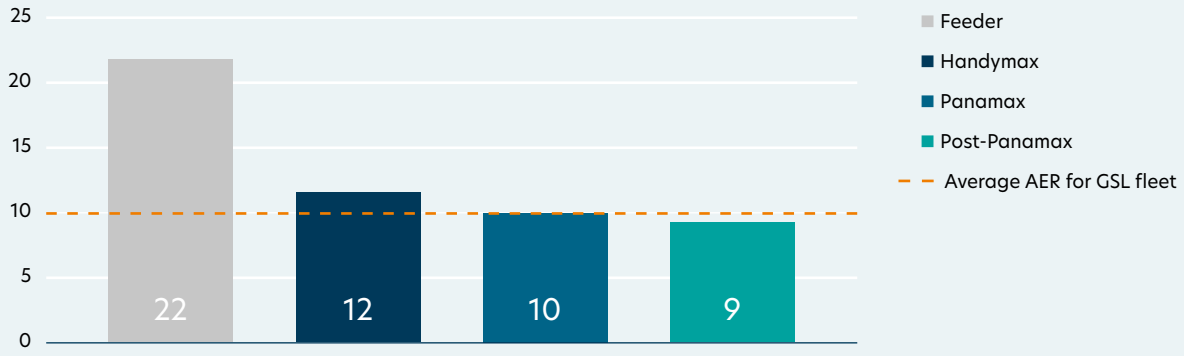
Environment

Energy efficiency and GHG emissions

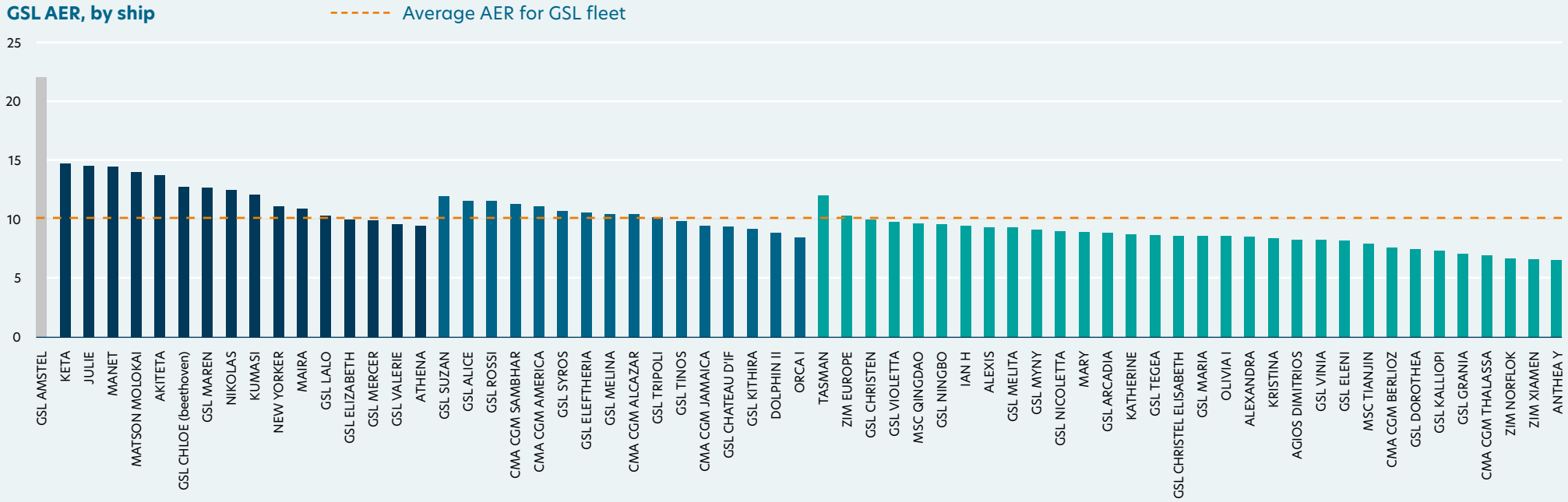
10.03 gr CO_2 / DWT-mile
Average Fleet AER

The Poseidon Principles utilize the **Annual Efficiency Ratio** (AER) as a carbon intensity metric, calculated on the basis of an approximation of the total annual transport work performed by a ship, derived from its total distance travelled and DWT. AER is most appropriately reported in gr CO_2 per DWT - mile. The average AER for our fleet in 2022 was 10.03 gr CO_2 / DWT - mile, an improvement of 5.38% on 2021; a similar improvement (5.13%) was also observed in our TEU-weighted average AER (9.25 gr CO_2 / DWT- mile in 2022, 9.75 gr CO_2 / DWT- mile in 2021).

GSL average AER (gr CO_2 per DWT - mile), by fleet segment



GSL AER, by ship



GHG emissions in 2022

During the reporting period, our fleet emitted 3,266,170.38 tonnes of CO_2 (Scope 1) from the consumption of 1,042,689,45 tonnes of fuel oil. Additionally, our offices consumed 1,204 litres of heating oil, resulting to the emission of 3.28 tonnes of CO_2 (Scope 1). Based on the combined emissions generated by our fleet and offices, our estimated Scope 1 emissions amount to 3,266,173.66 tonnes of CO_2. The observed increase in fuel consumption and carbon emissions can be attributed to the escalated utilization of our fleet and the corresponding increase in the total distance travelled by our fleet throughout 2022, as compared to the previous year.

The total energy consumption of our fleet in 2022 was 39,648,683.87 GJ. Regarding the GHG emissions from our onshore activities, in 2022 our offices produced 116.46 tonnes of CO_2 (Scope 2) from the consumption of 285,885 kWh of electricity. The levels of electricity and heating oil consumption in the offices were observed to remain comparable to those of the previous year.

Fuel Consumption

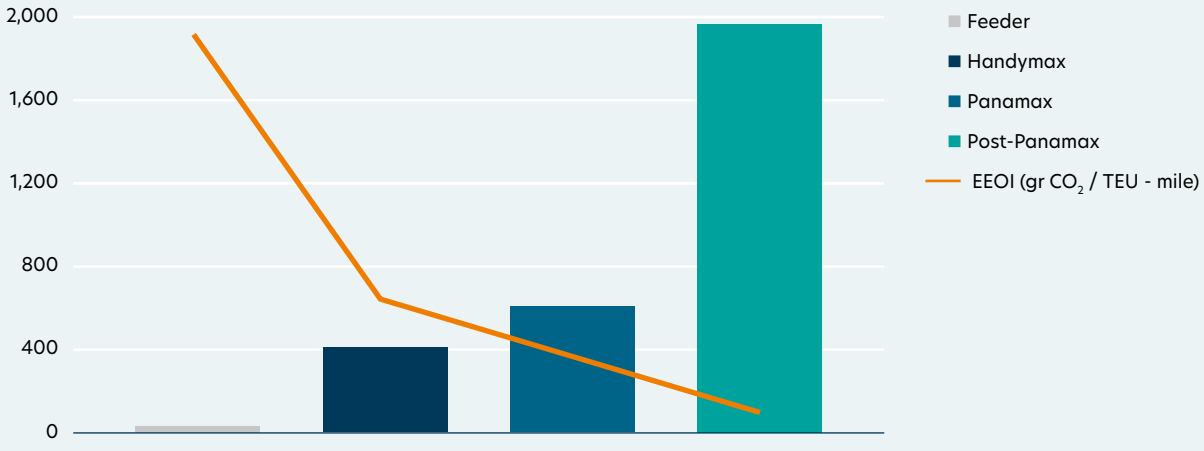
Oil Type (metric tonnes)	**2022**	**2021**	**% Difference**
HFO	633,037	493,241	↑ 28.3
LFO	338,582	361,223	↓ 6.3
MGO/MDO	71,071	52,959	↑ 34.2
Total	**1,042,689**	**907,423**	**↑ 14.9**

Our fuel consumption increased 14.9% year-on-year in 2022. However, this is in the context of our fleet (vessel ownership days) increasing by 33.4% in the same period – reflecting improvements in our EEOI and AER emissions-related performance metrics.

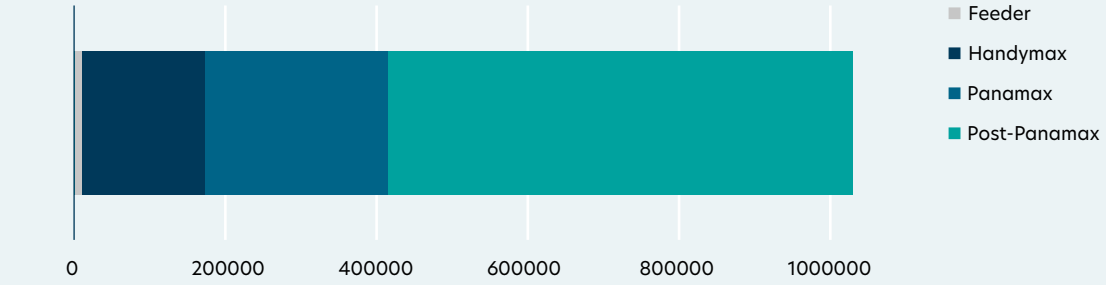
3,266,290 tn CO_{2e}
Scope 1 & 2 Emissions

Our 2022 Scope 1 & 2 emissions were up 14.9% on 2021. However, this is in the context of a 33.4% increase in fleet size (vessel ownership days) over the same timeframe.

