



ESG REPORT 2021

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Message

from our Executive Chairman

George Youroukos
Executive Chairman
of Global Ship Lease, Inc



2021 was another unusual year, both for the world and for our industry. COVID-19 remained a threat to be managed; but recovering economies and increasingly positive consumer sentiment prompted a dramatic growth in trade, putting pressure on an already-stretched supply chain. New challenges presented themselves in early 2022, most notably the conflict in Ukraine. This humanitarian crisis in a key seafaring nation was felt keenly by the shipping industry as a whole and by us as a company. Moreover, the second order effects of the conflict, which include heightened energy security concerns and inflation, continue to impact the global economy in numerous ways. On a more positive note, evolving regulations and industry initiatives designed to accelerate decarbonization of the industry have continued to gain both prominence and momentum.

This, our third annual ESG report, covers a lot of ground, from which I would like to highlight a handful of points:

- The health and safety of our people, both at sea and ashore, remain an absolute priority. We have continued to refine our COVID-19 protocols, we are signatories to The Neptune Declaration on Seafarer Wellbeing and Crew Change, and, at the inception of the Ukraine conflict, we rolled out our Safe Haven project to protect and accommodate the displaced families of our Ukrainian seafarers.
- We are pleased to be making further progress on our diversity goals. Of note, we now have 12 female officers aboard our ships: a positive step in a historically male-dominated industry. Furthermore, to complement the women already in senior management roles across our organization, we are delighted to have recently welcomed our first female board member to the GSL team.
- In 2021, we worked with independent experts to craft a decarbonization strategy to achieve our goal of net zero carbon emissions by 2050, with a clear focus on full life-cycle carbon impact. In the near term, we will - in close cooperation with our customers, the liner operators - focus on technical and operational enhancements to reduce the emissions of our existing ships, which we believe will provide the most immediate societal benefits and economic returns. In the longer term, when there will be greater clarity on the nature,

availability, and economic viability of next-generation green fuels, we expect to embark on a fleet renewal program. In the meantime, we believe that carbon capture offers compelling potential for shipping to mitigate its carbon footprint and have invested in a promising carbon capture venture focused upon marinizing that technology.

We are signatories to the Call to Action for Shipping Decarbonization and are committed to both meeting and beating the emission reduction goals implicit in evolving regulations. The increasing incorporation of decarbonization principles throughout all areas of our industry - from the regulatory environment, to the growing role of sustainable finance and investment, to the Scope 3 driven demands of our liner customers and their own customers further downstream to the consumer - underlines the need for alignment and cooperation between all stakeholders along the energy and supply chains. In the current context of record earnings and strong balance sheets, we firmly believe that both the industry in general and our company in particular are well placed to manage the challenges and capitalize upon the opportunities ahead.

“The health and safety of our people, both at sea and ashore, remain an absolute priority.”

About this report

01.01
2021

Reporting Period

31.12
2021

This is our third annual Environmental, Social, and Governance (ESG) report; unless otherwise noted, it covers the period from January 1, 2021 through December 31, 2021. As in previous years, some of the data presented in this report includes the activities of our strategic partners: the technical and commercial managers of our fleet.

The report focuses on certain important ESG issues identified 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.

We note that our fleet grew substantially during 2021, from 43 ships at the beginning of the period to 65 ships at year-end. Logically, this resulted in an increase in our absolute emissions. The TEU-weighted average Annual Efficiency Ratio (AER) of the fleet - a carbon intensity measure - also increased slightly, to 9.8 gr CO₂ / DWT- mile in 2021, from 9.3 gr CO₂ / DWT- mile in 2020. This incremental increase in AER is attributed to the acquisition of comparatively smaller vessels (with lower average TEU capacity) during 2021, resulting in higher specific emissions for the overall fleet.

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



Global Reporting Initiative
(GRI Standards: Core option)

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.

1. About Global Ship Lease



About GSL

Company 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 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 and they operate.

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 and chartering strategy seek to combine strong, longer-term contract cover with selective shorter-term exposure, 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.



Scale of operations

\$ 448
Million

Total revenue in 2021



65

Containerships



\$1.8
Billion

Forward contracted revenues



2.6
Years

Average forward contract cover



2

Offices

London, Athens



3,106

Crew and shore employees



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, 2021, 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 new-design wide-beam "Eco" units. The average age of our vessels, weighted by TEU capacity, is 14.9 years - implying an average remaining useful economic life of 15+ years.

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 latest generation, wide-beam
(new design), ECO containerships

Total Capacity: 228,072 TEU

Charterers: Maersk, CMA CGM,
ZIM, Hapag-Lloyd, COSCO, ONE,
MSC, Wan Hai

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

Total Capacity: 72,649 TEU

Charterers: CMA CGM, Maersk,
Hapag-Lloyd, Gold Star, OOCL, ZIM

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

Total Capacity: 40,509 TEU

Charterers: CMA CGM, OOCL,
Hapag-Lloyd, MSC, ONE,
Sea Consortium, Wan Hai, Sea-Lead,
Westwood, ZIM, Matson

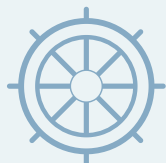
1 Feeder
container vessels

Capacity 1,118 TEU

Built in 2005

Charterers: CMA CGM

65 vessels
Total fleet



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



342,348
Total fleet TEU capacity



23 acquisitions
Ships added to fleet in 2021



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 2021, we acquired a total of 23 ships. The technical management of six of these ships remained outsourced to Boden Denizcilik AS - the ship manager in place at the time they were purchased.

Commercial management

We have a commercial management 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 conflicts 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, their information has been included in the scope of this report.

Ratings

MOODY'S

GSL Corporate Family Rating was **upgraded to B1 from B2**, with a stable outlook, by Moody's Investor Service ("Moody's"), in July 2021. The rating was further improved to B1 with a positive outlook in July 2022.

B1



S&P Global Ratings ("S&P") raised GSL's **long-term issuer credit rating to BB-** from B+, in August 2021. The rating was further notched up to BB with a stable outlook in August 2022.

BB

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, providing 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.

- In February 2021, we agreed to purchase and charter back seven 6,000 TEU Post-Panamax containerships with an average age of approximately 20 years. The charters are to Maersk Line for an initial firm period of 36 months each, followed by two extensions of approximately one year each at charterer's option.
- In June 2021, we agreed to purchase 12 containerships, with an average size of approximately 3,000 TEU and a weighted average age of 11 years, from Borealis Finance LLC - increasing our exposure to the workhorse feeder and handy-size segments. At the time of acquisition, the ships were all on charter to leading liner operators, with remaining charter durations of three to 25 months. The ships on shorter duration contracts were subsequently rechartered for multi-year periods at attractive rates.

- Also during June 2021 we sold one 2001-built 2,272 TEU containership, the proceeds from which were used to partially fund the purchase of four 5,470 TEU Panamax containerships, with an average age of approximately 11 years, that were chartered upon delivery to Maersk Line for a firm period of three years each, followed by three year extensions at charterer's option.

As of December 31, 2021 we had an on-the-water fleet of 65 containerships with an aggregate capacity of 342,348 TEU.

During 2021, our revenues increased by approximately 58.4%, due to the combination of a 21.1% increase in ownership days, driven by the net acquisition of 22 ships in 2021, and charter renewals of existing ships at materially higher rates. The full year revenue effect of the acquired ships will only be seen from 2022.

At the end of 2021, we had forward contracted revenues of approximately \$1.8 billion over a TEU-weighted average term of 2.6 years.

Statement of operations (in mil \$)	2021	2020
Time charter revenue	448.0	282.8
Operating expenses	(210.4)	(178.1)
Vessel operating expenses	(130.3)	(102.8)
Time charter and voyage expenses	(13.1)	(11.2)
Depreciation and amortization	(61.6)	(47.0)
General and administrative expenses	(13.2)	(8.4)
Impairment of vessels	-	(8.5)
Gain (Loss) on sale of vessels	7.8	(0.2)
Operating income	237.5	104.7
Income before income taxes	171.6	41.6
Net income available to common shareholders	163.2	37.6

Operational Overview	2021	2020
Vessels in operation at year end	65	43
Ownership days	19,427	16,044
Planned offhire - dry-docking days	(752)	(687)
Unplanned offhire days	(260)	(95)
Idle days	(88)	(338)
Operating days	18,327	14,586
Port calls	4,326	3,822
Countries visited	96	87
Nautical miles travelled	4,311,126	3,386,650
Utilization	94.3%	93%

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	Reduce net-CO ₂ emissions by 50% by 2050 (v. 2008 levels) - consistent with IMO targets.	●	
	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 green 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.		●
	Ensure compliance with evolving decarbonization and emissions reduction regulations, including EEXI and CII.	●	
Operational Optimization & Innovation	Cultivate and support a collaborative approach with our liner company customers to reduce emissions by improving the energy efficiency and optimizing the operations of our existing ships.	●	
	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 (e.g. bulbous bows optimized for slower speed operation) that facilitate improvements in the operating performance and energy efficiency of our ships.	●	
Marine Environment	Support R&D activities for the development of green technologies for the container shipping industry.		●
	Zero-tolerance approach to oil spills.		●
Waste management	Installation of IMO / USCG-compliant Ballast Water Treatment systems on all ships in our fleet.	●	
	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 EU SRR regulations.		●
	Adhere to Hong Kong Convention 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 as set out in IMPA ACT.		●
	Establish ESG screening of our suppliers and contractor.	●	
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 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 GRI and 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.		●
	Introduce gender diversity at Board level.	●	
ESG Governance	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

