



**ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED**  
(Company Registration No. 200411055E)

## Sustainability Report 2023

Date of issue: 26 April 2024

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*This sustainability report has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”). This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.*

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Part

1

Overview

## Part 1: Overview

- ❖ *GRI 2: 2 General Disclosures*
- ❖ *GRI 2: 2-1 Organisational details*

### 1.A. Corporate Profile

Atlantic Navigation Holdings (Singapore) Limited (the “Company” and together with its subsidiaries, the “Atlantic Group” or the “Group”) is listed on the Catalist board (“Catalist”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since October 2012.

This report was prepared in accordance with Rules 711A and 711B of Listing Manual Section B: Rules of Catalist (“Catalist Rules”), read with Practice Note 7F Sustainability Reporting Guide of the Catalist Rules.

- ❖ *GRI 2: 2-6 Activities, value chain and other business relationships*

The Atlantic Group’s business activities commenced in 1997 in Dubai, United Arab Emirates (“UAE”) to provide ship repair, fabrication and other marine services to ship owners in the Middle East region. The Atlantic Group has since evolved from a ship repair, fabrication and other marine services provider to a ship owner and integrated offshore service provider.

As an integrated offshore service provider, we currently operate mainly through our subsidiaries, namely Atlantic Maritime Group FZE which is based in Hamriyah Free Zone, Sharjah, as well as Atlantic Ship Management LLC which is based in Abu Dhabi, both based in the UAE, as well as Energy Marine Services and Trading LLC in Qatar.

Our commitment to providing dedicated and reliable services has allowed us to develop strong and lasting relationships with a diverse range of industry-leading organisations such as leading oil companies especially with Middle Eastern National Oil Companies (“MENOCs”) such as Saudi Aramco, Abu Dhabi National Oil Company (ADNOC), its marine operating companies such as Bunduq Oil Company, Safeen Group, Qatar Energy and independent oil companies such as Masirah Oil, as well as international offshore EPC including Saipem, McDermott, Subsea 7 and NMDC Group, survey companies, ship owners, shipyards, and ship brokers/charterers across key markets including Qatar, Saudi Arabia, Oman, and the UAE.

## Our Industry

### Primary

- Offshore Marine Oil & Gas Service Provider
- Ship ownership & ship management via MLS Division

### Secondary

- Ship repair & maintenance of marine vessels via SRM Division

## Our Services: (1) Marine Logistics Services (“MLS”)

Our MLS Division provides ship chartering and technical management, principally for the offshore oil and gas as well as marine construction industries, currently operating across the Middle East region which had contributed more than 95% of revenue and gross profits of the Group for FY2023 and FY2022.

The MLS Division is supported by our existing owned fleet of 20 vessels (excluding one under construction) comprising lift-boats (a.k.a. jack-up accommodation barges), mid-sized DP2 PSV vessels, various AHTs, maintenance utility vessels, as well as a recently acquired accommodation work boat, tugboat, crew boat, work utility vessel and dive support vessel as at 31 March 2024. The fleet list and the salient features of these vessels were presented on Page 10 of the latest Company’s Annual Report 2023 (“AR2023”).

In addition, we cross-charter vessels from third parties to service contracts which are secured to serve the specific needs of our customers, as well as undertake spot contract for specific projects such as recovery of heavy equipment offshore which utilise the expertise and experience within MLS Division.

We provide services supporting across the different phases of offshore oil-field development encompassing broadly exploration, construction and development, maintenance, production and post-production of offshore oil and gas.

Below is a list of main services offered by the MLS Division:

- Anchor handling operations and towage of vessels including drilling rigs, construction barges etc.
- Supporting offshore diving and seismic survey operations, including Remotely Operated Vehicles (“ROV”)
- Transporting materials and structures for offshore construction and installation
- Assisting pipe-laying, cable-laying, jacket commissioning or decommissioning
- Providing standby duties such as fire-fighting duties and anti-pollution and prevention measures
- Providing supply services for production and maintenance operation
- Providing support for Single Buoy Mooring (“SBM”) operation and maintenance

- Cross chartering and management of third-party vessels to serve the specific needs of our customers

### **Our Services: (2) Ship Repair, Fabrication and Other Marine Services (“SRM”)**

Our SRM Division provides afloat and supports dry-dock repair and maintenance services with the workshop facilities based at our premises at Hamriyah Free Zone, Sharjah, UAE, as well as a light workshop facility in Dubai Maritime City with access to dry-docking facilities to customers in the shipping and off-shore oil and gas industries as well as to our own-fleet of vessels utilised in our MLS Division.

The types of services provided by SRM are mainly as follows:

- Fabrication, steel and mechanical works, and carpentry
- Electrical and air-condition works
- Blasting and painting
- Tank cleaning

### **Our Services: (3) Project Work**

The Group is currently engaged in project work which utilises more sophisticated vessels (for example, our PSV DP2 vessels, i.e. AOS Neptune from FY2021 to mid FY2023, and now also include Vega Egypt 1), in supporting offshore operations including those involving ROV operations and seismic studies where project management work with the end-client and other companies providing the supporting services are required. In FY2023, the Group also completed 2 spot projects for an existing client, i.e. firstly for the recovery of offshore heavy equipment which required project management, coordination and planning involving chartering-in of heavy-lift vessel, dive support vessel and their respective crew as required to complete the project under MLS Division, and thereafter the servicing, maintenance and repair of the equipment under SRM Division.

#### *❖ GRI 2: 2-1 Organisational details*

Our corporate headquarters is based in Singapore, with the registered office details as follows:

Address: 30 Cecil Street, #19-08, Prudential Tower, Singapore 049712  
Tel: +65 6812 1611  
Fax: +65 6812 1601

Furthermore, our share registrar’s location is at the following details:

Name: Boardroom Corporate & Advisory Services Pte. Ltd.  
Address: 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632

While we are registered and headquartered in Singapore, our main operations are in the Middle East, principally in the UAE, Qatar, Saudi Arabia and Oman.