GHG emissions ('000 tonnes CO_{2e}), and EEOI (gr CO_2 / TEU - mile)



Fuel oil consumption (tonnes)



1,042,689 tn
fuel oil consumed by our fleet

42,266,048 GJ
energy directly consumed by our fleet

Environment

SOx, NOx and Particulate Matter emissions

Sulphur oxide (SOx) emissions are related to the sulphur content of the fuel used and the total amount of fuel consumed by our vessels. All of our ships can operate with low-sulphur (0.5%) fuel. Two of our ships are fitted with Exhaust Gas Cleaning Systems ("scrubbers"), the cost of which is borne by the charterers - via the payment of charter rate premiums over extended charter terms.

During the reporting period, our fleet emitted **4,665 tonnes of SOx, 80,912 tonnes of NOx**[3] and **3,742 tonnes of PM10 (Particulate Matter).**

The **SOx** emissions of our vessels were significantly below industry benchmarks, while **NOx** emissions were broadly in line with, or lower than, the relevant benchmarks. Reliable PM10 emission benchmarks are not yet available for containerships.

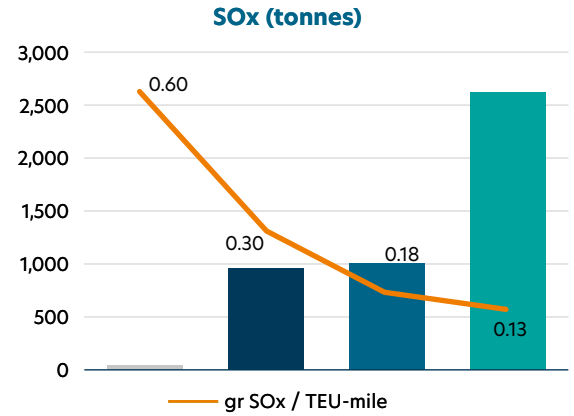
SOx and NOx emissions for the majority of our ships are below the relevant global industry benchmarks.

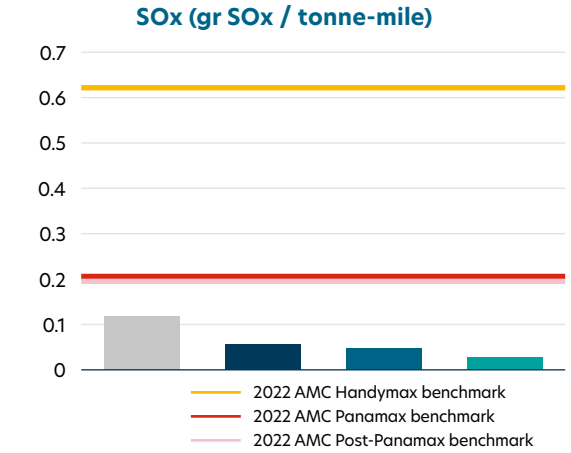
3. The calculation of NOx emissions per vessel is a weighted average of the "per voyage" NOx / ton-mile (transport work) for the entire year. NOx emissions are the interpolation of the daily Main Engine Output into NOx-M/E Load table as calculated in each vessel's Main Engine NOx Technical file. Main Engine Output is calculated on the basis of RPM of the vessel for a given voyage, for loads under 25% MCR emissions are not included as there is not specific mention in the technical file.

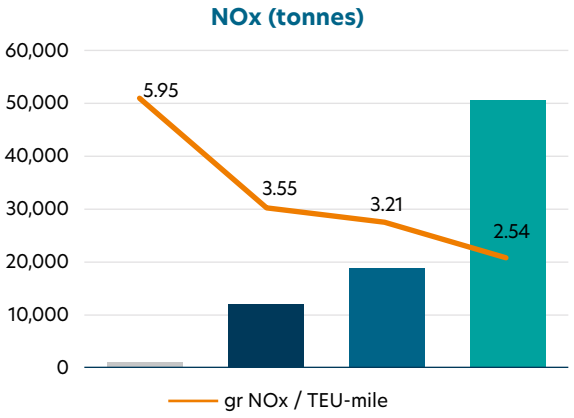
In terms of ozone depleting substances (ODS) emitted across our fleet, we recorded a total of 2,760 kg in 2022, stemming from the use of R-404A refrigerants.

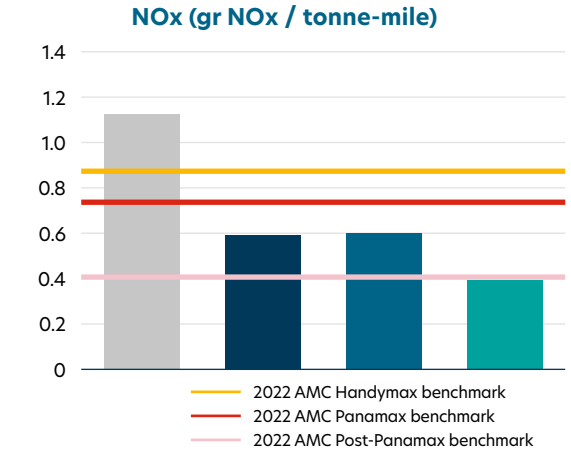
For all charts

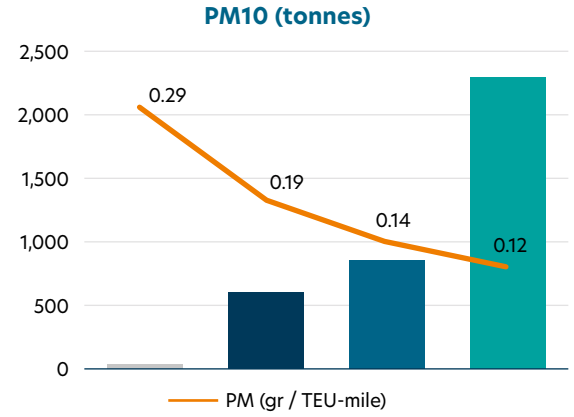
- Feeder
- Handymax
- Panamax
- Post-Panamax

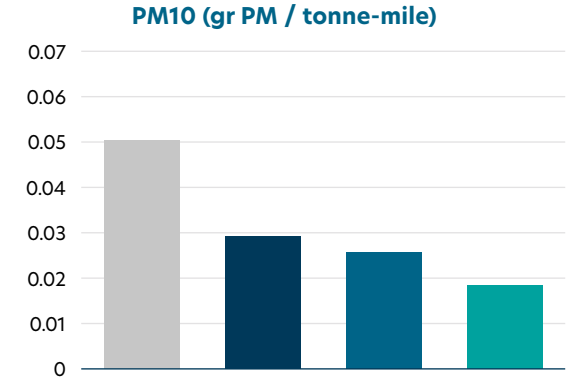












Environment

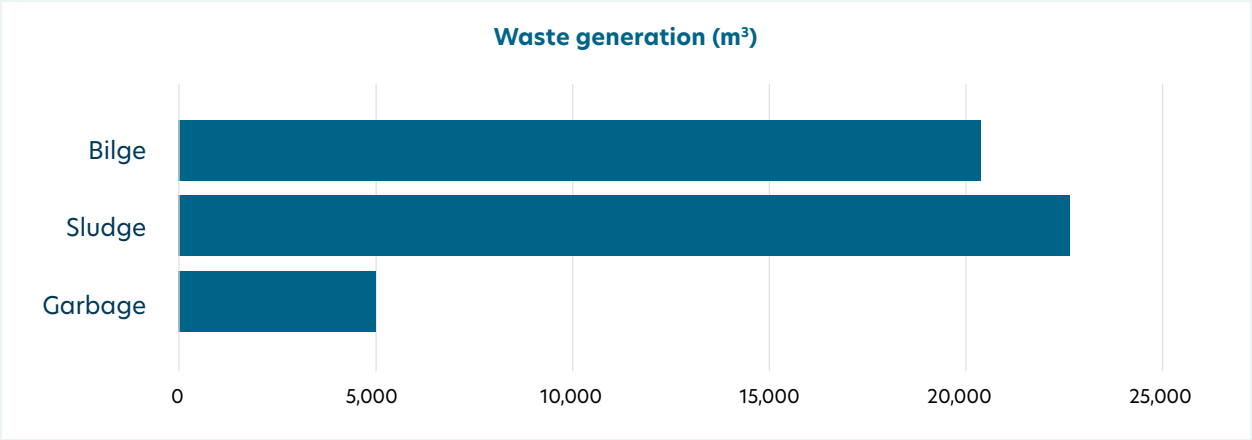
Waste management

We are committed to reducing the waste generated on board, managing our waste carefully, promoting a waste-conscious mindset among our crew, and applying measures that lead to a responsible and effective waste management system, in line with best practices and applicable regulations.

Our fleet-wide plan lays out how all types of waste and sewage should be treated, while it further involves strict monitoring and management procedures. Special attention is given to the reduction of three types of waste (bilge, sludge and garbage) and we also seek to keep plastic packaging to a minimum by using recyclable or reduced cardboard packaging.

Furthermore, we strongly encourage our suppliers to quote for environmentally friendly products and packaging. To complement the recycling activities related to the segregation of waste currently carried out, we are contemplating the installation of garbage compactors / waste compressors aboard all our vessels by the end of 2025.