2021 Summary of performance

The tables below summarize our ESG performance through KPIs associated with the Environment pillar (E) - all calculated on the basis of full containers carried (TEUs):

Pillar	KPI ¹	Annual performance 2021 (65 Ships*)	Annual performance 2020 (43 Ships*)	SASB material disclosure topic
Environment	Energy Efficiency Operation Index (EEOI) Handymax (gr CO ₂ / TEU-mile)	180.4	180.6	
	Energy Efficiency Operation Index (EEOI) Panamax (gr CO ₂ / TEU-mile)	145.0	125.0	
	Energy Efficiency Operation Index (EEOI) Post-Panamax (gr CO ₂ / TEU-mile)	107.1	97.2	
	Average Fleet Energy Efficiency Operation Index (EEOI) (gr CO ₂ / Tonne-mile)	23.0	20.1	
	Average Fleet Annual Efficiency Ratio (AER) (gr CO ₂ / DWT-mile)	10.6	9.8	
	Total direct GHG emissions (tn CO ₂) Scope 1	2,842,616	2,147,797	●
	Total indirect GHG emissions (tn CO ₂) Scope 2	133.9	84.1	
	Total fuel consumption (tn)	907,423	682,652	
	Total SOx emissions (tn)	4,167	2,967	●
	Total NOx emissions (tn)	65,167	39,431	●
	Total PM emissions (tn)**	3,169	856	●
	Total waste generated (m ³)	43,259	34,439	
	Total water consumption (m ³)	126,655	103,418	
	Total water reclaimed (m ³)	111,639	95,071	
	Percentage of fleet implementing ballast water treatment (%)	60	51	●
	Number and volume of spills and releases to the environment	0	0	●

* Fleet size at year-end.

** The PM emissions of our fleet for 2021 were calculated using a new methodology - which is consistent with evolving industry best practice, but distorts comparative year-on-year PM emissions v. 2020.

1. GSL plans to further calculate and report Scope 3 emission categories, from 2022 onwards.

About GSL

2021 Summary of performance

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

Pillar	KPI	Annual performance 2021 (65 Ships*)	Annual performance 2020 (43 Ships*)	SASB material disclosure topic
Social	Total number of seafarers in the pool	2,798	2,792	
	Total number of training hours (seafarers)	1,860	1,225	
	Total women on board our ships	13 (12 officers)	-	
	Seafarers' retention rate (%)	91	72	
	Total number of employees ashore	308	233	
	Gender diversity (%) all levels, ashore, including senior management	38	40	
	% of employees with seagoing experience	27	24	
	Total number of new hires	92	37	
	Total number of onboard drills per vessel	94	92	
	Number of onboard internal audits	73	62	
	Number of port state control deficiencies and other deficiencies	194	398	●
	Number of serious marine incidents	6	0	●
	Lost time injury (LTIF) rate per 1,000,000 manhours	0.21	0.42	●
	Total Recordable Cases Frequencies (TRCF) per 1,000,000 manhours	0.62	1.12	
Governance	% port calls in countries that have the 20 lowest rankings in the CPI	15	12.5	●
	Amount of legal and regulatory fines associated with bribery or corruption	0	0	●
	Number of controls and process tests conducted	195	179	
	Number of material weaknesses or deficiencies	0	0	

* Fleet size at year-end.

About GSL

We promote a diverse and inclusive environment

2,798

Total number
of seafarers



20

Nationalities
on board our ships



308

Employees
ashore



12

Female officers
on board our ships



92

New hires
in 2021



96

Countries visited in 2021

38%

Proportion of female
office-based employees



2

offices



2. Materiality analysis and stakeholder engagement



Materiality analysis

and stakeholder engagement

Our ongoing goal is to embed ESG and sustainability at the heart of our business strategy and processes. To facilitate this, we periodically approach our business partners and stakeholders to understand which specific and actionable ESG issues are most material to them and to gauge the following:

The impacts of our operations and activities; how to maximize positive impact and minimize negative impact in a responsible and constructive manner.

The potential risks and opportunities associated with our operations, and how we can manage them proactively and effectively to produce long-lasting value.

The effectiveness of our ESG strategy, and how we can formulate it in a way that is just and fair for all, without undermining our capacity to achieve operational and commercial excellence.

The key stakeholder groups with which we engage include:

- Charterers / Liner Operators (our customers)
- Employees
- Investors
- Commercial Lenders and Financial Lessors
- Investment Banks and Analysts
- Insurers and P&I Clubs
- Crewing Agents
- Classification Societies
- Ship Brokers
- Other Suppliers

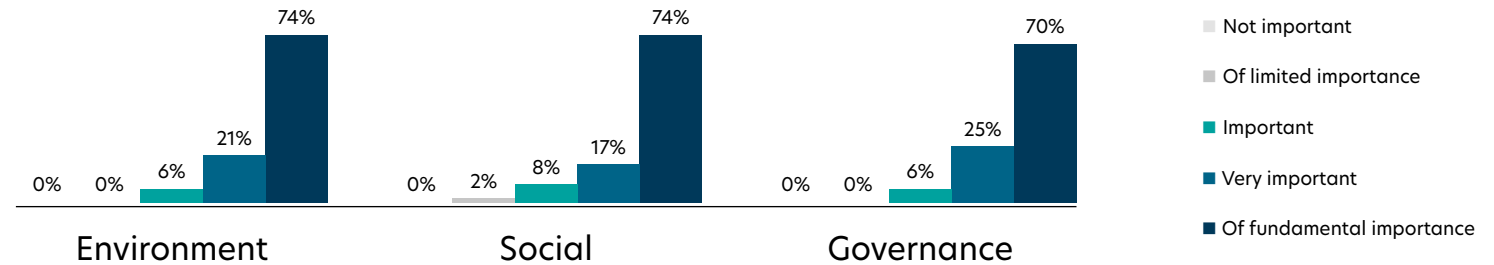


Materiality analysis

and stakeholder engagement

In order to gain a high-level understanding of evolving stakeholder sensitivity to ESG overall, and to assess the degree to which ESG should inform our overall strategy, we asked a sample of key stakeholders the following questions:

How would you evaluate the importance of the three broad ESG categories?



How do you expect the importance of ESG to evolve going forward?



The results show the significant role that ESG factors play within the shipping industry: at least 70% of the respondents assigned a degree "of fundamental importance" across all pillars. Additionally, the majority (94%) of our stakeholders believe that the importance of ESG will continue to grow in the future, clearly signaling that we should continue our pro-active approach.

Materiality analysis

Process

Issue identification

- Reviewed ESG issues highlighted by leading sustainability standards and frameworks.
- Conducted research and a benchmarking exercise to identify industry-specific trends and best practices.
- Assessed company-specific initiatives.

Assessment and prioritization

- Distributed electronic questionnaires to sample groups of internal and external stakeholders.
- Received input from key stakeholder groups on what they perceive to be the most important issues in relation to our ESG performance going forward.

Validation and alignment

- Analyzed the results of the survey.
- Produced a materiality matrix, which combines input from both internal and external stakeholders and provides the basis for the content of this report.

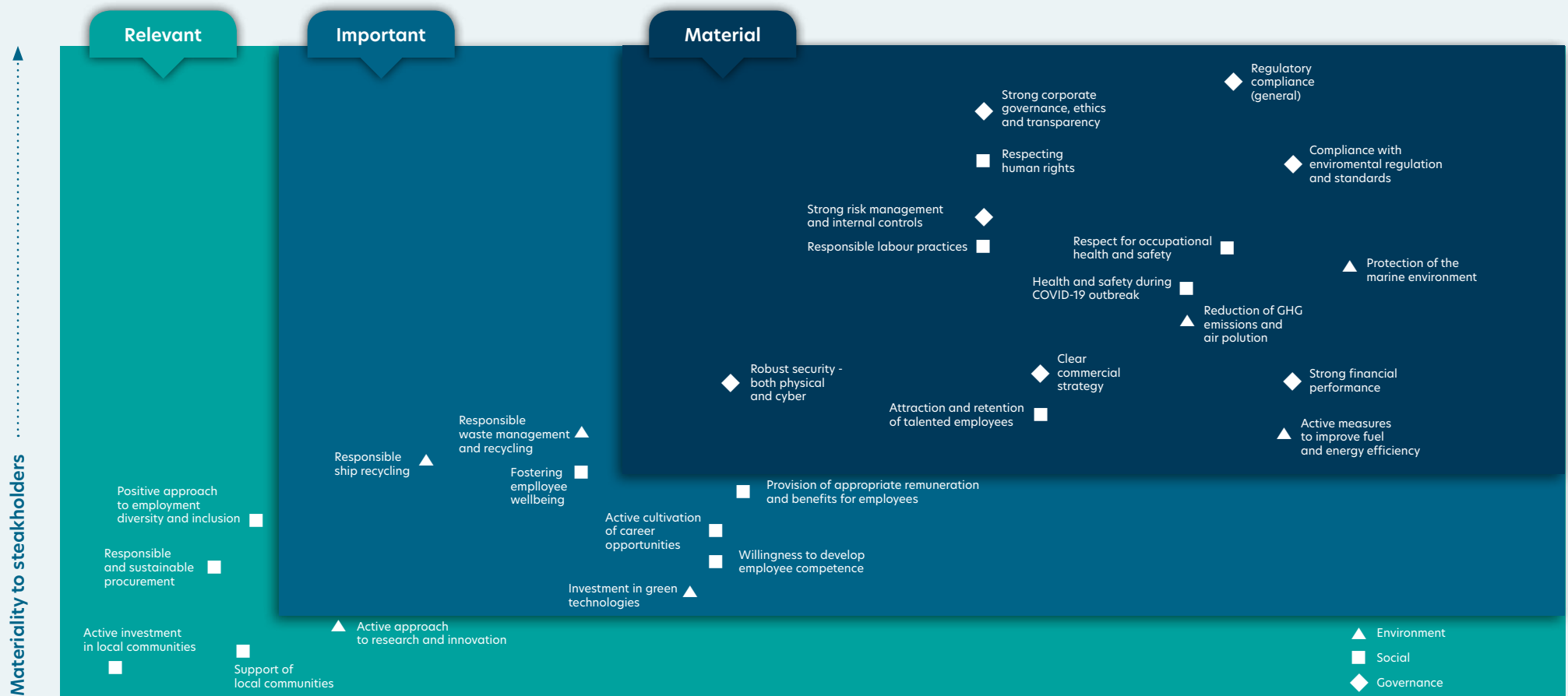
Materiality analysis

Matrix

Materiality matrix

The materiality matrix illustrates the significance of ESG issues as perceived by us and our stakeholders, classifying issues in three tiers depending on the scores they received, on a scale from 1: Not important, to 5: Of fundamental importance.