The business office addresses of our main subsidiaries are as follows:

- (i) Atlantic Maritime Group FZE (“AMG FZE”)  
Address: Plot No. HD-02 P.O. Box 6653, Hamriyah Free Zone, Sharjah, United Arab Emirates  
Tel: +971 6 5263577  
Fax: +971 6 5260292
- (ii) Atlantic Ship Management LLC (“ASM LLC”)  
Address: P.O. Box 37288 Abu Dhabi, Unit 406, Al Salam Street, Al Salam HQ Building, Abu Dhabi, United Arab Emirates  
Tel: +971 2 4453838  
Fax: +971 2 4453837
- (iii) Energy Marine Services and Trading LLC (“EMST LLC”)  
Address: P.O. Box 24637 Doha, Al Nasr Tower A, 7th Floor, Room 79A Building No. 24, Street No. 950, Al Markhiya St. Doha, Qatar  
Tel: +974 4 0299631

❖ *GRI 2: 2-2: Entities included in the Organisation’s sustainability reporting*

Our ownership and legal form as well as the entities included in the audited consolidated financial statements, being the Company and its subsidiaries, are presented on Page 16 of AR2023. There is no change to the list of entities in FY2023 other than the inclusion of the newly-incorporated EMST LLC in June 2023. For Sustainability Report 2023, as per previous years, the focus is on AMG FZE which is the main operating entity encompassing MLS currently generating more than 95% of revenue and gross profits as well as SRM divisions.

❖ *GRI 2: 2-6 Activities, value chain and other business relationships*

The supply chain involves mainly the clients, the operations involving the MLS and SRM operations and the suppliers as summarised from under Section 1.A. Corporate Profile of this report. There are no significant changes in supply chain from the last sustainability report.

❖ *GRI 1: Foundation 2021*

Atlantic Navigation Holdings (Singapore) Limited has reported the information cited in the GRI content index for the period from 1 January 2023 to 31 December 2023 (the “reporting period”) with reference to the Global Reporting Initiative (“GRI”) Standards which is one of the most widely applied frameworks for ease of understanding.

This report is also prepared in accordance with the Catalyst Rules 711A and 711B. This is to be read with Practice Note 7F Sustainability Reporting Guide of the Catalyst Rules. The Group had also provided disclosures with reference to the current and evolving Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations in developing voluntary and consistent climate-related financial risk disclosures.

Atlantic Group is also committed and in compliance with several applicable global industry standards and codes, such as IMO, SOLAS, MARPOL as detailed below.

## **1.B. Board Statement**

❖ *GRI 2: 2-22 Statement on sustainable development strategy*

❖ *GRI 2: 2-14 Role of the highest governance body in sustainability reporting*

The Board of Directors (the “Board” or the “Directors”) is cognisant of its responsibilities and the important role in setting objectives for the Company including an appropriate focus on sustainability endeavours of the Group. The Board has determined that sustainable business practices are principal factors of the long-term viability of the Atlantic Group. As such, the Board has closely interacted with the Senior Management (as defined below) to ensure that sustainability governance is appropriately structured and functioning and cascading through the various levels of management. The Board is committed to assessing and determining the material sustainability issues for the Company and overseeing the management and monitoring of the material environmental, social, and governance (“ESG”) factors. The Board is also responsible for reviewing and approving the sustainability report, which includes the materiality assessment.

The operations of the Atlantic Group are managed by the senior management team that currently consists of the Chief Executive Officer (“CEO”) who is also an Executive Director of the Company, the Deputy CEO who is also the Chief Operation Officer (“COO”), Chief Financial Officer (“CFO”), the Project Director of Shipyard Operations as well as the Operations Manager (collectively, known as the “Senior Management”), whose current identities and details can be found on pages 6 and 8 of the AR2023.

While focusing on the operational and financial performance of the Atlantic Group, the Board and the Senior Management are actively engaged in the governance of sustainability issues through the material ESG factors as identified being critical to the Atlantic Group's risk management, as well as business and strategy.



In addition, the Senior Management is responsible for ensuring that ESG factors are monitored on an ongoing basis and properly managed and is of the view that the sustainability report provides a transparent presentation of its sustainability performance and demonstrates the Group's ongoing commitment to sustainability.

As a result, the Board, together with the Senior Management, believes that this sustainability report provides a reasonable and transparent presentation of the Atlantic Group's sustainability performance. In this respect, we collectively affirm that our sustainability reporting is in compliance with Rules 711A and 711B of the Catalist Rules.

This statement also conforms with the revised Code of Corporate Governance issued on 6 August 2018 (the "2018 Code") and its Practice Guidance, specifically, Principle 1 of the 2018 Code, which states that the Board is collectively responsible for the long-term success of the Company. In line with Principle 1 and Practice Guidance 1 of the 2018 Code, the Directors affirm that the Board has fulfilled its role in considering and determining the material sustainability issues in this report and has considered and will continue to consider and further assess ESG factors on an ongoing basis in formulation of the Group's strategies.

## 1.C. Ethics & Integrity

### ❖ *GRI 2: 2-23 Policy commitments*

The handbook on the Code of Conduct of the Company (the "Code") sets out the standards of behavior expected all of the employees of the Atlantic Group who are to comply with all existing and applicable laws and regulations in locations where they operate including, but not limited to, those relating to fraud, corruption, bribery and all criminal offenses as well as all policies related to Health, Safety and Environment ("HSE") as per the respective manuals of the Atlantic Group. We aim to achieve the highest levels of corporate ethics and transparency through sound corporate governance and appropriate internal controls.

The Group has a whistleblowing policy whereby employees may report possible improprieties and breach laws, regulations, public policies and Atlantic Group's policies as per the Code. All whistleblowers could call and/or email to the Executive Director and CEO or the Chairman of the Audit Committee ("AC"), as the case may be, directly and in confidence, and his/her identity is kept confidential and he/she is protected from reprisals within the limit of the law. The recipient of the whistleblowing report shall maintain a record of all complaints received together with the actions taken and shall present such record to the AC at the AC meetings.

There have been no known incidents of corruption, bribery and criminal offences in the Atlantic Group during the reporting period. The Atlantic Group will continue to maintain the whistleblowing policy and other internal controls in place to prevent wrongful acts.

## 1.D. Governance

The Board of Atlantic Navigation Holdings (Singapore) Limited is committed to maintaining a high standard of corporate governance within the Company and the Atlantic Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has delegated the responsibility of implementing its policy commitments for responsible business conduct to Senior Management which is accountable for their implementation at the operational level.