The graph below shows total waste generated across our fleet during 2022, broken down by three major waste categories: bilge, sludge, and garbage. During 2022, we achieved an average reduction of 4% of waste generated per unit of transport work compared to 2021.



48,068 m^3
of waste generated on board our vessels during 2022

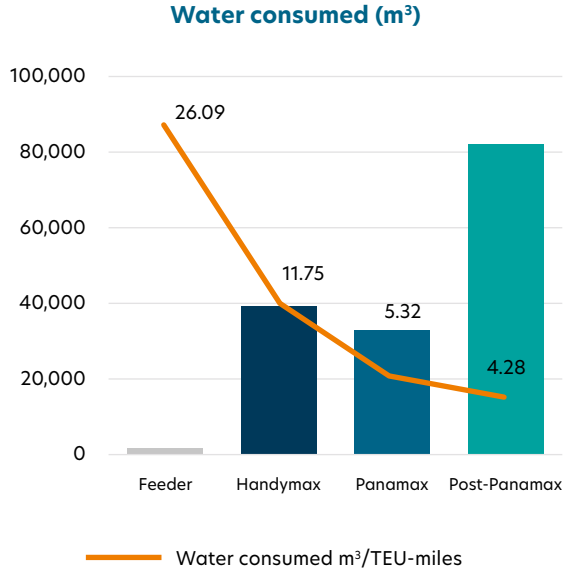
1.66 cm^3 / TEU-mile
of waste generated per unit of transport work during 2022

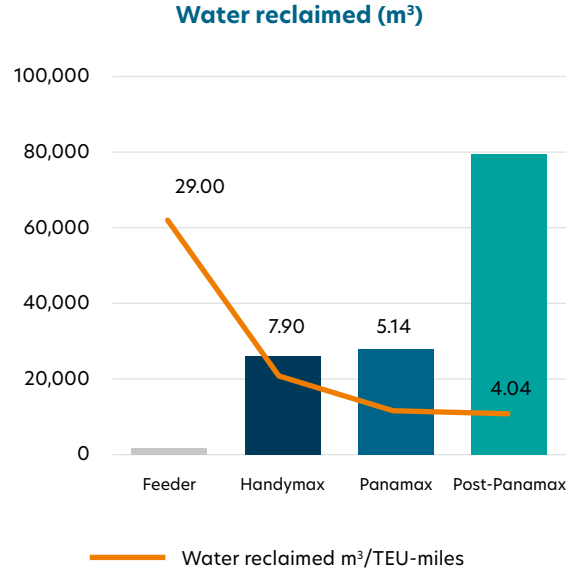
Environment

Water management

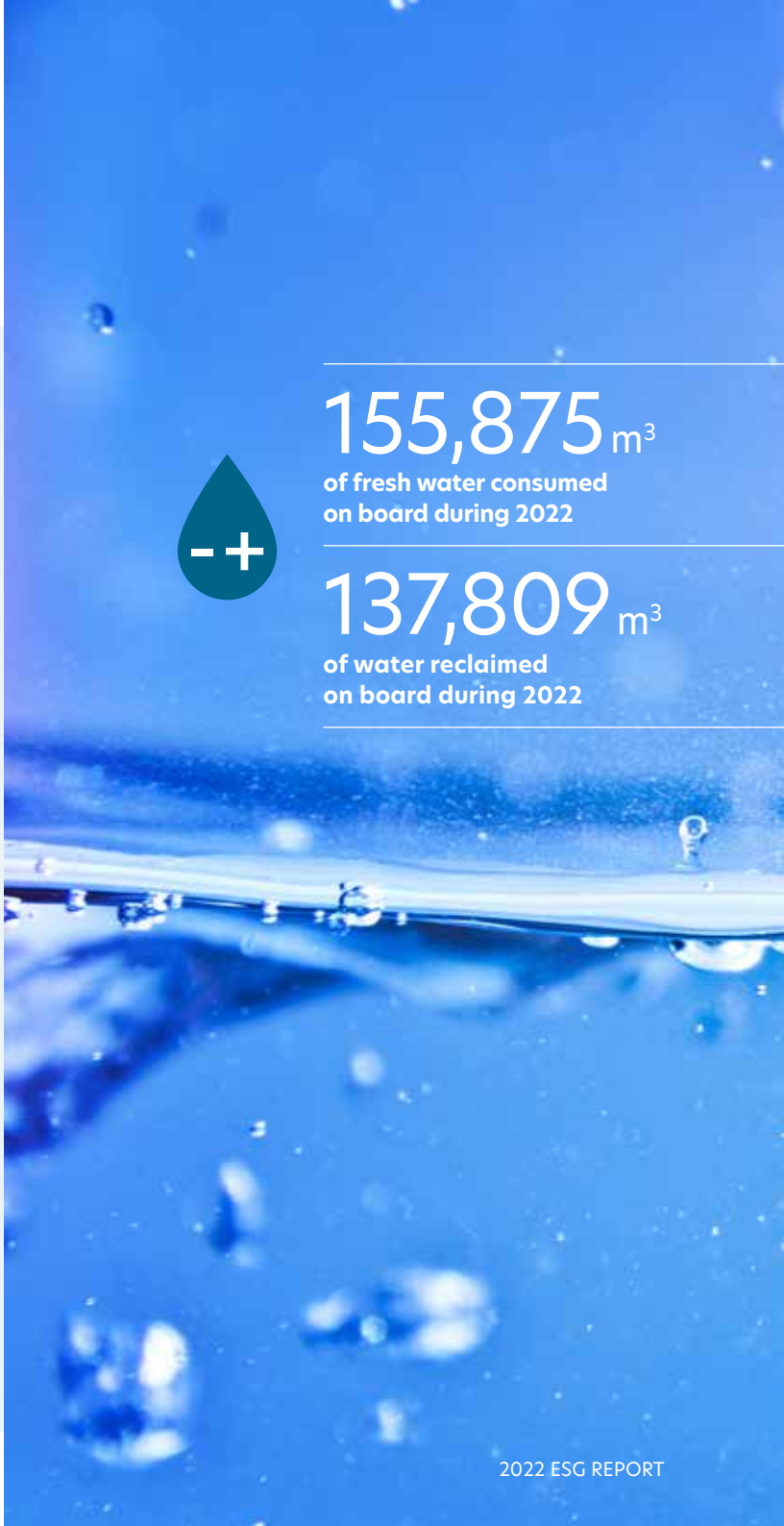
Fresh water is either produced on board by ships' fresh water generators (from sea water) or supplied from shore-based sources. We are committed to continuous monitoring and consumption control, and setting annual reduction targets for fresh water consumption across our fleet. We utilize water evaporators and rainwater collectors (wherever possible) installed on our vessels for daily operations.

The graphs below show fresh water consumed and reclaimed for the reporting period, both in absolute terms (m^3) and per unit of transport work.





In 2022, water consumption rose year-on-year by 23.1%, coupled with a corresponding increase in water reclaimed (23.4%). However, this was in the context of a 34.3% growth in our fleet (vessel ownership days) over the same period, implying an improvement in the efficiency of water use.



155,875 m^3
of fresh water consumed on board during 2022

137,809 m^3
of water reclaimed on board during 2022

Environment

Protection of the marine environment

Ballast water management

The proper management of ballast water is an important measure taken to protect marine biodiversity, governed by the Ballast Water Management (BWM) Convention and IMO guidelines.

All our vessels comply with these guidelines, with Ballast Water Exchange (BWE) procedures closely monitored. Ballast Water Treatment Systems (BWTS) remove and destroy non-native and inactive biological organisms (zooplankton, algae, bacteria) that can be present in ballast water and could potentially harm the marine environment.

As at 31 December 2022, 86% of our fleet (56 of our ships), was equipped with approved BWTS. By Q2 2024, all of our ships will be BWTS-fitted, materially reducing the risk of spreading non-native aquatic species throughout the marine environment.

100% **of our fleet will be equipped with BWTS by Q2 2024**

Preventing fuel spills in the marine environment

Spillage of fuel and lubricants into the oceans or harbor basins represents one of the biggest environmental risks in shipping. We apply safety standards and strict operating and monitoring procedures aboard our ships to minimize spills to the marine environment, reflected in our ISO 14001 - environmental management system and ISM code procedures for protecting the marine environment. We ensure that no harmful substances are either spilled, or disposed of, into the marine environment as a result of our operations.

0 **Spills or spill related incidents to the marine environment in 2022**

Minimizing noise and underwater disturbances

We comply with both local and international regulations governing the reduction of underwater radiated noise levels, in order to tackle the underwater noise associated with propellers, hull form, and onboard machinery.

We have established an implementation plan with a set of actions to be undertaken within the coming years to ensure that the effects of underwater radiated noise from engine operations are minimized.

In the near future we will disseminate instructions to the whole fleet for avoiding sensitive marine areas and reducing speed when the vessels are nearby those areas.

We intend to adopt industry best practices for the reduction of underwater noise when establishing design specifications for newbuildings (in due course).

To protect our seafaring personnel we have specific policies, procedures, and instructions in place to govern working in spaces with noise levels in excess of 85 Db(a). These include warning notices, noise exposure limits, the use of hearing protectors, and guidance on early warning signs of possible hearing impairment.