Material issues are the issues identified as most material, both by us and by our stakeholders. These issues are considered critical to our sustainable success and we have either already embedded, or will embed, management processes and systems to monitor and enhance our performance in these areas with the highest priority.



Significance of environmental, social and governance impacts

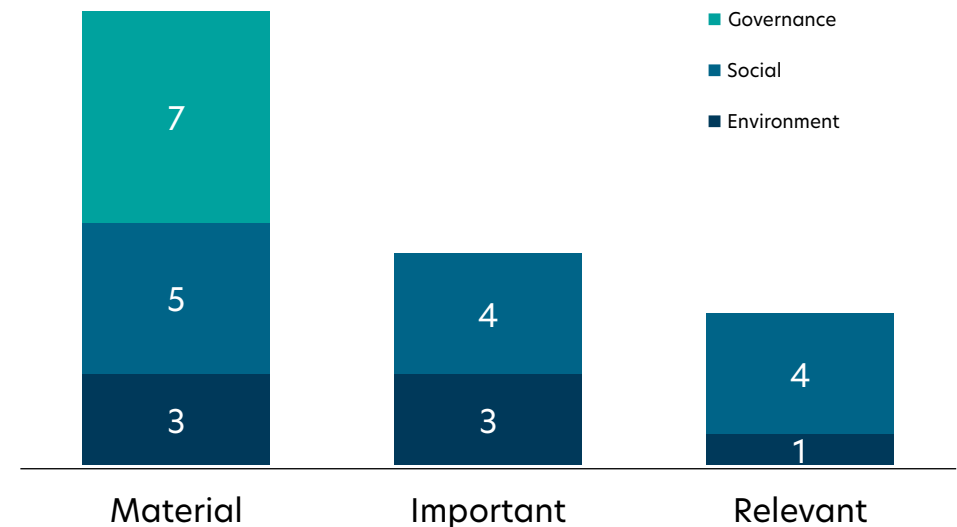
Materiality analysis

Summary of matrix output

List of most material ESG issues

- Regulatory compliance (including compliance with environmental regulations and standards)
- Protection of the marine environment
- Respect for occupational health and safety (including during COVID-19 outbreak)
- Strong corporate governance, ethics and transparency
- Strong financial performance
- Reduction of GHG emissions and air pollution
- Respect for human rights
- Strong risk management and internal controls
- Responsible labour practices
- Clear commercial strategy
- Active measures to improve fuel and energy efficiency
- Attraction and retention of talented employees
- Robust security - both physical and cyber

Our stakeholder questionnaire included 27 issues; seven were environmental, 13 were social and seven were governance-related. Two of the issues were included for the first time (responsible and sustainable procurement, and respecting human rights). The figure below shows the distribution of our issues per ESG pillar:



Based on the results of the analysis, 15 issues were identified as material, 6 issues as important and 5 as relevant for us and our stakeholders.

Materiality analysis

Supporting the United Nations Sustainable Development Goals

We have aligned our business strategy with the IMO's GHG emission reduction targets and the UN Sustainable Development Goals, ensuring that we act as responsible stewards of the marine environment and cultivate an inclusive, diverse, healthy, and safe work environment (both on board our vessels and ashore), while building an agile, profitable, and sustainable business.



We have incorporated the United Nations Sustainable Development Goals (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 2021, containerships are estimated to have carried 216 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 industry organizations and associations are setting decarbonization targets and taking action accordingly. Illustratively:

International Maritime Organization (IMO)

- In 2018, the IMO, shipping's global regulator, adopted an initial strategy for the reduction of GHG emissions from international shipping, targeting an absolute reduction of at least 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 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 is required to be calculated for ships of 400 gross tons and above, in accordance with the different values set for ship types and sizes. EEXI enters into force from January 1, 2023, and the most common and cost-effective compliance measure will be 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 CO₂ 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. These CII amendments will apply to ships of 5,000 gross tons and above. Maintaining favourable CII ratings will 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 CO₂ 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 greenhouse gas 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 expected to be included within the EU Emissions Trading Scheme (EU ETS) within the near term. 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. At the time of writing of this report, the implementation roadmap for the incorporation of shipping within EU ETS had yet to be fully ratified by the various governing branches of the EU. However, the "polluter pays" principle is expected to prevail, with the party responsible for operating a ship, and procuring the fuel for that ship - our customers, the charterers - expected to be economically liable for the corresponding EUAs.

Climate strategy

Our industry

Other illustrative national and pan-national initiatives

- The governments of Denmark, Norway, and the United States, along with 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.
- China has released a national action plan for carbon emissions to peak by 2030, with carbon neutrality to be achieved by 2060.
- The UK has established a Net Zero Strategy, targeting net zero emissions by 2050. A consultation process is ongoing regarding the development of a UK Emissions Trading Scheme, which is expected to include the domestic maritime industry.
- 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.

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 28 signatories to the Poseidon Principles – jointly representing approximately \$185 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.



**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 target
“Global Ship Lease
aims to achieve **net zero**
carbon emissions by 2050.”



Climate strategy

Our approach to decarbonization

Our decarbonization strategy

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 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.