The Company has established mechanisms for individuals to seek advice on implementing its policies and practices for responsible business conduct and to raise concerns about the its business conduct. These mechanisms include confidential interviews during site visits, escalation processes, and whistleblowing mechanisms for employees as well as other stakeholders.

The Company seeks to ensure it respects users' human rights and protects them against reprisals, including non-retaliation for raising concerns. The process through which concerns are investigated includes an initial assessment of the issue raised, followed by an investigation, and finally, a determination of whether the issue is substantiated or unsubstantiated. Requests for advice and concerns raised are treated confidentially, and individuals can use the mechanisms anonymously.

There have been no material instances of non-compliance with laws and regulations during the reporting period and there have been no critical concerns that were communicated to the highest governance body during the reporting period.

The Corporate Governance Report 2023 in its entirety can be found on Pages 17 to 35 of the AR2023, which includes references to the GRIs listed below:

- ❖ *GRI 2: 2-9 Governance structure and composition*
- ❖ *GRI 2: 2-10 Nomination and selection of the highest governance body*
- ❖ *GRI 2: 2-11 Chair of the highest governance body*
- ❖ *GRI 2: 2-12 Role of the highest governance body in overseeing the management of impacts*
- ❖ *GRI 2: 2-13 Delegation of responsibility for managing impacts*
- ❖ *GRI 2: 2-15 Conflicts of interest*
- ❖ *GRI 2: 2-18 Evaluation of the performance of the highest governance body*
- ❖ *GRI 2: 2-19 Remuneration policies*
- ❖ *GRI 2: 2-20 Process to determine remuneration*

## 1.E. Reporting Practice

❖ *GRI 2: 2-4: Restatements of information*

❖ *GRI 3: 3-2 List of material topics*

This is Atlantic Navigation Holdings (Singapore) Limited’s seventh sustainability report (“Sustainability Report 2023”) with the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards. There are no material changes in the information provided in the sixth sustainability report dated 28 April 2023.

❖ *GRI 2: 2-3 Reporting period, frequency and contact point*

Our financial year end is 31 December (“FY”). Therefore, our reporting period would be from 1 January to 31 December. For the purpose of this 7<sup>th</sup> year report, the reporting period is 1 January 2023 to 31 December 2023, unless otherwise stated.

Pursuant to Catalist Rule 711A, for financial years commenced before 1 January 2023, an issuer must issue a sustainability report for its financial year, no later than 4 months after the end of the financial year unless there has been external assurance being conducted. Our current reporting cycle is to report on the previous financial year’s sustainability activities by 30 April of each year. Sustainability Report 2023 is dated 26 April 2024.

We welcome feedback to the Sustainability Reporting 2023 and its sustainability endeavours. For further questions and information regarding Sustainability Reporting, the contact point would be:

Name: Mr. Hsu Chong Pin  
Position: Chief Financial Officer  
Organisation: Atlantic Navigation Holdings (Singapore) Limited  
Telephone: +971 6 5263577  
E-mail: [cphsu@amguae.net](mailto:cphsu@amguae.net)

❖ *GRI 2: 2-5 External assurance*

**External Assurance of Sustainability Report:**

We have relied on internal review conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors to review the current sustainability reporting processes. The information presented in this report has not undergone independent external assurance. The Board may seek external assurance for the Company's sustainability reports in the future.

**External Assurance of Financial Reports:**

External assurance over our financial reports is provided by our external auditors, i.e. Ernst & Young LLP and is contained in the AR2023.

**1.F. Risk Management**

❖ *GRI 2: 2-23 Policy commitments*

Principle 9 of the 2018 Code is related to the importance of risk management and internal controls which can be found from Pages 29 to 32 of the AR2023.



Part

2

**Stakeholder  
Engagement,  
Materiality &  
Material Topics  
Alignment**

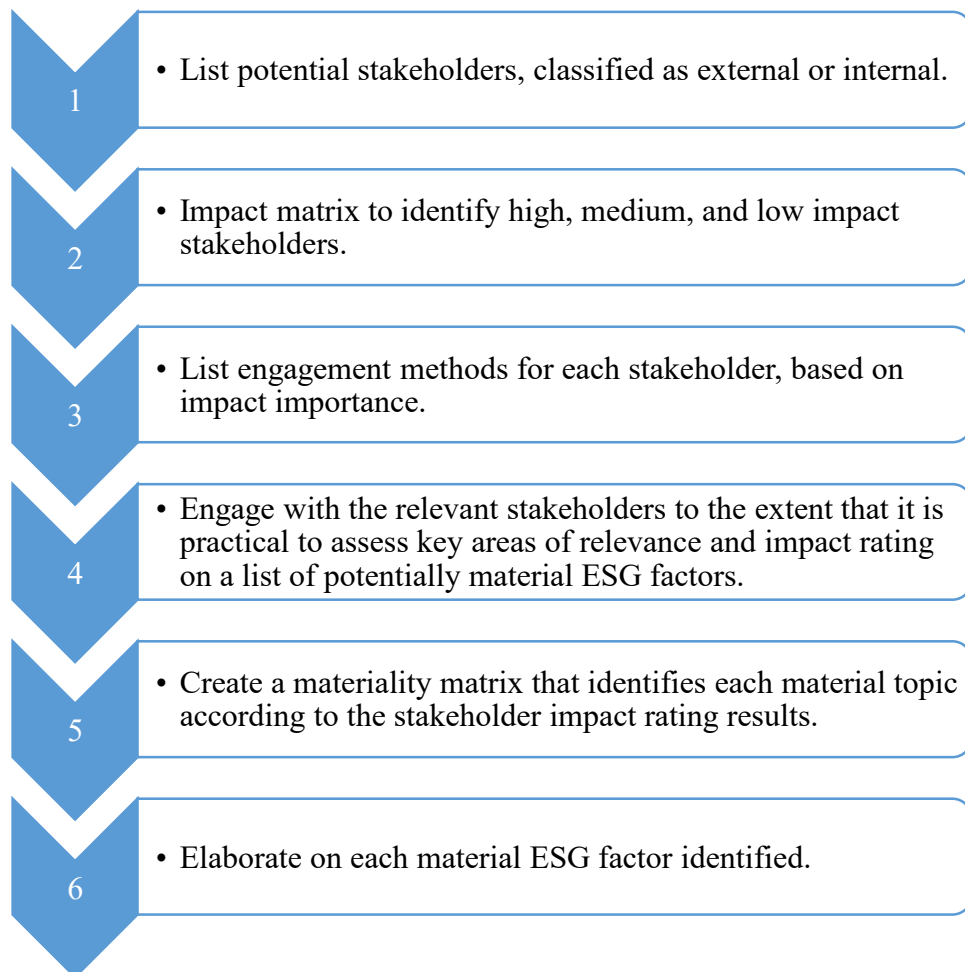
## Part 2: Stakeholder Engagement, Materiality & Material Topics Alignment