Environment

Responsible ship recycling

100%
of our vessels hold verified EU SRR IHM as of 2022

We are committed to responsible ship recycling, consistent with the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (HKC). Furthermore, all our ships, as of the issuance date of this report, comply with the rigorous **Inventory of Hazardous Materials (IHM) requirements stipulated by the EU Regulation on Ship Recycling (EU SRR).**

In our effort to promote responsible practices in the ship recycling industry we have developed Part I of IHM in accordance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships and EU SRR.

- We have appointed a Designated Person (DP) to establish and supervise a management system for the collection and compilation of Material Declarations (MDs) and Suppliers' Declarations of Conformity (SDoCs) for parts and materials supplied to our vessels in order to ensure that each ship's IHM remains current and accurate.
- We require that our suppliers provide MDs and SDoCs for any product or equipment.
- We have trained our employees to screen the items that may contain Hazardous Materials in order to ensure that any such items will be prevented from reaching the vessels and/or being installed on board.

Environment

Our environmental impact ashore

Notwithstanding the fact that the vast majority of our environmental impact is linked to the operation of our fleet, we still acknowledge the contribution of our shore-based operations to our overall environmental footprint. Therefore, we are committed in managing and reducing the footprint of our operations both onshore and onboard. We maintain an on-shore environmental management system and constantly monitor and adjust the reduction targets of our main impact areas: paper, batteries, electricity, fresh water consumption, and heating oil.

We have established reduction measures and procedures for paper, batteries, fresh water and electricity consumption for the period 2020 - 2023.

Measures applied:

1. Use of energy-efficient appliances.
2. Minimization of electricity energy usage.
3. Lighting control procedures.
4. Implementation of environmental practices on handling paper consumption and disposal of batteries.
5. Personnel training towards best practices for energy consumption reduction in office.

The consumption of electricity and water in our office buildings increased in 2022, in comparison with the preceding year, whereas the consumption of heating oil decreased. The increment in electricity and water usage is a result of both the growth of our company's workforce and the return to normal operating conditions (with reduced remote working) in the post - COVID 19 period.

Our Decarbonization Strategy includes a list specific of near-, medium- and long-term actions to be implemented, to minimize our environmental footprint ashore, including:

- Electricity consumption decrease
- Increase of insulation levels
- Installation of multifunction devices and minimization of personal equipment
- Eco-friendly lighting and Energy Star certified electrical equipment
- Energy efficient thermostat use and replacement of old heating systems

	Total for 2022	Total for 2021
Paper (paper packs)	2,010	2,023
Electricity (kWh)	285,885	226,116
Fresh Water (m^3)	725	194
Heating oil (liters)	1,204	1,500

5 Social

Related SDGs

Social

Health and safety: our top priority

Health and safety is our top priority, and a core value. Alongside our commitment to protect the environment in our daily operations, we are committed to providing a safe and healthy workplace on board the ships for our employees and visitors.

To achieve this:

- We have policies and procedures in place to ensure compliance with relevant regulatory requirements and apply responsible standards where laws and regulations do not exist in order to safeguard a safe working environment.
- We actively promote the culture of occupational health and safety through briefings, posters, and participation of the HSQE personnel in the Safety Committee Meetings.
- We assess risks to health and safety associated with our operations and implement programs and appropriate protective measures to control and mitigate them.
- We are committed to promoting shipboard initiatives that prioritise the identification of hazards, the development of risk assessments tailored to typical vessel operations, and the implementation of effective risk-reduction strategies.
- We share industry insights and provide instructions, training and medical services for treatment of employee occupational illnesses or injuries to our employees.
- We support voluntary health and hygiene promotion programs aimed at boosting employees' well-being and increasing personal safety.
- We are dedicated to ensuring that all employees are encompassed by an occupational health and safety management system, with a goal of complete coverage.

On Board Drills, Audits and Port State Controls (PSC)

During 2022, we conducted 100 on board drills per vessel, up 14% year-on-year, and 108 internal audits and inspections across our fleet. During the 264 PSC inspections, 281 deficiencies were identified.*

* The increased number of deficiencies compared to 2021 derives from the fact that PSC inspections resumed in the post-Covid era.

Social

Promoting safety and well-being at sea

A safe environment aboard our ships is of paramount importance for us. We promote safe practices in our operations by complying with all applicable laws and regulations and by implementing responsible standards where laws and regulations do not exist. We continuously monitor our policies and processes to manage and mitigate the risks associated with our operations as effectively and proactively as possible.

We aim to continuously increase safety awareness among all our employees and across our operations by:

- Providing training through safety drills, seminars, virtual courses on personal safety, information campaigns and team activities.
- Offering education on seafarers' mental health and wellbeing.
- Responding to emergencies and accidents resulting from our operations in a timely manner.
- Reviewing and evaluating risks and associated safety measures.
- Implementing appropriate safeguards and additional measures when deemed necessary.
- Providing complete medical care through Ship Med Care program.

We invest in our people, policies, and equipment as we strive to protect both our people and the environment, and to meet our goal of zero spills and incidents..

During the reporting period, we reduced the number of H&S related incidents on board our vessels for a third year in a row. We had zero fatalities, 2 lost workday incidents, zero injuries requiring medical treatment, 1 first aid case, and 2 restricted work injuries..

In 2022, both the Lost Time Injury Frequency (LTIF) and the Total Recordable Cases Frequency (TRCF) exhibited a relatively stable trend in comparison to the preceding year.

- The Lost Time Injury Frequency (LTIF) rate was reduced to 0.20 per 1 million manhours, from 0.21 in 2021.
- The Total Recordable Cases Frequency (TRCF) rate was reduced to 0.59 per 1 million manhours, from 0.62 in 2021.

Safety-related incidents

2
Safety incidents during the reporting period

0.20
per million manhours
Lost Time Injury Frequency (LTIF)
during the reporting period

0.59
per million manhours
Total Recordable Cases Frequency (TRCF)

Marine environment protection performance

We are strongly focused on ensuring environmental compliance. In 2022, zero environmental fines or incidents of non-compliance were recorded. In 2022, our fleet received an average of 2.45 Conditions of Class or Recommendations per vessel, which is a year-on-year improvement of 30.3%.

0
Environmental fines

0
Incidents of non-compliance

2.45
Average Class Recommendations per ship

Social

Our employment practices

Promotions per employment level

Promotions	Rank
41	Senior Officers
54	Junior Officers
80	Ratings

On board

The quality and dedication of our seafarers are core to the success of our business, and we consider the welfare and development of our crew essential to our operations.

We aim to create a motivational, inclusive, and safe work environment, where our employees feel respected and valued, by providing:

- equal opportunities for career enhancement and advancement
- fair renumeration in accordance with expertise, experience, and responsibilities
- continuous training and development
- access to medical care (i.e. Ship Med Care program) and psychological support
- wellness and equipment initiatives on board

As of December 31, 2022, our ships employed 3,071 crew members. There were 25 nationalities represented, with Filipinos comprising 60.6% of the pool. The number of nationalities comprising our crew increased by five compared to the previous year.

Our crew retention rate in the year 2022 was 89%, exhibiting a relatively stable trend in comparison to the preceding year.

We have also established a new department within our organization, HR Crew, which is dedicated to supporting the welfare of our seafarers. The department is made up of two ex-seafarers, a Captain and a Chief Engineer, whose role is to be in constant contact with the ships to ensure crew well-being and to enhance ship-to-shore communications and interaction.

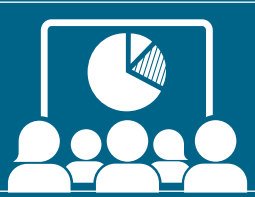
We are aware of the value and importance of the continuous up-skilling of our crew, and we invest in their education and skills development by providing equal training opportunities to enhance their skills. During the reporting period, we offered 14,006 training man-hours The increase is attributed to the installation of a new eLearning platform onboard all ships.

3,071
Total number of seafarers

25
Nationalities on board our ships

89%
Retention rate

14,006
Total training hours



1,611
Training sessions

0 **Incidents of discrimination during 2022**

We invest in our people and we are providing opportunities to enable their professional development and to support their career growth.

810
Total training hours

17
Training sessions

Onshore

We strive to build and sustain a diverse workforce and an inclusive workplace in which our employees can reach their highest potential in an environment of equal opportunities, mutual respect, and ethical behavior.

Our operations demand a wide variety of skills, thus our shore-based staff consists of a team of experienced and highly-skilled employees with deep knowledge and expertise in the maritime sector in general, and in containership owning in particular. The smooth operation of our fleet is ensured by the high standard of performance and the commitment of our in-house team.

As at December 31, 2021:

- 312 shore-based staff, all employed under full-time contracts;
- 36.2% are women;
- In senior management, the head of ConChart, and the heads of legal, insurances, and freight collections in Technomar, are women;
- The total number of new hires in 2022 was 45 (7 women, 38 men), and we offered 6 internships;
- 29% of our shore-based staff have seafaring experience;
- The average retention rate was 89%.
- All employees received a performance and career development review on a regular basis.
- A total of 8 staff members were permitted to take parental leave (5 women and 3 men).

312
Total Employees

36.2%
Women representation

29.0%
Employees with seagoing experience

Respecting human rights

We firmly believe that the respect for human rights is a fundamental element of a responsible organization, and thus do not discriminate on the basis of race, gender, religion, nationality, or any other factor.