Our
pathway
to **Net
Zero**
by 2050

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

2021 - 2023

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

2030

**Net Zero
by 2050**

across our operations
and supply chain

Fleet renewal
with next-generation
green assets

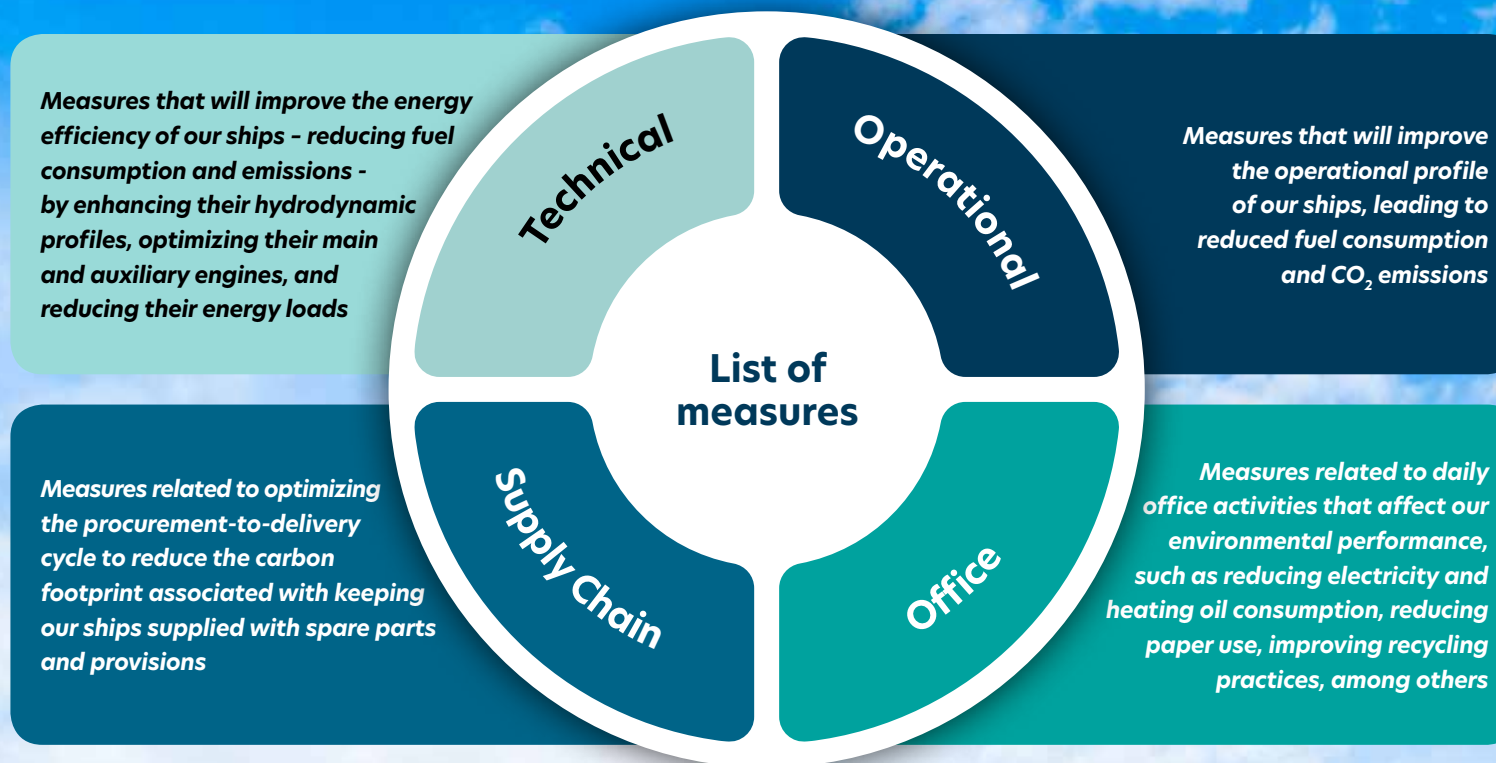
2050

%

Climate strategy

Our approach to decarbonization

Near term decarbonization measures



Initiatives already being implemented include "Trim & Ballast Optimization" - which can deliver fuel savings and reduce emissions regardless of whether a ship is laden or empty, "Energy Awareness Training & Anchoring Efficiency" - to minimize energy consumption when a ship is idle or at anchor, "Weather Routing" - to reduce exposure, where possible, to heavy weather that would otherwise increase fuel burn, "Speed Optimization" - to identify and utilize the optimum speed for a given hull form, cargo load, and route whereby the fuel used per tonne-mile is minimized without compromising contractual requirements.

Climate strategy

Our approach to decarbonization

Additional energy saving measures may include a combination of the following:

Initiative	Description
Performance Monitoring and Management	Daily monitoring of ship location, fuel consumption, and speed through our performance monitoring tools - allowing dynamic evaluation of our fleet performance and corrective action when appropriate
Hull & Propeller Smoothness	Improvement of the friction profile of ships' hulls to reduce resistance, while also improving propeller efficiency, resulting in reduced fuel consumption and emissions
Bulbous Bow Modification	Retrofitting of bulbous bows optimized to minimize water resistance at speeds and drafts matching the actual operating profile of a given vessel, thus reducing fuel consumption and emissions
Propeller Exchange	Changing to a propeller optimized to match the actual operating profile of a given vessel, improving efficiency and reducing fuel consumption and emissions
Slide Type Fuel Valves	Installing slide valves improves fuel injection efficiency, combustion efficiency, and combustion cleanliness - improving fuel efficiency and reducing emissions
Engine De-Rating	Reduction of the upper limit of the Maximum Continuous Rating (MCR) of a given ship in order to reduce fuel consumption and emissions
Capacity Enhancement	Increase of a ship's Deadweight (DWT), via Scantling draft re-assessment, in order to improve the cargo carrying capacity of the ship and thus reduce consumption of fuel (and emissions) per tonne-mile
High Specification Hull Coatings	Apply high-specification hull coatings to reduce underwater friction and consequently reduce fuel burn (and associated emissions) by the ship's main engine
Use of Low Sulphur Fuel or Scrubbers	Ensure all 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
Shaft Generator	Power generator driven by the ship's main engine in conjunction with the propeller shaft, providing electrical power more efficiently (and thus at lower fuel consumption) than that provided by diesel generators
Electronic Engine Control	Enhanced control of the ship's main engine to improve dynamic tuning, optimize the combustion cycle, and improve overall engine efficiency to reduce fuel consumption and emissions
Route-Specific Container Stowage	Optimize cargo stowage for a given trade route in order to maximize operational flexibility and efficiency

Climate strategy

Our approach to decarbonization

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: ESD economics must be value accretive within the respective ship's expected lifetime

Our investment in carbon capture

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% adoption rate of green 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 green 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.

We have invested in a carbon capture initiative led by **Aqualung Carbon Capture AS (“Aqualung”)**, an innovator in membrane carbon capture and separation technology, alongside other industry leaders in shipping, energy generation and infrastructure, and lithium production.

Global Ship Lease was invited to invest in Aqualung and to pool our technical expertise to support the application of Aqualung's carbon capture solution to the maritime sector, with a particular focus on the development of **containerized carbon capture units to be retrofit-able 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**.

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.



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 2021, zero environmental fines and incidents of non-compliance were recorded.

0 Environmental fines
Incidents of non-compliance

Regulation	Description	Our response
Inventory of Hazardous Materials (IHM)	A regulation to control hazardous materials on board ships 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: 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.
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	Targets the reduction in total GHG emissions from international shipping by at least 50% by 2050 compared to 2008 and a reduction in carbon intensity of 40% by 2030, and 70% by 2050. Entry into force: October 2018.	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)	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 calculated the CII values for our ships based on their past operating profiles. 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. As CII is an operational metric, we will liaise with charterers to optimize vessel operations in order to enhance CII ratings going forward.
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.

Environment

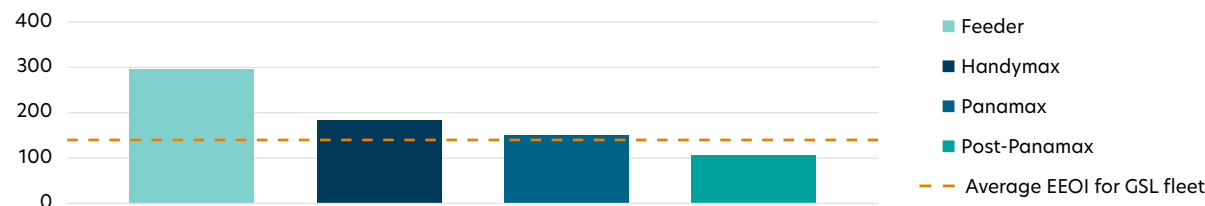
Energy efficiency and GHG emissions

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.

As covered in the climate strategy section of this report, ongoing initiatives include "Trim & Ballast Optimization", "Energy Awareness Training & Anchoring Efficiency", "Weather Routing" and "Speed Optimization".

Furthermore, we are exploring a variety of technical energy performance initiatives such as Performance Monitoring and Management, Hull & Propeller Smoothness, Bulbous Bow Modification, Propeller Exchange, Slide Type Fuel Valves, Engine De-Rating, Capacity Enhancement, High Specification Hull Coatings, Use of Low Sulphur Fuel or Scrubbers, Shaft Generator, Electronic Engine Control and Route-Specific Container Stowage, are applied on board our vessels to improve operational efficiency and enhance fleet's energy efficiency.

GSL average EEOI (gr CO₂ per TEU - mile), by fleet segment



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 CO₂ / Tonne-miles) increased by approximately 14%, from 17.9 gr CO₂ / Tonne-miles in 2020 to 20.5 gr CO₂ / Tonne-miles in 2021, as a result of higher specific fleet CO₂ emissions due to the acquisition during 2021 of comparatively smaller ships (i.e. ships with comparatively lower average TEU capacity).

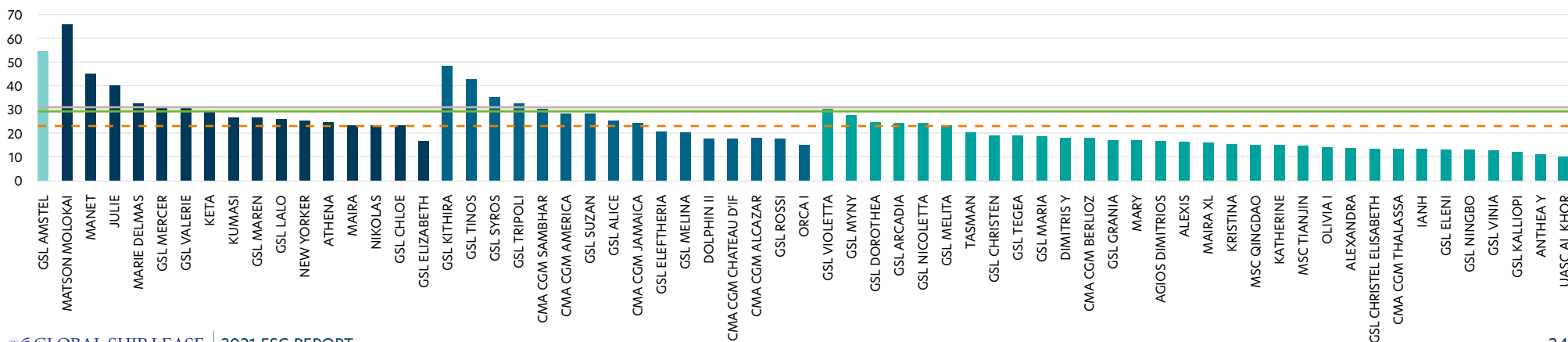
EEOI is converted to a tonne-mile measurement in order to facilitate broader benchmarking against industry data from the IMO and AMC. The IMO average

index benchmark (basis 2009 - with 2008 as the industry's "year zero" for emissions benchmarking) for containerships is 37.04 gr CO₂ / tonne-mile for Handymax and 30.74 gr CO₂ / tonne-mile for Panamax and Post-Panamax vessels. Furthermore, the AMC average index benchmark (2021) is 30.25 gr CO₂ / tonne-mile for Handymax, 20.15 gr CO₂ / tonne-mile for Panamax and 22.45 gr CO₂ / 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 2021, the majority of our ships maintained an EEOI below industry benchmarks.