### 2.A. Stakeholder Engagement

- ❖ *GRI 3: Material Topics*
- ❖ *GRI 3: 3-1 Process to determine material topics*

Engagement with our stakeholders is a critical component of our strategic business planning. Stakeholder engagement enables the Group to gain valuable insight into stakeholders' expectations with materiality topics assessed on an annual basis. The Group has provided detailed discussion on our stakeholder-centered approach and process as shown below:

#### Stakeholder-Centered Approach to Materiality



**Step 1:**

❖ *GRI 2: 2-29 Approach to stakeholder engagement*

The Atlantic Group interacts with and impacts (directly and indirectly) a variety of stakeholder groups. As per previous sustainability reports, the list of 9 potentially relevant stakeholders below, classified as to whether they are internal or external to the Group, continues to be relevant as well as their key areas of relevance:

<b>SN#</b>	<b>Stakeholders</b>	<b>Classification</b>	<b>Key Areas of Relevance</b>
1	Employees	Internal	<ul style="list-style-type: none"> <li>- Compensation and benefits</li> <li>- Career progression and training</li> <li>- Equal opportunity and treatment</li> </ul>
2	Management	Internal	<ul style="list-style-type: none"> <li>- Career growth and enhancement</li> <li>- Job satisfaction with enhanced responsibilities</li> <li>- Compensation and benefits</li> </ul>
3	Shareholders	Internal	<ul style="list-style-type: none"> <li>- Operational and financial performance</li> <li>- Share price performance</li> <li>- Risk Management</li> </ul>
4	Customers	External	<ul style="list-style-type: none"> <li>- Service delivery and operational performance</li> <li>- Transparency of information</li> <li>- Compliance with contractual terms including insurance, environmental etc</li> </ul>
5	Creditors	External	<ul style="list-style-type: none"> <li>- Timely payment and adherence to credit terms</li> <li>- Compliance with covenants in relation to banks</li> <li>- Risk Management</li> </ul>
6	Suppliers	External	<ul style="list-style-type: none"> <li>- Equality in treatment on vendor evaluation</li> <li>- Timely payment and adherence to contractual terms</li> </ul>
7	Community	External	<ul style="list-style-type: none"> <li>- Adherence to environmental regulations</li> <li>- Getting to know the company</li> <li>- Availability of job opportunities</li> </ul>
8	Government / Regulators	External	<ul style="list-style-type: none"> <li>- Timely reporting and transparency</li> <li>- Compliance with regulations</li> <li>- Access to Board and Senior Management</li> </ul>
9	Competitors	External	<ul style="list-style-type: none"> <li>- Fair competition</li> <li>- Anti-corruption and equitable practices</li> <li>- Transparency and timely reporting</li> </ul>

❖ *GRI 2: 2-30 Collective bargaining agreements*

The Atlantic Group does not have any collective bargaining agreements with employees or other stakeholders.

**Step 2:**

❖ *GRI 2: 2-29 Approach to stakeholder engagement*

After listing the 3 internal and 6 external stakeholder groups, assessment was done to determine the stakeholders' relevance based on the impact they have on us, as well as the impact we have on them taking into account the key areas of relevance. A further step adds a column on the right that helps determine the type of engagement with each stakeholder group from highest impact to lowest impact stakeholders.

The results are illustrated in the below Stakeholder Impact Matrix:

**Stakeholder Impact Matrix – with Engagement Type**

<b>Impact on Atlantic Group</b>	High	-Government/ Regulators	- Shareholders	- Employees - Management	Empower	
			- Competitors - Suppliers - Creditors	- Customers	Collaborate	
	Medium		- Community			Involve
	Low					Consult
			Inform			
		Low	Medium	High	<b>Type of Engagement</b>	
<b>Impact on Stakeholders</b>						



**Step 3:**

❖ *GRI 2: 2-29 Approach to stakeholder engagement*

After identifying the relevant stakeholders, the Atlantic Group determines how the various stakeholders are engaged with specific engagement methods applied by Atlantic Group towards each of these stakeholder groups as per table below:

**Stakeholder Engagement Methods**

SN#	Stakeholders	Principal Methods of Engagement	
1	Employees	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Employee events / programs</li> <li>• Training</li> <li>• Bulletins &amp; circulars</li> </ul>
2	Management	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Bulletins &amp; circulars</li> </ul>
3	Shareholders	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• SGX-ST website</li> <li>• Meetings</li> <li>• Annual General Meetings</li> </ul>
4	Customers	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>
5	Creditors	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>
6	Suppliers	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>
7	Community	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> </ul>	<ul style="list-style-type: none"> <li>• Community events</li> </ul>
8	Government / Regulators	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• SGX-ST website</li> <li>• Meetings</li> <li>• Government reports</li> </ul>
9	Competitors	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings (discussion for potential areas of collaboration and best practices given similar industry)</li> </ul>

**Steps 4:**

**2.B. Identification of Materiality & Material Topics**

To effectively ensure that a sustainability strategy remains targeted and relevant, it is crucial for a business to assess ESG materiality. Atlantic Group considers materiality to be a critical input into our corporate sustainability strategy, as it ensures that we engage our stakeholders with the information that is most relevant and influential to them and our business. After determining the most significant stakeholders and their engagement methods, the next step is to assess the ESG topics that are most material under present circumstances and working environment. Selected internal stakeholders, especially management and employees, were engaged to conduct an impact rating assessment on a list of potentially material ESG topics.