GSL maintains a strict policy of zero tolerance towards all forms of slavery, child labor, forced labor, and human trafficking. We are dedicated to ensuring that there are no instances of modern slavery within our operations or knowingly within our supply chain. Our company considers any such practices as serious crimes and a violation of fundamental human rights.

Furthermore, we ensure full compliance with all applicable laws, regulations, and collective agreements related to working hours, overtime, leave, and minimum rest periods. GSL adheres to global labour standards and generally recognized human rights related with working conditions.

0 **Incidents of human rights violations during 2022**

Social

Responding to social crises

We aim to be an agent of positive social change and to meaningfully contribute to improving the welfare of those around us.

Russia – Ukraine conflict: **Safe Haven project**

The conflict between Russia and Ukraine has caused a humanitarian crisis. It has also exacerbated supply chain disruption, port congestion, and crewing issues (both logistical and psychological) originally triggered by the COVID-19 pandemic.

The welfare of our employees is critical to the welfare of our business. Ukrainian seafarers are of great importance to the shipping industry as a whole, and to us as a company. Upon the outbreak of hostilities, we initiated our "Safe Haven" project to support our Ukrainian seafarers and their families: providing and funding transport to Greece, along with accommodation and food; arranging Greek visas; assisting in the management of their financial affairs and children's education; and doing our best to help cultivate a sense of Ukrainian community and home-from-home.

In addition, we set-up a help-line for our seafarers, to address their concerns and problems and to provide psychological support - both onboard and ashore. Furthermore, we communicate daily with those seafarers and their families who remain in Ukraine, offering assistance for them to travel to safer locations, either in Greece or elsewhere.

We selected the Greek island of Evia as the base for the Safe Haven Project, as Evia's residents and local economy had suffered significant hardship as the result both of COVID-19 and wildfires in 2021. Establishing the project there thus provided not only a safe haven for Ukrainian families, but also an economic stimulus to the local community.

Since its inception, the Safe Haven Project has supported a total of 295 people, including seafarers and their families; and 17 families have chosen to stay on in Greece.

COVID-19 pandemic: **SAVE-MORE project**

In addition to the Company applying preventative COVID-19 protocols to keep our people safe, in 2021 our Executive Chairman financed research led by a Greek team into the application of "Anakinra" - a drug originally developed for the treatment of rheumatoid arthritis – to the treatment of COVID-19 and related conditions.

The results of the research indicated that the early treatment of patients suffering from COVID-related pneumonia with Anakinra reduces the development of the disease by 64% and the possibility of death by 55%. The initiative became known as the SAVE-MORE project.

SAVE-MORE was designed and coordinated by the Hellenic Sepsis Study Team, under the supervision of a special committee of the European Medicines Agency (EMA), and conducted with the cooperation of 37 medical and research centres: 29 in Greece and 8 in Italy. The findings of SAVE MORE were submitted to the EMA, for review and the approval of Anakinra for the treatment of conditions related to COVID-19.

Moreover, "SAVE MORE" proposed a holistic strategy for the treatment of COVID-19 patients and the results of the study were published in the prestigious journal "Nature Medicine" on September 3, 2021.

Social

Our strong social engagement

An active approach to social responsibility is a key part of our guiding philosophy. We - and more particularly, Technomar, ConChart, and their principals - are involved in a wide range of social initiatives. These include:

- Establishing the **"Safe Haven"** project to ensure the well-being of Ukrainian seafarers and their families displaced by the ongoing conflict between Russia and Ukraine.
- Financial support to the Hellenic Institute for the Study of Sepsis to fund the **"SAVE MORE"** medical trial of an innovative treatment preventing severe respiratory failure due to COVID-19.
- Financial support to the Greek Company for the Rehabilitation of Disabled Children **"ELEPAP"**, funding the construction of two buildings for new-born and pre-school children.
- Donations to the Association of Maritime Parents of Children with Special Needs **"ARGO"**.
- Financial grant to the **Pediatric Trauma Care Centre** for the provision of medical equipment and machinery for three emergency departments in provincial cities in Greece. Only for the year 2022, 16,361 children have benefited, while from 2016 until today, more than 74,700 children have benefited only from our donations.
- Yearly donations to **Make-A-Wish Foundation**, Pan-Hellenic Philanthropic Association **"Artos Drasi"**, **"SHEDIA"** - the independent magazine exclusively sold on the streets of Athens and Thessaloniki by homeless and unemployed people and **"THE SMILE OF THE CHILD"** - the non-profit child welfare organization.
- Yearly financial contribution to the non-profit entity **SYN-ENOSIS**, the Greek Shipowners' Social Welfare Company, contributing substantially to every need of our society, supporting a large number of vulnerable social groups that have been deeply affected by the various adverse conditions in our country. These initiatives were centred on providing food, equipping hospitals, offering direct support during critical events such as fires and the COVID-19 pandemic, as well as providing scholarships for postgraduate studies, among other benefits.
- Donations to **ActionAid Hellas** through the provision of child sponsorship by every employee.
- On a yearly basis, donations are provided to fully cover the operational expenses (100%) of **"KYKLOS",** an organisation that has established a community for refugees spanning across all age groups, facilitating their integration into Greek society.
- Monthly donations are made to the **"Holy Table of Tinos"** with the objective of providing care and housing for orphaned children, in addition to supplying food to families in need.

Social

Responsible and sustainable procurement

Our ships operate globally, meaning that our procurement and supply networks must also be global. We endeavour to minimize the complexity, costs, and environmental impact of our procurement and supply chain using the following practices:

- Pro-active planning;
- Consolidation of shipments;
- Supply of vessels via selected hub ports;
- Combining activities such as the provision of supplies and crew changes.

Our policy is to work with reliable and well-qualified suppliers which consider sustainability to be integral to their operations. To this end, recent milestones include the following:

1. In 2019, we subscribed to the ProcureShip quality assurance process in order to enhance the screening of our suppliers. The ProcureShip platform allows us to screen suppliers by serving ports, offered brands, ISSA & IMPA ACT memberships, ISO certificates, quality of product, reliability and timeliness, responsiveness and quality of customer service, and sustainability of packaging & stowage materials.

2. In 2020, we began to adopt IMPA ACT practices to ensure responsible and sustainable management of our procurement activities and supply chain. IMPA ACT has developed a Supplier Code of Conduct based on the principles of the United Nations Global Compact (UNGC) and requires its members to uphold certain standards with regards to environmental, human rights, and anti-corruption issues. As of 2022, we carry more than 50% of our annual supplies (calculated on the basis of aggregate cost) through IMPA ACT preferred suppliers or suppliers that are working towards implementing the requirements of the IMPA ACT.

3. In 2021, Technomar was made an honorary member of the International Ship Suppliers & Services Association (ISSA), validating our efforts to adhere to sound and responsible supply chain practices.

Key figures for

2022:

5,403

Total No. of delivered orders

4,174

Consolidated orders

95%

Forwarding consolidation ratio*

* The consolidation ratio refers to Technomar-managed vessels, since none of our ships are now managed by other third party managers, at the time of publication of this report.

6 Governance

Related SDGs

Governance

Board of directors

We aim to conduct our business with integrity and transparency, and in accordance with the highest ethical standards.

Strong governance is fundamental to the long-term success and value-creation of Global Ship Lease. Our Board of Directors (Board) is the foundation of our governance model and sets the tone for our actions, supported by five Board Committees.

Board of Directors

Our Board is committed to its fiduciary responsibility to represent shareholder interests and oversee the management of GSL's business, while setting high performance standards for our directors, officers, and employees.

The corporate governance standards of the New York Stock Exchange (NYSE) are different for United States domestic issuers and foreign private issuers. While a number of the NYSE corporate governance standards for United States domestic issuers do not apply to GSL as a foreign private issuer, the Company still strives to meet this optional higher standard.

The procedures and standards the Board follows to fulfil its responsibilities are recorded in the charters of the Board Committees, and in various guideline documents, all of which are available in the Governance section of the Company's website.

Our Board is comprised of a majority of independent directors, divided into three classes ("Term I", "Term II", and "Term III"), as nearly equal in number as the total number of directors constituting the entire Board permits, with the term of office of one or another of the three (3) terms expiring each year.

The composition of our Board at the time of issuance of this report is reflected below.

Board Members	Role	Committees
George Youroukos	Executive Chairman Term II Director	ESG Committee
Michael Gross	Term III Director	Chairman of the Compensation Committee
Michael Chalkias	Term II Director	Audit Committee Conflicts Committee Compensation Committee Chairman of the Nominating & Governance Committee
Yoram (Rami) Neugeborn	Term I Director	ESG Committee
Ulrike Helfer	Term I Director	Audit Committee
Alain Pitner	Term I Director	Compensation Committee Nominating & Governance Committee
Menno van Lacum	Term III Director	Chairman of the Audit Committee Chairman of the Conflicts Committee Chairman of the ESG Committee
Alain Wils	Term III Director	Audit Committee Conflicts Committee ESG Committee Nominating & Governance Committee

Senior management:

Our management team has extensive knowledge and expertise in the shipping sector, including ship management, ship finance and liner shipping. Our executives, supported by the Board, are accountable for implementing business development strategy, operations, financial reporting, capital structure and overseeing the ship management of our vessels. Additionally, GSL's management team is responsible for reporting all important issues to the Board of Directors through formal communication.