23.0 gr
CO₂ / Tonne-mile
Average Fleet EEOI

GSL EEOI (gr CO₂ per tonnes - mile), by ship



Environment

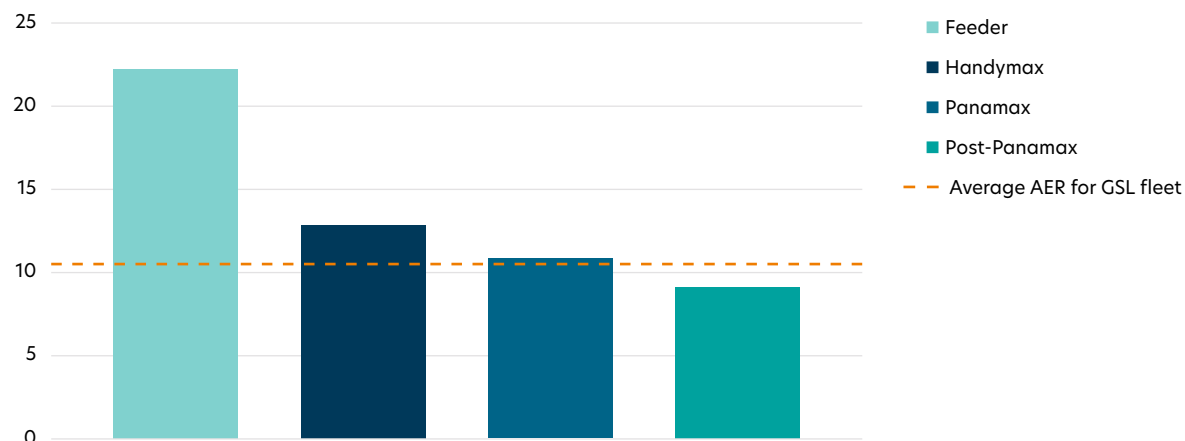
Energy efficiency and GHG emissions

10.6_{gr}
CO₂ / 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 CO₂ per DWT - mile. The average AER for our fleet in 2021 was 10.6 gr CO₂ / DWT - mile, an increase of 8% on 2020 (9.8 gr CO₂ / DWT - mile), while the TEU-weighted average AER increased by around 5% (9.8 gr CO₂ / DWT-mile in 2021, 9.3 gr CO₂ / DWT- mile in 2020).

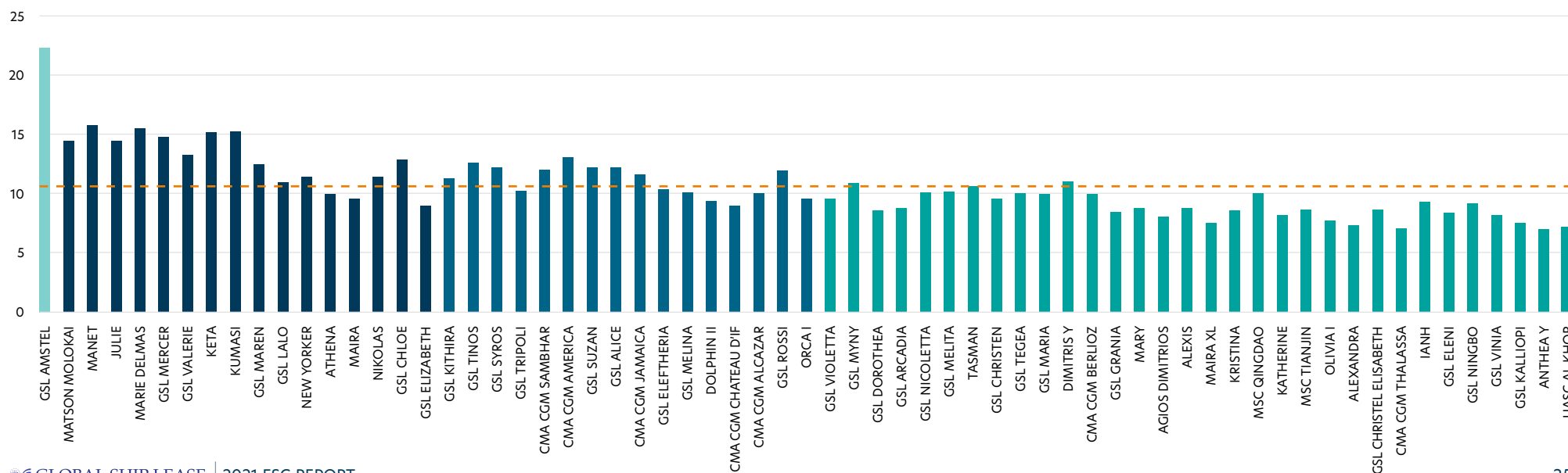
The increase is attributed to the acquisition of comparatively smaller vessels (with lower average TEU capacity) during 2021, resulting in higher specific emissions for the overall fleet.

GSL average AER (gr CO₂ per DWT - mile), by fleet segment



GSL AER, by ship

----- Average AER for GSL fleet



Environment

Energy efficiency and GHG emissions

During the reporting period, our fleet emitted 2,842,616 tonnes of CO₂ (Scope 1) from the consumption of 907,423 tonnes of fuel oil. However, it should be noted that our fleet size increased substantially in 2021, from 43 ships with a combined capacity of 245,280 TEU at end-2020, to 65 ships with a combined capacity of 342,348 TEU at end-2021.

The total energy consumption of our fleet in 2021 was 3,659,7014 GJ. Regarding the GHG emissions from our onshore activities, in 2021 our offices produced 133.9 tonnes of CO₂ (Scope 2) from the consumption of 226,116 kWh of electricity and 1,500 litres of heating oil. The office consumption was increased in comparison with 2020 when 84.1 tonnes of CO₂ were produced, due to the return to the office for the majority of our workforce (who had been working remotely during the height of COVID) and an increase in the total employee headcount by approximately 32% in comparison with 2020.

Fuel Consumption

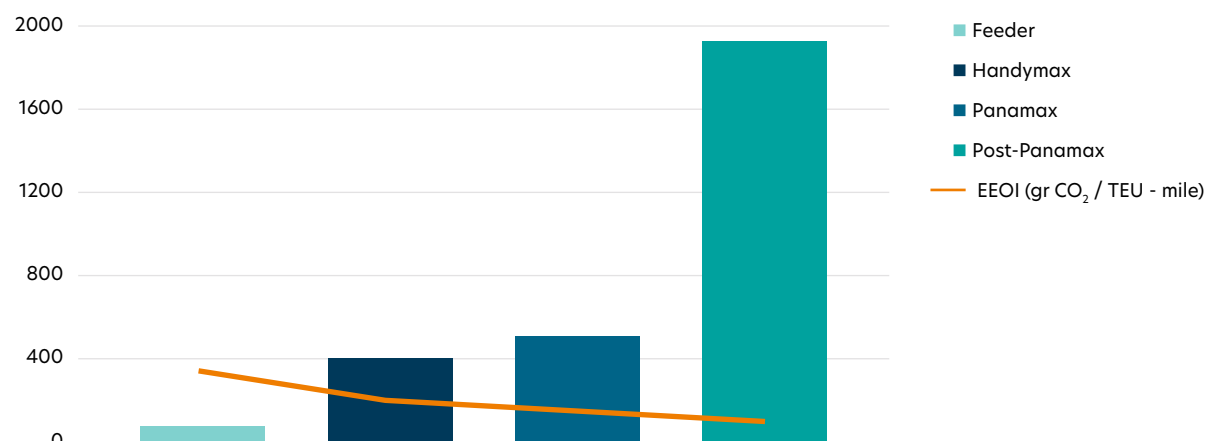
Oil Type (metric tonnes)	2021	2020
HFO	493,241	232,480
LFO	361,223	414,906
MGO/MDO	52,959	35,265
Total	907,423	682,651

2,842,616 tn CO_{2e}
Scope 1 Emissions

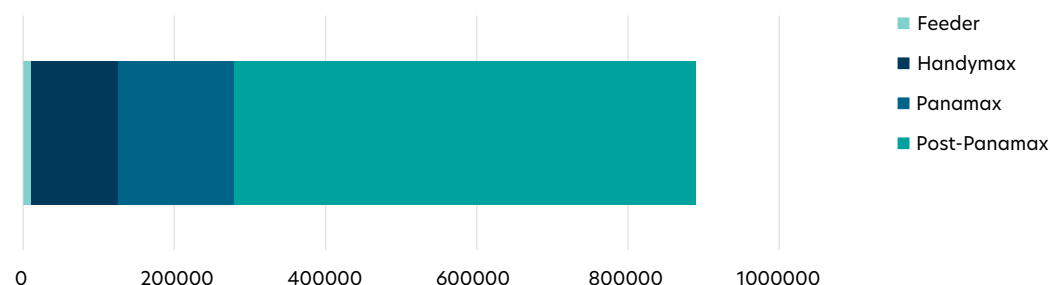


133.9 tn CO_{2e}
Scope 2 Emissions

GSL emissions ('000 tonnes CO_{2e}), and EEOI (gr CO₂ / TEU - mile)



Fuel oil consumption (tonnes)



907,423 tn
fuel oil consumed by our fleet



36,597,014 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.