In view of the intense industry competition and challenging market environment, balancing the disclosure requirement with commercial sensitivities, the Atlantic Group assesses the material ESG topics as classified by their specific ESG elements as key areas of focus for Sustainability Reporting 2023.

**Step 5:**

**Material Topics – by ESG Classification and Materiality Matrix**

❖ *GRI 3: 3-2 List of material topics*

Based on the above discussion, consistent with Sustainability Report 2022, the Company has identified the following material topics segregated by ESG Classification and Materiality Matrix for this report:

<i>Topic #</i>	<b>Topic</b>	<b>By ESG Classification</b>
1	Environmental Protection and Compliance	Environmental
2	Occupational Health and Safety	Social
3	Human Resource Management, Diversity and Equal Access	Social
4	Economic Performance	Governance & Economic
5	IT Process automation and Cyber security	Governance & Economic

**By Materiality Matrix**

<b>Importance to Atlantic Group</b>	High	<ul style="list-style-type: none"> <li>- Occupational Health and Safety</li> <li>- Human Resource Management, Diversity and Equal Access</li> <li>- IT Process Automation and Cyber Security</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental Protection and Compliance</li> <li>- Economic Performance</li> </ul>	
	Medium			
	Low			
		Low	Medium	High
<b>Impact on Stakeholders</b>				



Part

3

**Environmental  
Factors  
(GRI: 300)**

## Part 3: Environmental Factors (GRI: 300)

### 3.A. Material Topic #1: Environment Protection and Compliance

#### 3.A.1. Current Policies, Practices and Performance

The Group is committed to a strong set of environmental principles with our overall policy being to minimise the negative impact on the environment associated with our business operations. It is the intention of the Group to conduct all of its operations in such a manner as to minimise any actions that may endanger or harm the environment. We have identified climate change as a key risk for the Atlantic Group and are progressively working toward better understanding to evaluate direct and material impact from climate change to complement our existing strategies (please see page 48 of this report) as development progresses.

AGM FZE is certified to ISO 14001:2015, Environmental Management System since 2016. We strive to reduce our carbon footprint, manage our water discharge, reduce our wastage, ensuring strict compliance to environmentally friendly practices. We adhere to all applicable regulatory compliance standards to prevent pollution or environmental damage to land, water and air environments.

One of the main policies implemented by the Group, being an effective way to protect the environment is to maintain a young and efficient fleet thereby reducing energy (including fuel consumption) utilisation and emissions. In this regard, the Atlantic Group had in October 2021 disposed AOS Energy and AOS Star with year-built being 2006 and 2008 respectively, in June 2022 AOS Honour with year-built being 2006, while in March 2022 entered into a purchase option agreement for the sale of Delta 22 with year re-purposed being 2013. The average age of the vessel fleet of the Atlantic Group is disclosed on Page 10 of the Annual Report under the section “Vessel Fleet List”. For FY2023, the fleet comprises of 20 vessels (excluding one vessel under construction) with average age of 8.7 years as at 31 March 2024 and shall continue to endeavour to manage its relatively young average age of fleet subject to commercial consideration and relevance to the market.

#### *Fuel Management on Vessels*

To the extent of supporting and being directed by our clients in time charters, our fleet in general is equipped with established advanced engines with established manufacturers that are outfitted with Engine Control Modules (“ECMs”) which mainly control a series of actuators on an internal combustion engine to ensure optimal engine performance. In addition, these ECMs allow for continuous monitoring of parameters such as temperature, pressure, fuel oil consumption which provide critical information for the crew for operational decision-making.

Fuel consumption data are analysed by the operations manager and technical team to assess if the values are reasonable in view of the work environment and sea conditions. These data also allow for comparison with other similar vessels operating in the same field and thereby detect irregularities and then the implementation of corrective actions for overconsuming vessels.

GHG gas emissions are managed or reduced by the efficient planning of route, speed optimisation, just-in-time activities, maintaining optimum trim and ballast, together with well-maintained engines and use of quality fuel oils.

### *Compliance to International Standards or Regulations*

1	Ship Energy Efficiency Management Plans (“SEEMP”)	Mandatory for all ships of 400GT and all AMG FZE’s vessels are in full compliance.
2	IMO 2020 regulation sulphur cap to less than 0.5% m/m	All AMG FZE’s fleet vessels are using MGO for Main Engines as well as for Generators of whose sulphur content is less than 0.5% m/m.
3	MARPOL regulations and certifications	AMG FZE’s vessels are equipped onboard with and kept up to date with the respective certifications including International Oil Pollution Prevention (“IOPP”) International Air Pollution Prevention (“IAPP”), International Sewage Pollution Prevention (“ISPP”) Certificate, Ballast Water Management Certificate (“BWMC”) in accordance with the Ballast Water Management Plan (“BWMP”).

### *Energy and Emissions*

As a responsible organisation working in the offshore oil and gas industry, the Group devotes significant care and attention to environment and has taken proactive measures to reduce its carbon footprint.

On an ongoing basis, to improve our fuel efficiency at an operational level, we have developed respective vessel SEEMP which AMG FZE fleet vessels are in full compliance with, being mandatory for all vessels of at least 400GT. Furthermore, we operate and in compliance with the regulations of MARPOL – International Convention for the Prevention of Pollution from Ships.

As our fleet uses low sulphur Marine Gas Oil (“MGO”) instead of heavier fuel oils, our entire fleet is already compliant with the stringent sulphur cap regulations which limits sulphur emissions to less than 0.5% m/m by 1 January 2020. The MGO sulphur content ranges from 0.01% to 0.10% m/m which we actively monitor through bunker delivery notes which would indicate the percentage of sulphur for all bunkering operations.

The Atlantic Group monitors the Scope 1 and Scope 2 emissions across its diversified operations and has determined Scope 1 emissions primarily originating from direct sources mainly the combustion of fuel within the fleet of its offshore vessels while Scope 2 emissions mainly arise indirectly from the generation of electricity consumed by its office facilities.

Subject to the availability of data, its reliability and cost efficiency of implementing appropriate system of measurement and disclosure, we target to implement Scope 3 emissions disclosure for certain material items such as business travel by the end of FY2024.