1. **George Youroukos**, Executive Chairman
2. **Ian J. Webber**, Chief Executive Officer
3. **Tassos Psaropoulos**, Chief Financial Officer
4. **Thomas A. Lister**, Chief Commercial Officer & Head of ESG
5. **Maria Danezi**, Company Secretary
6. **George Giannopoulos**, Head of Internal Audit

Governance

Board committees

The main functions and responsibilities of our company's Board Committees are provided below:

Audit Committee

Our Audit Committee is responsible for all issues related to the preparation of our financial information and its disclosure. More specifically, the Audit Committee is involved in

(i) providing recommendations for the appointment and review of external auditors,
(ii) performing the internal audit process,
(iii) supervising financial transactions as well as related policies and strategies.

Another significant role of the Audit Committee is to identify and monitor business risks to ensure that we fully meet all the disclosure requirements set by regulatory authorities.

Conflicts Committee

The primary purposes of our Conflicts Committee are to review, evaluate, and approve any transaction or other matter referred or disclosed to it where a conflict of interest or potential conflict of interest exists or arises, whether real or perceived. Such matters may include transactions between Global Ship Lease or any of its subsidiaries on the one hand, and Technomar Shipping, Inc., ConChart Commercial, Inc., or any of the Company's officers and directors as well as their affiliates, on the other hand.

ESG Committee

The primary purposes of our ESG Committee are to

(i) guide, support, and supervise management in developing, articulating, and continuing to evolve our ESG strategy;
(ii) evaluate and recommend ESG initiatives for adoption;
(iii) assess ESG risks and opportunities; and
(iv) promote ESG practices within our business culture and processes.

The Committee reports regularly to the Board with respect to any material issues or costs that may arise in connection with the company's ESG strategy.

Nomination and Corporate Governance Committee

The Nominating / Corporate Governance Committee is engaged in issues related to succession planning and the appointment, development and performance evaluation of the members of the Board and senior executives of our company. Furthermore, the Committee evaluates the effectiveness of our Corporate Governance Guidelines aiming to review and provide recommendations to the Board whenever appropriate. Additionally, the Nominating and Corporate Governance Committee conducts an annual evaluation of the Board and its chairperson.

Compensation Committee

The main functions of our Compensation Committee include

(i) discharging the Board's responsibilities relating to the evaluation and compensation of the company's executives,
(ii) overseeing the administration of the compensation plans, and
(iii) reviewing and reporting on directors' and executives' compensation in accordance with the rules and regulations of the Securities and Exchange Commission (SEC).

Governance

Board composition

Selection of board members

Our Board members are selected on the basis of relevant expertise, experience, complementarity, and independence. Periodically, we assess the collective expertise of the Board across multiple areas of expertise – including, among others, our industry, public company management & governance, value generation & stewardship, finance, technology, and ESG. We also acknowledge the need for, and value of, diversity, although the shipping industry's historical male gender bias presents a hurdle to overcome. The Board was pleased to welcome our first, and highly-qualified, female director in 2022.

Remuneration policy and procedures

GSL management remuneration is determined by the Compensation Committee, with the Board remuneration determined by the Board itself on the recommendation of the Compensation Committee. Board and Committee remuneration is fixed, while Management remuneration contains both fixed and variable components that are determined by the qualitative assessment of the Compensation Committee. Both the Board and senior management have stock-based incentives with the vesting of shares determined in part by passage of time and in part by achieving stock price hurdles. Sign-on / recruitment bonuses are considered on a context-specific basis. Termination payments (in the absence of cause for dismissal) are provided for in employment contracts. Retirement benefits are provided for in employment contracts, but only in case required by regulation.

Governance

ESG governance

As first reflected in our 2019 ESG report, we established a Board Committee focused on ESG to ensure appropriate strategic clarity, rigour, and top-down prioritization. The Company's Chief Commercial Officer is also the Head of ESG to ensure the alignment and implementation of ESG and Commercial strategies and initiatives.

We have established a clear ESG strategy and roadmap to meet our sustainability objectives. To sense-check, and continuously improve, our 'approach to sustainability, we conduct an annual stakeholder engagement process to evaluate, validate, and prioritize our ESG-related activities and initiatives - the results of which are included in our annual ESG reports.

Material ESG topics*, and any related key performance indicators (KPIs), are reviewed at scheduled quarterly meetings of the ESG Committee and Board, with additional ad hoc discussions as may be required.

Our company also conducts ESG workshops with all departments on frequent intervals, which serve as a forum both to gather past performance data and to refresh and update employees on ever-evolving best practices. To further strengthen our overall approach, external experts are periodically engaged to advance and update the collective knowledge of the ESG Committee via the implementation of workshops.

* Material in the context of GRI and SASB ESG reporting guidelines.

Governance

Business ethics

Our goal is to generate sustainable value while operating our business in accordance with high ethical standards.

Our Code of Business Conduct and Ethics

We have established a Code of Business Conduct and Ethics that is intended to deter wrongdoing and promote honest, fair, transparent and ethical conduct. The Code applies to all employees, directors, officers and certain long-term consultants of GSL and its subsidiaries, while we also increasingly communicate its contents to our supplier base. Indicative topics covered by our Code of Business Conduct and Ethics include:

- Conflicts of Interest
- Corporate Opportunities
- Data Privacy
- Modern Slavery and Child Labor
- Health and Safety
- Environmental Compliance
- Drugs and Alcohol use
- Freedom from Discrimination and Harassment
- Diversity, Equity and Inclusion
- Anti-Bribery
- Anti-Corruption
- Anti-Fraud
- Anti-Money Laundering
- Political Contributions & Permissible Political Activity
- Honest and Fair Dealing
- Protection and Proper Use of Company Assets
- Compliance with Laws, Rules and Regulations
- Securities Trading
- Disclosure
- Procedures Regarding Waivers
- Internal Reporting, Anti-Retaliation and Whistleblower Policy
- External Communications Policy and Use of Social Media

0

Violations of our ethical principles & anti-corruption policy in 2022

0

Violations or legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Conflicts of Interest

Our company has established a robust Conflicts of Interest mechanism, that is incorporated in our organization's Code of Business Conduct and Ethics. Although it may not be feasible to outline every scenario in which a conflict of interest could emerge, it is essential that our employees must never use or attempt to use their position within the Company to acquire inappropriate personal advantages. It is advised that any employee who has knowledge of a conflict of interest or anticipates the possibility of such a conflict should promptly bring the matter to the attention of the Audit Committee of the Board of Directors or the external legal counsel of the Company.

Reporting violations

We have a whistleblowing mechanism that provides our people with the opportunity to report anonymously any violations, deviations or non-compliance incidents with regards to our Code. We encourage them to share their concerns with our Audit Committee in case any known or suspected wrongdoings have come to their attention, and we ensure that all reports will be taken seriously and treated in confidence.

0

Whistleblowing incidents in 2022

Anti-bribery and corruption

We take a zero-tolerance approach towards bribery and corruption, as their effects can hinder socioeconomic development and undermine sustainability objectives. We strive to maintain transparent and honest relationships with our business partners and promote a culture that is free from incidents of bribery, corruption or fraud. Moreover, we seek to secure our responsible approach to public policy, recording zero direct or indirect contributions to political parties.

0

Bribery, corruption and fraud incidents in 2022

Corruption Perception Index

We monitor our exposure to risks related to corruption linked to the geographical aeras in which we operate. In 2022, 11.1% of our port calls were in countries in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI), which is significantly lower compared to 2021, where the percentage stood at 15%.

11.1

% of port calls in countries with the 20 lowest rankings in CPI

Governance

Risk management and internal controls

In order to ensure robust governance practices, disciplined business processes, and high levels of transparency and disclosure, we have developed a rigorous and effective internal control environment.

We have a dedicated Internal Audit team responsible for monitoring and testing our internal procedures - including those of Technomar and ConChart to the extent that they impact Global Ship Lease - to ensure adherence to our risk management practices, controls and overall governance processes.

We have identified six risk categories that could pose threats to our business operations and overall performance:

External Environment

External Environment risks can arise if there are external factors – including those at a macro level - that could negatively impact our business model, strategy, or operations.

Operations

Operations risks can arise if our operations or processes are inadequate for the execution of our business strategy, for satisfying our customers' needs, or for otherwise achieving our objectives.

Financial

Financial risks can arise in connection with a wide variety of factors including the management of liquidity, interest rate volatility, loan maturity profiles, counterparty credit quality, currency risk, and financial reporting timeliness and accuracy.

People

People risks can arise if our managers or employees are not properly led, trained, or motivated to perform.

Information Technology

Information technology risks can arise if our IT systems (a) are not operating as intended, (b) compromise the integrity or reliability of data or information, (c) expose significant assets to potential loss or misuse, or (d) compromise our ability to sustain the operation of critical processes.

Integrity

Integrity risks include management fraud, employee fraud, illegal and/or unauthorized acts, any or all of which could lead to the company's reputation loss in the market.

To proactively identify, manage, and mitigate risks, we conducted a comprehensive risk assessment to determine the significance and magnitude of risks. This procedure allows us to prioritize our risk management efforts and allocate resources accordingly. By doing so, we can minimize the impact of potential risks on our operations and ensure the longterm viability of our business.