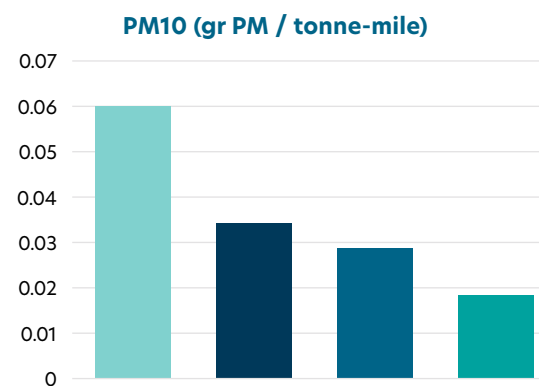
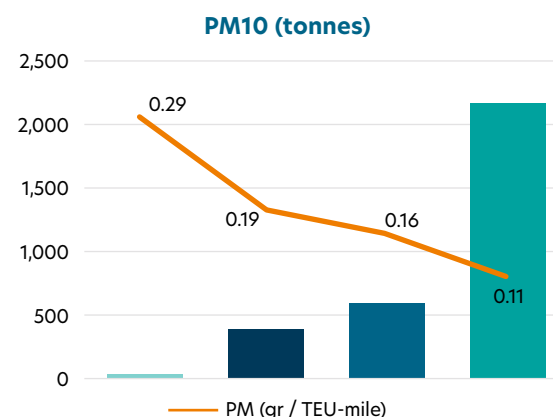
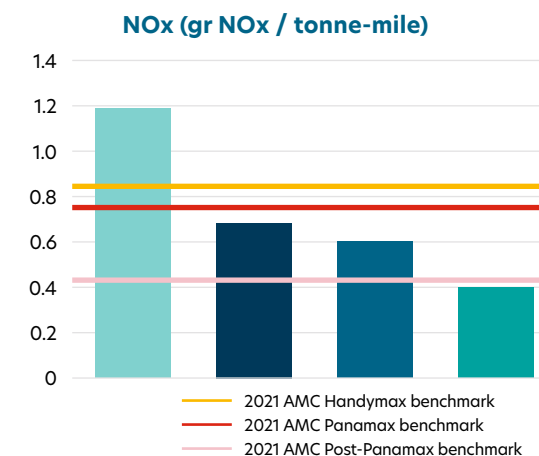
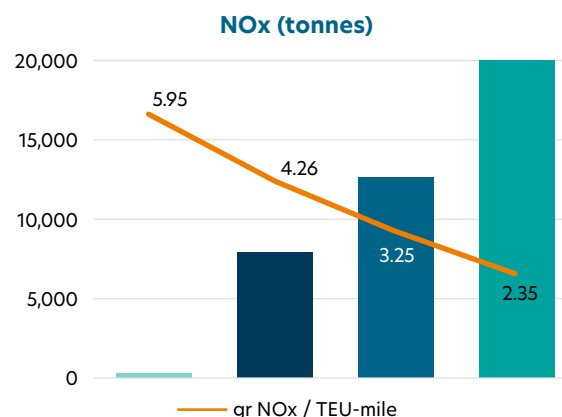
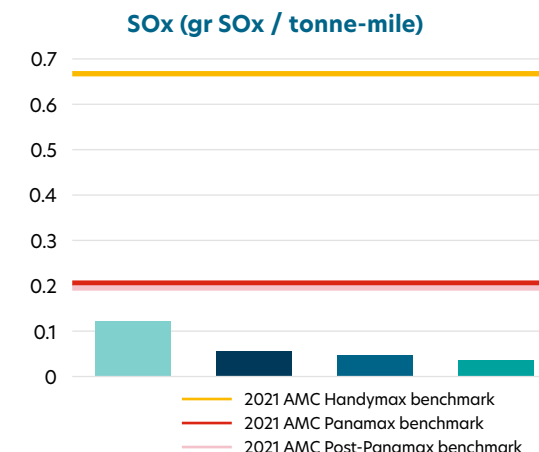
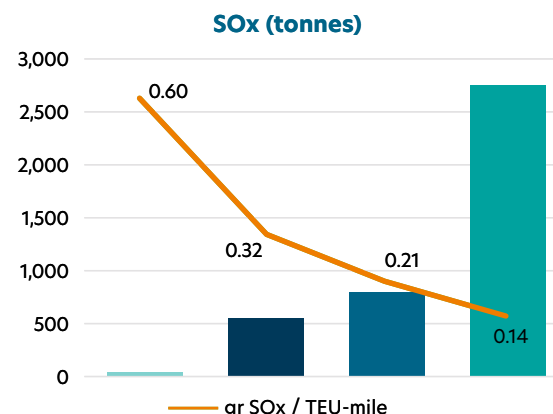
During the reporting period, our fleet emitted **4,167 tonnes of SOx**, **65,167 tonnes of NOx²** and **3,169 tonnes of PM10 (Particulate Matter)**.

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.

2. 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%.

For all tables: Feeder Handymax Panamax Post-Panamax



Environment

Waste management

43,259 m³
of waste generated on board
our vessels during 2021



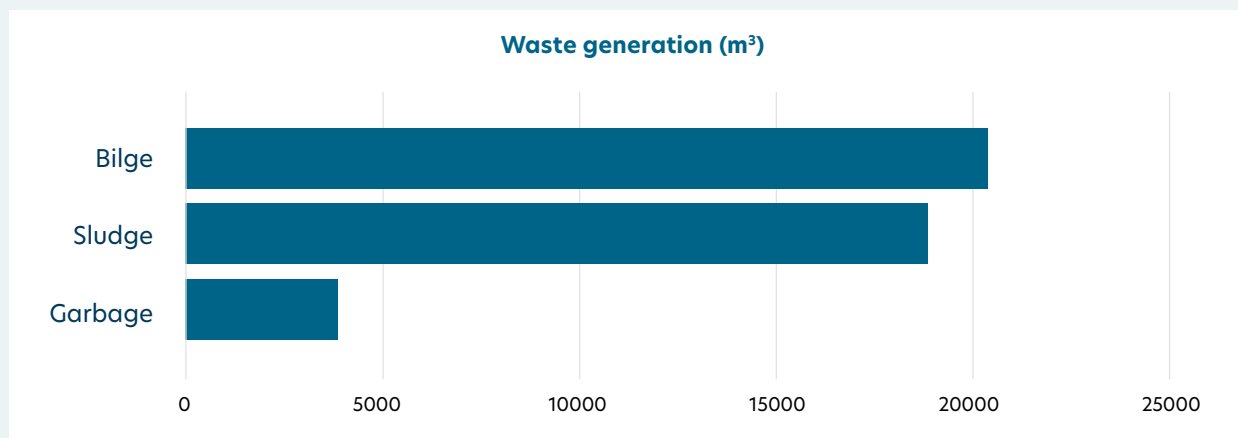
1.73 mm³ / TEU-mile
of waste generated per transport
work during 2021

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 2021. During 2021, we achieved an average reduction of 17% of waste generated per ship compared with 2020.



Environment

Water management

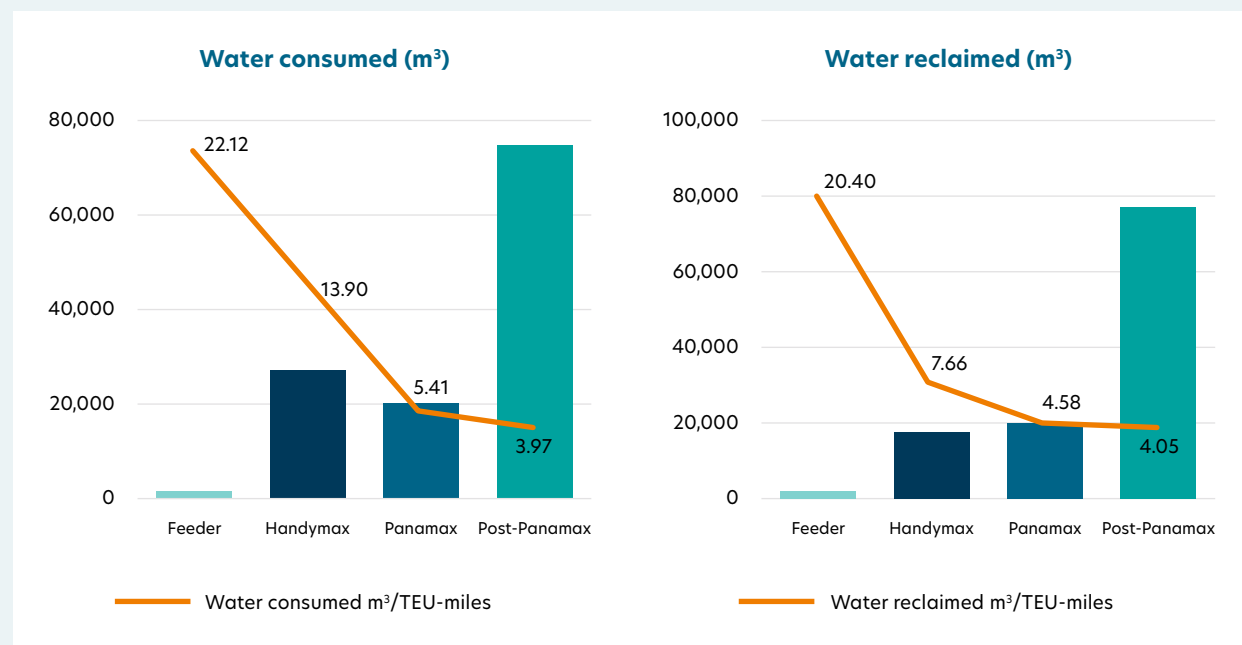
126,655 m³
of fresh water consumed
on board during 2021



111,639 m³
of water reclaimed
on board during 2021

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 (m³) and per unit of transport work (m³ per TEU-mile).