The tables below detail the emissions calculated for the FY2023 and comparison with FY2021 and FY2022, whose levels are broadly in line with activity levels corresponding to respective vessel utilisation rates and revenue:

<b>Scope 1 Emission - Fuel Oil Consumption</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY 2023</b>
Total Fuel Oil Consumption for AMG FZE Fleet Vessels (Tons)	14,201.8	13,574.4	15,278.5
<b>SCOPE 1 Emission*</b> Total Green House Gas Emission for its Fleet of Vessels (Tons CO <sub>2</sub> equivalent)	45,531.1	43,519.6	48,982.7

\* CO<sub>2</sub> emissions converted from fuel usage in tons based on emission factor of 3.206 for marine gas oil as published in the Fourth IMO Greenhouse Gas Study, 2020.

<b>Scope 2 Emission – Electricity Consumption</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
Electricity Consumption at AMG FZE Office & SRM Workshops (MWH)	283.9	259.8	252.1
Electricity Consumption at DMC Office and Workshop (MWH)	25.1	34.3	43.8
Total Electricity Consumption (MWH)	309.0	294.1	295.9
<b>SCOPE 2 Emission**</b> Total Emission from Electricity Consumption (Tons CO <sub>2</sub> equivalent)	124.9	118.9	119.6

\*\* CO<sub>2</sub> emissions converted from fuel usage in tons based on grid emission factor of 0.4041 as published by Dubai Electricity & Water Authority applicable for 2020 as benchmark for consistency

### Water Consumption

The tables below details the water consumption as calculated for the FY2023 and comparison with FY2021 and FY2022:

Water Consumption	FY2021	FY2022	FY2023
Water Consumption at AMG FZE Office & SRM Workshops (gallons)	284,458	189,133	236,796*
Water Consumption at DMC Office and Workshop (gallons)	37,020	45,540	47,080
Total Water Consumption (gallons)	321,478	234,673	283,876

*\* FY2023 figures for use as benchmark for future comparison, estimates based on FY2021 and FY2022 as the meter reading had been faulty i.e. vastly lower than FY2021 and FY2022 and not deemed to be accurate as informed to and recently rectified by the utilities service provider*

While SRM activities had increased significantly as evident by 41.8% increase in total revenue from US\$4.3 million in FY2022 to US\$6.0 million in FY2023, it included internal revenue for work on own vessels which are eliminated on group consolidation of US\$1.1 million and US\$3.9 million respectively which are mainly performed in DMC Office and Workshop. Correspondingly, total electricity and water consumption for AMG FZE offices and SRM Workshop had decreased while increase in total electricity and water consumption for DMC Office and Workshop reflected higher activities during the reporting period in FY2023 over FY2022. Please refer to the Financial Highlights in FY2023 in the recently published Annual Report 2023 for more details.

### Waste Management and Effluents

Atlantic Group is committed to maintaining a safe and clean maritime environment in achieving zero accidental discharges or oil spills. Adhering rigorously to the International Convention for the Prevention of Pollution from Ships (“MARPOL”), AMG FZE ensures that no waste is discharged into the sea, thus minimizing pollution and safeguarding marine life.

With respect to the management of oil and oily mixtures, in compliance with MARPOL 73/78 Annex I: Chapter 3, Regulation 15 – Control of discharge of oil, any such discharges when vessels are en route are in compliance with existing conditions, including onboard Oil Water Separator (“OWS”) ensures that the oil content of the effluent does not exceed 15 parts per million (“ppm”) without dilution. Any discharge into the sea is meticulously monitored by meters documented in the Oil Record Book (“ORB”), which includes crucial details such as volume, location, and quality of the discharge. These records are reviewed and signed off by the vessel Chief Engineer onboard to ensure compliance.

Notably, over the past years including FY2023, the fleet under management maintains strict surveillance to prevent leakages, with no incidents of water or oil leakage reported. AMG FZE's unwavering dedication to environmental preservation underscores its role as a responsible steward of the maritime environment.



With respect to the management of garbage onboard vessels, in compliance with MARPOL Annex 5 requirements, all garbage onboard vessels in our fleet are segregated and disposed of safely, preventing any discharge into the water and consequently protecting the marine ecosystem.

Hazardous waste from offshore activities of its vessels consists mainly of dirty oil including bilge, sludge, and engine oil periodically replaced after operations. The waste is disposed of through qualified waste disposal companies which in FY2023 amounted to approximately 248.4 kilo-litres and shall be actively tracked moving forward.

Non-hazardous waste generated which consists mainly of food waste, domestic waste, operational waste, plastic are monitored and summarised as per table below:

	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
Total non-hazardous waste generated from AMG FZE Fleet Vessels (M <sup>3</sup> )	1,522.2	1,739.0	2,413.3

The volume of non-hazardous waste generated broadly corresponded with the increase in activity levels over these 3 years, and for FY2023, further impacted by the special survey including dry-docking of 6 vessels.

### **3.A.2. Future Plans & Focus**

The Group continues to be committed to a progressive reduction of GHG emissions via a reduction in energy consumed through its operations. The Group also encourages its employees to utilise technologies such as video-conferencing and online work platforms to limit travel and thereby reduce GHG emissions from transportation.

The International Convention for the Control and Management of Ships' Ballast Water and Sediments ("BWM Convention"), which took effect in September 2017, requires all ships to implement a ballast water management plan ("BWMP"). All ships are also required to monitor ballast water discharge and carry out ballast water management procedures which the Atlantic Group has complied with. As at 31 December 2023, AMG FZE had completed the conversion of sea water ballast tanks to freshwater tanks for remaining 7 out of the 15 applicable vessels and hence our vessels are no longer required to install specialised ballast water treatment plant onboard to maintain the Ballast Water Management Certificate and shall continue to monitor developments subject to client requirements at various jurisdictions.