Our top risks for 2022

1. Macro events amplifying the volatile nature of shipping.
2. Military actions, increased terrorism or aggressive foreign or trade policies (sanctions, embargoes etc.).
3. Fluctuations in asset prices, charter rates, interest rates etc.
4. Outsourcing activities to third parties.
5. Decline in investor confidence in our business capabilities and/or our ability to execute our business model.
6. Costs related to vessel operations are not properly monitored or managed.
7. Insufficient access to capital.
8. A counterparty to a financial transaction is unable to fulfil its obligations.
9. The use of funds in a manner that leads to the loss of economic value, including time value losses and transaction costs.
10. Non-compliance with laws and industry regulations, contractual obligations, SEC / NYSE requirements, customer requirements, prescribed organizational policies and procedures, etc.
11. The association of individuals or entities with the Company may lead to potential conflicts of interest and/or exert considerable influence over the Company's business operations.
12. Exposure to lower returns or the necessity to borrow due to shortfalls in cash or expected cash flows.
13. Cyber-attacks including state-sponsored hacking.

Our aim is to continuously improve our control environment, and to ensure that the number and quality of our internal controls meets and exceeds compliance requirements. During 2022, a total of 204 internal controls were tested and no material weaknesses were identified.

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Material weaknesses were identified in internal audits performed in 2022

204
Internal controls were tested during 2022

Governance

Cyber security and data protection

In June 2017, the IMO adopted a resolution on Maritime Cyber Risk Management for Safety Management Systems, encouraging shipping companies to take action to effectively address cyber risks pertaining to their operations.

We monitor Information Technology (IT) risks and take actions to eliminate or mitigate significant threats to our business activities.

Actions include, but are not limited to, cyber security penetration tests (which are conducted at least annually), regular training of all employees, and the adoption of appropriate controls such as firewalls and vulnerability assessments.

We have the following policies in place to ensure the appropriate use, handling, storage, and protection of sensitive information.

- Access Control Policy
- Antivirus and Antimalware Policy
- Clean Desk and Clear Screen Policy
- Cryptography Policy
- Information Backup Policy
- Information Security Policy
- Information Transfer Policy
- Internal Access Policy
- Mobile Device Policy
- Network Security Policy
- Password Policy
- Remote Access Policy

Appendix

Appendix I

Management and impact of material topics

The following table presents the stakeholder groups concerned with / affected by each material topic.

Environment	
Material topics	**Boundaries / Stakeholders affected**
Marine environment & biodiversity	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Industry organizations, Industry Analysts, Flag States, Port Authorities, Community representatives
Greenhouse Gas (GHG) emissions and air pollution	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Industry Analysts
Waste management and recycling	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Industry organizations, Community representatives
Ship recycling	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Industry Analysts, Industry organizations
Research, innovation and clean technologies	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Industry Analysts

Social

Material topics	Boundaries / Stakeholders affected
Occupational health, safety and security	Seafarers and office employees, Crewing Agents, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Suppliers, Industry organizations, Flag States, Port Authorities, Community representatives
Human rights	Seafarers and office employees, Crewing Agents, Community representatives
Labour practices	Seafarers and office employees, Crewing Agents, Industry organizations, Community representatives
Employee wellbeing and benefits	Seafarers and office employees, Crewing Agents, Community representatives
Diversity and inclusion	Seafarers and office employees, Crewing Agents, Shareholders / Investors, Community representatives
Sustainable procurement practices	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Suppliers
Community investments	Seafarers and office employees, Community representatives, Academic Institutions

Governance

Material topics	Boundaries / Stakeholders affected
Regulatory compliance	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Insurers / P&I Clubs, Industry organizations, Flag States, Port Authorities, Crewing Agents
Corporate governance, ethics, and transparency	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Crewing Agents
Financial performance and commercial strategy	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Insurers / P&I Clubs, Crewing Agents
Cybersecurity and data protection	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts Suppliers, Industry organizations, Community representatives, Crewing Agents

Appendix II

STAGE 1 Validation of ESG Topics

Identifying key ESG areas is an iterative process, that we have developed and implemented over the last four years, intended to facilitate the alignment of our ESG strategy with the priorities of our stakeholders, prominent industry trends, best practices, and regulations. This year, the impact materiality analysis was conducted in five stages.

In stage 1, we performed a comprehensive review of sustainability frameworks and industry trends. This included the examination of topics raised by leading sustainability standards and frameworks such as the UN SDGs, GRI, SASB, and MSCI. We also conducted a benchmarking analysis, taking into consideration practices performed by relevant organizations and companies, to form a more holistic view of our business environment. For 2022, we drew from ESG Topics identified in the materiality analyses of prior years, enhanced to reflect prevailing areas of interest and best practice.

Modifications to the list of topics between 2021 and 2022

	Topics included in 2021 materiality analysis	Modified topics, as included in 2022 impact materiality analysis
Environment	• Reduction of Greenhouse Gas (GHG) emissions and air pollution • Active measures to improve fuel and energy efficiency	Greenhouse Gas (GHG) emissions and air pollution
	• Active approach to research and innovation • Investment in clean technologies	Research, innovation, and clean technologies
Social	• Respect for occupational health and safety • Health and safety during Covid-19 outbreak	Occupational health, safety and security
	• Willingness to develop employee competence • Active cultivation of career opportunities and advancement for employees • Attraction and retention of talented employees • Responsible labour practices	Labour practices
	• Provision of appropriate remuneration and benefits for employees • Fostering employee well-being	Employee wellbeing and benefits
	• Active investment in local communities • Support of local communities	Community investments
Governance	• Strong corporate governance, ethics, and transparency • Strong risk management and internal controls	Corporate governance, ethics, and transparency
	• Clear commercial strategy • Strong financial performance	Financial performance and commercial strategy
	• Regulatory compliance (general) • Compliance with environmental regulation and standards	Regulatory compliance

STAGE 2

Identification of Impacts

In stage 2, we conducted a comprehensive evaluation to determine the positive and negative impacts - both actual and potential - of our business practices, operations, corporate procedures, and value chain on the broader economy, environment, society, and individuals - including human rights. Analysis was performed both at the company-specific level and across a diverse range of sector-relevant resources.

STAGE 3

Engagement with Stakeholders

In stage 3 we surveyed a broad sample of our internal and external stakeholders to evaluate their views on the significance of the impacts we had identified. Survey participants were asked to consider the following parameters:

For all impacts:

- **Scale:** How positive, or negative, would the impact be on people, the economy, or the environment.
- **Scope:** How widespread would the impact be on populations, economies and ecosystems affected.

For negative impacts:

- **Irremediable Character:** Would it be possible to counteract or make good of the resulting harm and how challenging would that corrective action be.

For potential impacts:

- **Likelihood:** What is the probability of the impact occurring.

The assessment of all effects was carried out through the application of a three-point scale ranging from 1 (representing low significance) to 3 (representing high significance).

STAGE 4

Data analysis

In stage 4, after aggregating feedback from stakeholders, we calculated the average survey ratings for each impact, and formulated a ranking list of material impacts applicable to our organization.

STAGE 5

Identification of Material ESG Topics

In the concluding stage, 5, we established significance thresholds to determine the ESG topics most material to our stakeholders and set priorities aimed at improving our ESG performance accordingly.

Appendix III

GRI content index

Statement of use	Global Ship Lease, Inc. has reported in accordance with the GRI Standards from 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

		Location		Omissions		
GRI Standard	**Disclosure**	**Section**	**Page**	**Requirements omitted**	**Reason**	**Explanation**
GENERAL DISCLOSURES						
GRI 2 General Disclosures 2021	**2-1** Organizational details	About Global Ship Lease	6-9			
	2-2 Entities included in the organization's sustainability reporting					
	2-3 Reporting period, frequency and contact point	About this report / Contact Information	4, 77			
	2-4 Restatements of information	About Global Ship Lease	14, 15			
	2-5 External assurance	-	-			
	2-6 Activities, value chain and other business relationships	About Global Ship Lease	7-9			
	2-7 Employees	Social	50-51			
	2-8 Workers who are not employees					
	2-9 Governance structure and composition	Governance	56-62			
	2-10 Nomination and selection of the highest governance body					
	2-11 Chair of the highest governance body					
	2-12 Role of the highest governance body in overseeing the management of impacts					
	2-13 Delegation of responsibility for managing impacts					
	2-14 Role of the highest governance body in sustainability reporting					
	2-15 Conflicts of interest					