Water consumption increased in absolute terms due to the growth of our fleet from 43 ships in 2020 to 65 ships in 2021. However, we achieved a 19% year-on-year reduction in average consumption per vessel.

19%
year-on-year reduction
in average water
consumption per vessel

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 2021, 60% of our fleet (39 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

0 Spills or spill related incidents to the marine environment in 2021

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.

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.

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 2021

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 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 on board. 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 office consumption was increased in comparison with 2020, due to return to the office (from remote working) for the majority of our workforce and a 32% increase in our employee headcount.

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
2021

Total for
2020



Paper
(paper
packs)

2,023

2,336



Electricity
(kWh)

226,116

143,563



Fresh
Water
(m³)

194

28.8



Heating
oil
(liters)

1,500

650

5. Social

Related SDGs



Social

Health and safety: our top priority

We operate in a manner which protects human health and safety. Our people's welfare and development are fundamental to the success of our business.

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 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 assess risks to health and safety associated with our operations and implement programs and appropriate protective measures to control and mitigate them.
- 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.

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

During 2021, we conducted 94 on board drills per vessel, up 2% year-on-year, and 80 internal audits across our fleet.

During the 142 PSC inspections, 194 deficiencies were identified, approximately 50% less in comparison with 2020.



94
Onboard drills
per vessel



80
Onboard internal audits /
inspections across our fleet



142
PSC inspections across our fleet
50% reduction in deficiencies



Social

Promoting safety 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, information campaigns and team activities.
- 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.

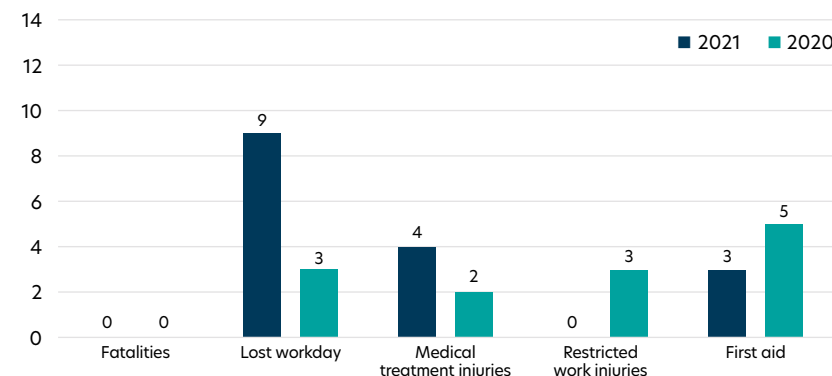
We invest in our people, policies, and equipment as we strive to protect both our people and the environment, and to meet our goal of zero spills and incidents.

During the reporting period, we reduced the number of Health & Safety related incidents on board our vessels for the second year in a row. We had zero fatalities, 9 lost workday incidents, 4 injuries requiring medical treatment, 3 first aid cases, and zero restricted work injuries.

In 2021 both the Lost Time Injury Frequency (LTIF) and the Total Recordable Cases Frequency (TRCF) improved by approximately 50% year-on-year.

- The Lost Time Injury Frequency (LTIF) rate was reduced to 0.21 per million manhours, from 0.42 in 2020.
- The Total Recordable Cases Frequency (TRCF) rate was reduced to 0.62 per million manhours, from 1.12 in 2020.

Safety-related incidents



9

Safety incidents during the reporting period

0.21

per 1,000,000 manhours
Lost Time Injury Frequency (LTIF)

0.62

per 1,000,000 manhours
Total Recordable Cases Frequency (TRCF)

Marine environment protection performance

We aim to ensure environmental compliance, as it is of fundamental importance for the integrity of our business. In 2021, zero environmental fines or incidents of non-compliance were recorded. In 2021 we averaged 3.51 Conditions of Class or Recommendations across our fleet, which is a year-on-year improvement of 21%.

0

Environmental fines

0

Incidents of non-compliance

3.51

Average Class Recommendations per ship

Responding to the COVID-19 pandemic onshore and on board



The COVID-19 pandemic has had, and continues to have, a significant global impact: threatening life, putting pressure on public health care, triggering lockdowns, and disrupting the global supply chain and business continuity.

In line with the guidelines set by the Greek Government, the World Health Organization and the International Maritime Organization, we applied multiple measures to protect our people both onshore and on board our ships. Key aspects of our response to the pandemic are summarized below:

On board

- Provision of general rules for hygiene and protocols to apply in ports with reported COVID incidents.
- Implementation of quarantine procedures for employees returning from abroad, while covering the cost of preventive PCR and rapid tests.
- Vaccination for seafarers, with GSL covering all related expenses. As of 31st December 2021, 70% of our crew were vaccinated for COVID-19.
- Assignment of roles and responsibilities for specific personnel (e.g. Ship Master, Medical Officer, Ship Security Officer, Officer of the Watch) regarding the application of preventative / protective measures.

Acknowledging the significant challenges posed by the pandemic to the welfare of our crew, in 2021 we became signatories of the **“Neptune Declaration on Seafarer Wellbeing and Crew Change”**, which focuses on the implementation of specific actions to address the crew change crisis, protect seafarers, and keep global supply chains functioning.

Onshore initiatives

- Implementation of a remote work scheme at a maximum of 100% and on a fixed basis of 40% with provision of relevant equipment.
- Regular preventive rapid tests for all employees (two tests per working week performed by external specialists).
- Provision of protective masks to each employee on a regular basis and disinfectant material in all workplaces.
- Weekly disinfection of workplaces, meeting rooms and office equipment; disinfectant installed in all meeting rooms.
- Restriction of deliveries to the office by introducing contactless delivery.
- Minimization of travel.
- Introduction of plexiglass screens in the reception area.
- Alteration of office seating arrangements in accordance with WHO guidelines.
- Temperature tests for any external contractor entering our offices.
- SAVE-MORE project (see Responding to social crises section of this report for details)

Social

Our employment practices

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 remuneration 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 at December 31, 2021, we employed 2,798 seafarers on board our ships. 20 nationalities were represented, with Filipinos making up 57% of the pool.

Our crew retention improved by 19 percentage points year-on-year, up from 72% in 2020 to 91% in 2021.

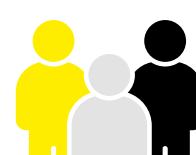
2,798

Total number of seafarers

91%

Retention rate

We see value in building gender and cultural diversity.



20

Nationalities
on board our ships



12

Female officers
on our ships

We currently employ 13 women on board our ships, 12 of whom are officers, and aim to increase both the absolute number and proportion of women seafarers going forward.

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 1,860 training man-hours.

Promotions per employment level

Promotions	Rank
15	Senior Officers
7	Junior Officers
6	Ratings

1,896

Total training hours

218

Training sessions

The crew change crisis caused by COVID, and associated country lockdowns and constraints upon travel, posed significant challenges to crew welfare and their daily lives. Acknowledging this we are committed signatories to the **"Neptune Declaration on Seafarer Wellbeing and Crew Change"**.

Social

Our employment practices

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:

- A total of 308 shore-based staff, out of which the 129 are fully dedicated in our fleet's technical and operations management, all of our employees are under full-time contracts;
- 38% are women;
- In senior management, the head of ConChart, together with the heads of legal, insurances, and freight collections are all women; this year we welcomed our first female director to the GSL Board.
- The total number of new hires in 2021 was 92 (31 women, 61 men), and we offered 3 internships;
- 27% of our shore-based staff have seafaring experience;
- The average retention rate was 85%.

308

Total Employees

38%

Women representation

27%

Employees with
seagoing experience

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

775

Total training hours

16

Training sessions

Respecting human rights

We firmly believe that the respect for human rights is a fundamental element of a responsible and robust governance framework.

We respect human rights, and do not discriminate on the basis of race, gender, religion, nationality, or any other factor.

We aim to incorporate specific policies and procedures in the following years, to further protect human rights and prevent any form of harassment in our workspace.



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 on board 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.

The Safe Haven Project is based in the Greek Island of Evia: the tourist industry and associated businesses of which suffered significant hardship as the result both of COVID-19 and wildfires in 2021. Establishing the project there has thus provided not only a safe haven for Ukrainian families, but also an economic stimulus to the local community.

At the release date of the report, 179 people - comprising the families of 56 seafarers - are safely residing in Greece, with a further 20 people currently on their way.

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.
- Yearly donations to Make-A-Wish Foundation, Pan-Hellenic Philanthropic Association “Bread & Action”, and the Care Association “FRONTIDA”.
- Financial support for the provision of respiratory equipment to the intensive care units of the Greek Shipowners' Social Welfare Company, SYN-ENOSIS.
- Yearly financial donation to the non-profit entity, SYN-ENOSIS, which supports a large number of vulnerable social groups that have been deeply affected by either adverse economic conditions or physical disasters such as fires and earthquakes, by providing food and medical care.
- Donations to ActionAid Hellas through the provision of child sponsorship by every employee.



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 who 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 2021, 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 Supplier Code of Conduct.
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

2021:

3,824

Total No. of delivered orders

3,514

Consolidated orders

95%

Forwarding consolidation ratio

6. Governance

Related SDGs



Governance

Board of Directors

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 voluntarily complies with many of the corporate governance requirements applicable to domestic issuers.

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.