### 3.A.3. Environmental Performance and KPI Targets

For FY2024, we intend to focus on the following Key Performance Indicators (“KPIs”):

#	KPI	FY2021	FY2022	FY2023	FY2024 Target
1	% of sulphur content in fuel	0.01% - 0.10% m/m	0.01% - 0.10% m/m	0.01% - 0.10% m/m	Continue to be in full compliance
2	Number of oil spills or hazardous chemical spills	0	0	0	Target to remain at zero
3	Penalties received for violation of environmental rules including MARPOL, SEEMP	0	0	0	Target to remain at zero

The Atlantic Group shall continue to monitor and reduce the electricity and water consumption at our main office in Hamriyah, UAE, which includes workshops where the SRM operations are performed as well as the DMC Office and Workshop to reduce its Scope 1 and Scope 2 emissions as well as waste reduction subject to their respective activity levels.



Part

4

**Social**  
**(GRI: 400)**

## Part 4: Social (GRI: 400)

### 4.A. Material Topic #2: Occupational Health and Safety

#### 4.A.1. Current Policies, Practices and Performance

The Group believes that the safe operation of vessels, safety of its employees (including contractors and all persons working under its control), together with the public are of paramount importance and the overriding responsibilities and considerations in carrying out its diverse marine operations.

The Group maintains strict control programs to monitor and control its operational risks. We remain focused on increasing Occupational Health and Safety (“OHS”) awareness amongst our employees and crew. Structured safety meetings are held and safety training courses were regularly organised for them throughout the year.

The Stop Work policy of the Group provides the authority to all relevant designated employees or contractors to stop an activity if, in his/her opinion or judgment, the activity is deemed to be unsafe or risky behavior.

As ship manager, AMG FZE has successfully implemented and maintained an integrated QHSE management system in compliance with the requirements of ISM Codes, ISPS code, MLC 2006, ISO 45001:2018, ISO14001:2015 and ISO 9001:2015 Standards. AMG FZE follows a risk-based approach and proactive method of implementing control measures or taking preventive actions to minimise accident rates as low as reasonably practicable. AMG FZE identifies the work-related health hazards and evaluates the health risks to determine the measures necessary to control those risks to as low as reasonably practicable. These will cover and be applied to all employees, contractors and third parties at work within the company premises.

The Integrated Management System shall apply to all activities, products & services that are under the control of the Company, which includes the following:

- *The Offices of the Company, its subsidiaries, and regional offices*
- *The Workshop and Warehouse facilities of the Company*
- *All the Vessels/Units managed and operated by the Company*

#### **Industrial Standards**

As one of the leading offshore companies operating mainly in the Middle East, the Group is fully committed to complying with applicable international standards, regulations and statutory requirements including the following:

- *International Maritime Organization (“IMO”) conventions*
- *International Convention for the Prevention of Pollution from Ships (“MARPOL”)*
- *International Convention for the Safety of Life at Sea (“SOLAS”)*
- *Maritime Labor Convention (“MLC”)*
- *International Organization for Standardization (“ISO”)*

❖ *GRI 2: 2-28 Membership associations*

AMG FZE is a contractor member of International Marine Contractors Association (IMCA) and complies with various OHS-related standards and accreditations, including as per the table below in addition to other specific requirements from our clients, and receive audit reports concerning our level of compliance to ensure that the Atlantic Group abides by the highest OHS standards:

	<b>OHS Standards</b>	<b>Applicability</b>
<b>1</b>	Maritime Labor Convention (MLC)	Mandatory
<b>2</b>	International Safety Management (ISM) System	Mandatory
<b>3</b>	International Organization for Standardization (ISO) 45001:2018 – Occupational Health & Safety Management System (OHSMS)	Voluntary but in compliance with

**4.A.2. Future Plans & Focus**

Compliance with various OHS standards is critical to continue to serve our existing contracts and to secure and tender for new contracts from clients — whether existing and new. In order to ensure this into the future, we strive to not only meet the current standards, but to also proactively anticipate and prepare our fleet for any future possible OHS standards that may arise — whether from clients or from global/industrial initiatives.

In order to achieve this proactive compliance, we constantly keep ourselves abreast with OHS developments and their impacts through close interactions across the operational divisions as well as external clients, and continuously plan for and implement new measures to improve OHS elements within the Atlantic Group.

### 4.A.3. OHS Performance and KPI Targets

For FY2024, we intend to focus on the following KPIs in relation to OHS:

#	KPIs	FY2021	FY2022	FY2023	FY2024 Target
1	Number and type of accreditations, standards, and requirements, related to OHS, complied with	3	3	3	To maintain, while in full compliance with MLC, ISM and ISO OHSMS.
2	Number of OHS standards and requirements not complied with	0	0	0	To remain at zero, i.e. in full compliance.
3	Fatalities	0	0	0	To maintain with zero fatalities related to occupational health and safety
4	High Consequence Injuries	0	0	0	To maintain with zero high consequence injuries
5	Lost Time Injuries	0 out of total man-hours worked of 2.83 million	0 out of total man-hours worked of 4.32 million	2 out of total man-hours worked of 5.75 million	Targeting as low as reasonably practicable. These injuries in FY2023 are minor in nature and affected individuals swiftly and fully recovered and returned to work.
6	Recordable work-related ill health	0	0	0	To remain at zero, eliminating the exposure to hazards contributing to work related health issues

## 4.B. Material Topic #3: Human Resource Management, Diversity and Equal Access

### 4.B.1. Current Policies, Practices and Performance

We firmly believe that our employees as a collective group, i.e. human resource, is one of the key stakeholders which drives the operational and financial performances of the Atlantic Group. Having a group of key middle-level management employees in leadership positions to support the Senior Management is a source of competitive advantage whose experience and technical knowledge are crucial to ensuring the long-term sustainability of the Atlantic Group.

Underpinned by tolerance as to faith, religions and personal beliefs, the Atlantic Group believes in and is committed to fair employment practices, with recruitment, promotions and salary increment and benefit enhancement based on merit and continual performance. The key foundation is in fostering a cohesive work force based on teamwork and cooperation and reinforced by open communications across the different levels of the Group.

#### ❖ *GRI 2: 2-7 Employees*

The Atlantic Group employs permanent staff in the MLS Division which is mainly based in UAE and Saudi Arabia as well as in SRM Division whose operations are based mainly at our workshop in Hamriyah Free Zone, Sharjah, UAE and at Dubai Maritime City (DMC). The MLS Division is supported by employees including those in corporate functions such as Human Resource, Finance and Administration, Legal which in turn also supports the operations of the SRM Division. The employees in the SRM Division are mostly semi-skilled or general laborers and are supplemented by daily-rated workers from sub-contractors if required. There are no workers who are not employees but whose work and/or workplace is controlled by the Atlantic Group.