		Location		Omissions		
GRI Standard	**Disclosure**	**Section**	**Page**	**Requirements omitted**	**Reason**	**Explanation**
GRI 2 General Disclosures 2021	**2-16** Communication of critical concerns	Governance	56-62			
	2-17 Collective knowledge of the highest governance body					
	2-18 Evaluation of the performance of the highest governance body					
	2-19 Remuneration policies					
	2-20 Process to determine remuneration					
	2-21 Annual total compensation ratio	-	-	Yes	Not applicable	GSL has seven direct employees in Management positions. In this context, the ratio is deemed as not meaningful.
	2-22 Statement on sustainable development Strategy	Message from our Executive Chairman	3			
	2-23 Policy commitments	Climate strategy Governance	25-27 60			
	2-24 Embedding policy commitments					
	2-25 Processes to remediate negative Impacts	Climate strategy Environment Social Governance	28-34 44-46 52-54 62			
	2-26 Mechanisms for seeking advice and raising concerns	Governance	61			
	2-27 Compliance with laws and regulations	Environment Governance	39 62			
	2-28 Membership associations	Climate strategy Social	26-27 53			
	2-29 Approach to stakeholder engagement	Materiality analysis	18-21			
	2-30 Collective bargaining agreements	About Global Ship Lease	15			
MATERIAL TOPICS						
GRI 3 Material Topics 2021	**3-1** Process to determine material topics	Materiality analysis Appendix II: Materiality assessment process	18-21 67-69			
	3-2 List of material topics					

		Location		Omissions		
GRI Standard	Disclosure	Section	Page	Requirements omitted	Reason	Explanation
TOPIC DISCLOSURES						
Greenhouse Gas (GHG) emissions and air pollution						
GRI 3: Material Topics 2021	**3-3** Management of material topics					
GRI 305: Emissions 2016	**305-1** Direct (Scope 1) GHG emissions					
	305-2 Energy indirect (Scope 2) GHG emissions					
	305-3 Other indirect (Scope 3) GHG emissions	Environment	38-41	Yes	Information unavailable / incomplete	GSL does not monitor its Scope 3 emissions at the moment. Next steps will be decided in due course, once disclosure requirements become clearer.
	305-4 GHG emissions intensity					
	305-5 Reduction of GHG emissions					
	305-6 Emissions of ozonedepleting substances (ODS)					
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions					
Marine environment and biodiversity						
GRI 3: Material Topics 2021	**3-3** Management of material topics					
GRI 304: Biodiversity 2016	**304-1** Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	-	Yes	Information unavailable / incomplete	GSL's vessels navigate in or near protected areas, although GSL does not monitor this KPI due to an industry-wide lack of clarity.
	304-2 Significant impacts of activities, products, and services on biodiversity	Environment	44			
	304-3 Habitats protected or restored				Information unavailable / incomplete	GSL does not monitor these KPIs currently. Next steps will be decided in due course.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations					

		Location		Omissions		
GRI Standard	Disclosure	Section	Page	Requirements omitted	Reason	Explanation
Occupational health, safety, and security						
GRI 3: Material Topics 2021	**3-3** Management of material topics					
GRI 403: Occupational Health and Safety 2018	**403-1** Occupational health and safety management system	Social	48-49			
	403-2 Hazard identification, risk assessment, and incident investigation					
	403-3 Occupational health services					
	403-4 Worker participation, consultation, and communication on occupational health and safety					
	403-5 Worker training on occupational health and safety					
	403-6 Promotion of worker health					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships					
	403-8 Workers covered by an occupational health and safety management system					
	403-9 Work-related injuries					
	403-10 Work-related ill health					
Employee wellbeing and benefits						
GRI 3: Material Topics 2021	**3-3** Management of material topics					
GRI 202: Market Presence 2016	**202-1** Ratios of standard entry level wage by gender compared to local minimum wage	-	-	Yes	Information unavailable / incomplete	GSL does not monitor this KPI, although all office-based employees' compensation is above local minimum wage while seafarers' remuneration is determined based on the collective bargaining standards of the maritime sector. Next steps will be decided in due course.
		Social	48-51			

		Location		Omissions		
GRI Standard	**Disclosure**	**Section**	**Page**	**Requirements omitted**	**Reason**	**Explanation**
Human rights						
GRI 3: Material Topics 2021	**3-3** Management of material topics	Social	51			
GRI 406: Non-Discrimination 2016	**406-1** Incidents of discrimination and corrective actions taken					
GRI 407: Freedom of Association and Collective Bargaining 2016	**407-1** Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			Yes	Information unavailable / incomplete	GSL does not monitor this KPI, although follows the collective bargaining standards of the maritime sector. Next steps will be decided in due course.
GRI 408: Child Labor 2016	**408-1** Operations and suppliers at significant risk for incidents of child labor			Yes	Information unavailable / incomplete	GSL does not monitor these KPIs, although seeks to ensure the respect of all internationally recognized human rights. GSL advocates that ships be scrapped and recycled in accordance with the Hong Kong Convention, and that its suppliers either participate in IMPA-ACT or comply with the Company's Supplier Code of Conduct. Next steps will be decided in due course.
GRI 409: Forced or Compulsory Labor 2016	**409-1** Operations and suppliers at significant risk for incidents of forced or compulsory labor					
GRI 411: Rights of Indigenous Peoples 2016	**411-1** Incidents of violations involving rights of indigenous peoples					
Corporate governance, ethics, and transparency						
GRI 3: Material Topics 2021	**3-3** Management of material topics	Social	60-61			
GRI 205: Anti-Corruption 2016	**205-1** Operations assessed for risks related to corruption					
	205-2 Communication and training about anticorruption policies and procedures					
	205-3 Confirmed incidents of corruption and actions taken					

		Location		Omissions		
GRI Standard	**Disclosure**	**Section**	**Page**	**Requirements omitted**	**Reason**	**Explanation**
GRI 415: Public Policy 2016	**415-1** Political contributions	Governance	60-61			
Regulatory compliance						
GRI 3: Material Topics 2021	**3-3** Management of material topics	Environment Governance	37 60			
GRI 206: Anti-Competitive Behavior 2016	**206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices					
Waste management and recycling						
GRI 306: Waste 2020	**306-3** Waste generated	Environment	42			
Water and effluents						
GRI 303: Water and Effluents 2018	**303-5** Water consumption	Environment	43			
Energy						
GRI 302: Energy 2016	**302-1** Energy consumption within the organisation	Environment	40, 46			
	302-3 Energy intensity					
Diversity and inclusion						
GRI 405: Diversity and Equal Opportunity 2016	**405-1** Diversity of governance bodies and employees	Social Governance	50-51 56-58			
Labour practices						
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	Social	51			
	401-3 Parental leave					
GRI 404: Training and Education 2016	**404-1** Average hours of training per year per employee					
Financial performance and commercial strategy						
GRI 201: Economic Performance 2016	**201-1** Direct economic value generated and distributed	About Global Ship Lease	10			

Appendix IV

SASB content index

Category	Disclosure topic	Code	Page
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-MT-110a.1	14, 40
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-MT-110a.2	27-34
	(1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage renewable	TR-MT-110a.3	14, 40, 46
	Average Energy Efficiency Design Index (EEDI) for new ships	TR-MT-110a.4	N/A
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, and (3) particulate matter (PM10)	TR-MT-120a.1	14, 41
Ecological impacts	Shipping duration in marine protected areas and areas of protected conservation status	TR-MT-160a.1	N/A
	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	TR-MT-160a.2	14, 44
	(1) Number and (2) aggregate volume of spills and releases to the environment	TR-MT-160a.3	14, 44
Employee health & safety	Lost time injury rate (LTIR)	TR-MT-320a.1	15, 49
Business ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	TR-MT-510a.1	61
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	TR-MT-510a.2	61
Accident & safety management	Number of marine casualties, percentage classified as very serious	TR-MT-540a.1	15
	Number of Conditions of Class or Recommendations	TR-MT-540a.2	49
	Number of port state control (1) deficiencies and (2) detentions	TR-MT-540a.3	48
Activity Metrics	Number of shipboard employees	TR-MT-000.A	15, 50
	Total distance travelled by vessels	TR-MT-000.B	10
	Operating days	TR-MT-000.C	10
	Deadweight tonnage	TR-MT-000.D	N/A
	Number of vessels in total shipping fleet	TR-MT-000.E	7, 8, 10
	Number of vessel port calls	TR-MT-000.F	10
	Twenty-foot equivalent unit (TEU) capacity	TR-MT-000.G	8

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Disclaimers

Forward-Looking Statements

This report contains forward-looking statements. Forward-looking statements provide Global Ship Lease, Inc.'s current expectations or forecasts of future events. Forward-looking statements include statements about Global Ship Lease, Inc.'s expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "will" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements are based on assumptions that may be incorrect, and Global Ship Lease, Inc. cannot assure you that the events or expectations included in these forward-looking statements will come to pass, or that it will achieve or accomplish these expectations, beliefs or projections. Actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors, including the factors described in "Risk Factors" in Global Ship Lease, Inc.'s Annual Report on Form 20-F and the factors and risks Global Ship Lease, Inc. describes in subsequent reports filed from time to time with the U.S. Securities and Exchange Commission. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this report. Global Ship Lease, Inc. undertakes no obligation to publicly revise any forwardlooking statement to reflect circumstances or events after the date of this report or to reflect the occurrence of unanticipated events.

Note on Materiality of Information

The ESG goals, projects, initiatives, and strategies described in this report are aspirational; as such, no guarantees or promises are made that these goals, projects, initiatives and strategies will be met or successfully executed. This report uses certain terms, including those that GRI and SASB or others refer to as "material" or "key" to reflect the issues or priorities of Global Ship Lease and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with applicable securities, or other, laws or as used in the context of financial statements and reporting. For purposes of this report the materiality standard is different to the materiality standard applied under U.S. federal securities and issues identified as "material" for puroses of this report may not be considered material for SEC reporting purposes.

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