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

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:

1. George Youroukos , Executive Chairman	4. Thomas A. Lister , Chief Commercial Officer
2. Ian J. Webber , Chief Executive Officer	5. Maria Danezi , Company Secretary
3. Tassos Psaropoulos , Chief Financial Officer	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	Conflicts Committee	ESG Committee	Nomination and Corporate Governance Committee	Compensation Committee
<p>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</p> <ul style="list-style-type: none"> (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. <p>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.</p>	<p>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.</p>	<p>The primary purposes of our ESG Committee are to</p> <ul style="list-style-type: none"> (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. <p>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.</p>	<p>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.</p>	<p>The main functions of our Compensation Committee include</p> <ul style="list-style-type: none"> (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 determining directors' compensation.

Governance

Business ethics

Our goal is to operate with the highest ethical standards. In this way, and apart from the fact that we wish to be held accountable for our actions, we are able to secure the trust of our business partners and stakeholders, thereby maintaining our social license to operate.

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 our employees, directors, officers and agents, and covers the following topics:

- Conflicts of Interest
- Corporate Opportunities
- Related Party Transactions
- Confidentiality and Privacy
- 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 and Whistleblower Policy

Compliance with the Code is essential for ensuring compliance with laws and regulations as well as maintaining ethical integrity. Our people are required to respect its contents and provisions while performing their daily activities, given that potential violations may result in disciplinary actions.

0

Violations of our ethical principles
& anti-corruption policy in 2021

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 wrong doings have come to their attention, and we ensure that all reports will be taken seriously and treated in confidence.

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.

Corruption Perception Index

We monitor our exposure to risks related to corruption linked to the geographical areas in which we operate. In 2021, 15% of our port calls were in countries in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI), which signals an increase compared to 2020, due to the increase of our vessels in the water, where the percentage stood at 12.5%.

0

Whistleblowing
incidents in 2021

0

Bribery and fraud
incidents in 2021

15%

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, ConChart and Boden 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 can risks 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.

Reputational

Reputational risks arise as a second order effect if actions are taken (or not taken) that put the integrity or professionalism of the Company in question. Examples would include management fraud, employee fraud, illegal and/or unauthorized acts.

Our top risks for 2021

Macro events amplifying the volatile nature of shipping.

Fluctuations in asset prices, charter rates, interest rates etc.

Outsourcing activities to third parties.

Decline in investor confidence in our business capabilities and/or our ability to execute our business model.

Costs related to vessel operations are not properly monitored or managed.

Insufficient access to capital.

A counterparty to a financial transaction is unable to fulfil its obligations.

The use of funds in a manner that leads to the loss of economic value, including time value losses and transaction costs.

Non-compliance with laws and industry regulations, contractual obligations, SEC / NYSE requirements, customer requirements, prescribed organizational policies and procedures, etc.

Exposure to lower returns or the necessity to borrow due to shortfalls in cash or expected cash flows.

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 2021, a total of 195 internal controls were tested and no material weaknesses or deficiencies were identified.

0

**Material weaknesses
or deficiencies were identified
in internal audits
performed in 2021**

195

**Internal controls
were tested during
2021**

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 issues

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

Environment	
Material issue	Boundaries / Stakeholders affected
Compliance with environmental regulation and standards	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, Industry Organizations
Protection of the marine environment (water pollution prevention and control)	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
Reduction of 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
Active measures to improve fuel and energy efficiency	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Industry Analysts
Responsible 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
Responsible 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
Investment in green 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
Active approach to research and innovation	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

Appendix

I: Management and impact of material issues

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

Social	
Material issue	Boundaries / Stakeholders affected
Respect for occupational health and safety	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
Respecting human rights	Seafarers and office employees, Crewing Agents, Community representatives
Health and safety during COVID-19 outbreak	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
Responsible labour practices	Seafarers and office employees, Crewing Agents, Industry organizations, Community representatives
Attraction and retention of talented employees	Seafarers and office employees, Crewing Agents, Community representatives
Provision of appropriate remuneration and benefits for employees	Seafarers and office employees, Crewing Agents, Community representatives
Active cultivation of career opportunities	Seafarers and office employees, Crewing Agents, Community representatives
Fostering employee wellbeing	Seafarers and office employees, Crewing Agents, Community representatives
Willingness to develop employee competence	Seafarers and office employees, Crewing Agents, Community representatives
Positive approach to employment diversity and inclusion	Seafarers and office employees, Crewing Agents, Shareholders / Investors, Community representatives
Responsible and sustainable procurement	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Suppliers
Support of local communities wherever the company is operating	Seafarers and office employees, Community representatives
Active investment in local communities	Seafarers and office employees, Community representatives, Academic Institutions

Appendix

I: Management and impact of material issues

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

Governance	
Material issue	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
Strong 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, Suppliers, Industry organizations, Community representatives, Crewing Agents
Strong financial performance	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
Strong risk management and internal controls	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts, Crewing Agents
Clear commercial strategy	Seafarers and office employees, Charterers / Liner Operators, Ship Brokers, Equity Investors, Credit Investors, Commercial Lenders & Financial Leasing Companies, Investment Banks / Financial Analysts
Robust security - both physical and cyber	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: GRI content index



GRI Standard	Disclosure	Section	Page
GRI 102 General disclosures	102-1 Name of the organization	About Global Ship Lease	6-8
	102-2 Activities, brands, products, and services		
	102-3 Location of headquarters		
	102-4 Location of operations		
	102-5 Ownership and legal form		
	102-6 Markets served		
	102-7 Scale of the organisation		
	102-8 Information on employees and other workers		
	102-9 Supply chain		
	102-10 Significant changes to the organization.	No Significant changes to the organization's size, structure, ownership, or supply chain occurred in 2021.	
	102-11 Precautionary Principle or approach	Climate strategy	23-30
	102-12 External initiatives	Social	49-50
	102-13 Membership of associations	Environment, Social	26, 46
	102-14 Statement from senior decision-maker	Message from our Executive Chairman	3
	102-16 Values, principles, standards, and norms of behavior	About Global Ship Lease, Environment	6, 32
	102-17 Mechanisms for advice and concerns about ethics	Governance	55
	102-18 Governance structure	Governance	53
	102-40 List of stakeholder groups	Materiality analysis	16
	102-41 Collective bargaining agreements	N/A	
	102-42 Identifying and selecting stakeholders		
	102-43 Approach to stakeholder engagement	Materiality analysis	16
	102-44 Key topics and concerns raised		
	102-45 Entities included in the consolidated financial statements	About Global Ship Lease	9

GRI Standard	Disclosure	Section	Page
GRI 102 General disclosures	102-46 Defining report content and topic Boundaries	Appendix I	61
	102-47 List of material topics	Materiality analysis	16
	102-48 Restatements of information	-	
	102-49 Changes in reporting	-	
	102-50 Reporting period	About this report	4
	102-51 Date of most recent report	Our 2020 ESG Report was published in 2021	
	102-52 Reporting cycle	About this report	4
	102-53 Contact point for questions regarding the report	Contact Information	67
	102-54 Claims of reporting in accordance with the GRI Standards	About this report	4
	102-55 GRI content index	Appendix II	62
	102-56 External assurance	-	
Economic performance			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary	About Global Ship Lease	9
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 201 Economic performance	201-1 Direct economic value generated and distributed		
Anti-corruption			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary	Governance	55
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 205 Anti-corruption	205-3 Confirmed incidents of corruption and actions taken		
Energy			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary	Environment	34-36
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302 Energy	302-1 Energy consumption within the organisation		

GRI Standard	Disclosure	Section	Page
Water and Effluents			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary	Environment	39
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 303 Water and Effluents	303-3 Water withdrawal		
Emissions			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary	Environment	34-37
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 305 Emissions	305-1 Direct (Scope 1) GHG emissions		
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-4 GHG emission intensity		
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		
Employment			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary	Social	47-48
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401 Employment	401-1 New employee hires and employee turnover		
Effluents and waste			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary	Environment	38
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 306 Effluents and waste	306-3 Waste generated		
Environmental compliance			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary	Environment	33
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		

GRI Standard	Disclosure	Section	Page
Environmental compliance			
GRI 307 Environmental compliance	307-1 Non-compliance with environmental laws and regulations		
Occupational health and safety			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary		
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 403 Occupational health and safety	403-1 Occupational health and safety management system		
	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	Social	44-45
	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		
	403-9 Work-related injuries		
Training and Education			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary		
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach	Social	47-48
GRI 404 Training and education	404-1 Average hours of training per year per employee		
Diversity and equal opportunities			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary		
	103-2 The management approach and its components	Social	47-48
	103-3 Evaluation of the management approach		
GRI 405 Diversity and equal opportunities	405-1 Diversity of governance bodies and employees	Governance	53

Appendix

III: SASB content index



Category	Disclosure	Code	Page
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-MT-110a.1	13, 36
	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	23-30
	(1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage renewable	TR-MT-110a.3	13, 36
	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	13, 37
Ecological impacts	Shipping duration in marine protected areas and areas of protected conservation status	TR-MT-160a.1	N/A
	Percentage of fleet implementing (1) ballast water exchange and (2) ballast water treatment	TR-MT-160a.2	13, 40
	(1) Number and (2) aggregate volume of spills and releases to the environment	TR-MT-160a.3	13, 40
Employee health & safety	Lost time injury rate (LTIR)	TR-MT-320a.1	14, 45
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	55
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	TR-MT-510a.2	55
Accident & safety management	Number of marine casualties, percentage classified as very serious	TR-MT-540a.1	14
	Number of Conditions of Class or Recommendations	TR-MT-540a.2	45
	Number of port state control (1) deficiencies and (2) detentions	TR-MT-540a.3	44

Disclaimer**Forward-Looking Statements**

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