Crew members work onboard vessels are not deemed as permanent employees as they are mainly on contracts on a “3 months on, 3 months off” basis, with crew personnel and numbers on each vessel complying with class society and other requirements and supplemented by further crew members in consultation with the end-client if need be. As at 31 December 2023, there were 284 crew members onboard as compared to 270 as at 31 December 2022.

The salient information of the Group employees as segregated is as follows:

<b>Employee Information Segregation (Number count, except % as indicated)</b>	<b>As at 31 Dec 2021</b>	<b>As at 31 Dec 2022</b>	<b>As at 31 Dec 2023</b>
<b>Overall</b>	172	176	<b>191</b>
- Countries Represented	20	20	<b>21</b>
- Concentration of Top 5 countries* represented	83.7%	86.9%	<b>83.9%</b>
<b>Division: MLS</b>	79	72	<b>82</b>
Of which based at:			
- UAE	64	59	<b>64</b>
- Saudi Arabia	15	13	<b>17</b>
- Qatar	0	0	<b>1</b>
Diversity:			
- Countries Represented	16	14	<b>14</b>
- Concentration of Top 5 countries* represented	72.0%	79.2%	<b>71.6%</b>
<b>Division: SRM, based at Hamriyah Free Zone and DMC in the UAE</b>	93	104	<b>109</b>
Diversity:			
- Countries Represented	10	10	<b>8</b>
- Concentration of Top 5 countries* represented	93.5%	94.2%	<b>95.5%</b>

\* Top 5 countries for FY2023 are mainly from India, Bangladesh, Philippines, Pakistan and Nepal.

Note: The information presented above pertains to full-time, permanent employees only, as the Atlantic Group in general does not employ any temporary employees, non-guaranteed hours employees and part-time employees.

#### **4.B.2. Future Plans & Focus**

##### *Diversity of Nationalities in Workforce*

Given that the UAE's population profile comprises of about 80% expatriates, our permanent employees come from various countries with different cultures, educational backgrounds and work experience. We will continue to be mindful of the number of nationalities represented as well as the concentration in numbers so that no nationality dominates the workforce and the Atlantic Group continues to benefit from cultural diversity.



### *Staff Turnover*

Staff turnover had gradually reduced from FY2021 to FY2023. We intend to stabilise the staff turnover so that with a more stable base of employees, it would lead to continuity and enhanced productivity and efficiency through familiarity and team cohesiveness as well as grooming longer-serving employees with growth potential to leadership positions through accumulation of experience at the Atlantic Group.

### *Gender Mix and Equal Access*

Traditionally, the offshore oil and gas industry where our MLS and SRM Divisions serve are staffed by the male gender. While overall consideration is based on merit and suitability based on nature of job scope, we strive to equal access by placing emphasis on gender mix so that there is further diversity to benefit from more well-rounded perspectives and diversity of views with female staff participation in the Atlantic Group. More importantly, we aspire to fill leadership and supervisory positions with female staff especially in more relevant areas involving corporate functions where the Atlantic Group will benefit from leadership balance and diversity and with a view to enhance efficiency over time.

To the extent that it is within our control, given the traditional, cultural and resource backgrounds in Saudi Arabia and nature of work where SRM work is less suitable to the female gender, we will primarily focus on enhancing the diversity and gender mix on the workforce in UAE within MLS where our female employees currently reside.

#### **4.B.3. Human Resource Performance and KPI Targets**

For FY2024, in view of the above discussion, we intend to focus on the following KPIs in relation to Human Resource as a key stakeholder group:

#	KPIs	FY2021	FY2022	FY2023	FY2024 Target
1	Group overall: Diversity of workforce with countries representation; Concentration of Top 5 countries represented	20 Nationalities; 83.7%	20 Nationalities; 86.9%	21 Nationalities; 83.9%	Continue to monitor for stability of workforce



2	Staff Turnover (%)	21.8%	17.2%	14.2%	Target to reduce for continuity, allowing for stability, promotion and career progression for employees
As at 31 December:					
3	Gender Mix, i.e. Female staff as proportion of all staff in MLS Division in UAE	20.3% 13 out of 64	16.9% 10 out of 59	23.4% 15 out of 64	To monitor and review for scope for increase, where enhanced female diversity and leadership would result in incremental benefit to the Atlantic Group, overall improvement in FY2023 over FY2022
4	Female staff in Leadership and Supervisory Positions	7	4	7	
5	Salaries of Female in Leadership and Supervisory Positions as % of Total Salaries in MLS Division in UAE	8.7%	6.8%	9.4%	
6	Salaries of All Female staff as % of Total Salaries of MLS Division in UAE	11.6%	10.5%	13.3%	

(continued)

#	KPIs	Metric	FY2021	FY2022	FY2023
1	Current employees by gender	Males	91.9%	93.8%	92.7%
		Females	8.1%	6.2%	7.3%
2	Age-Based Diversity	Current employees by age groups:			
		(a) under 30 years old	12.8%	12.5%	12.0%
		(b) 30-50 years old	61.6%	68.2%	63.9%
		(c) over 50 years old	25.6%	19.3%	24.1%
		New hires by age groups			
		(a) under 30 years old	19.0%	23.5%	17.1%
		(b) 30-50 years old	67.6%	67.6%	63.4%
		(c) over 50 years old.	13.4%	8.9%	19.5%
		Turnover by age groups:			
		(a) under 30 years old	5.4%	10.0%	11.5%
(b) 30-50 years old	83.8%	63.3%	80.8%		
(c) over 50 years old.	10.8%	26.7%	7.7%		
3	Employment	Total turnover	37 employees; 21.8%	30 employees; 17.2%	26 employees; 13.6%
		Total number of employees *	172	176	191

\* Total number of employees as at the end of reporting period includes employees across all divisions in all subsidiaries.



Part

5

**Governance &  
Economic  
Factors  
(GRI: 200)**

## Part 5: Governance & Economic Factors (GRI: 200)

### 5.A. Material Topic #4: Economic Performance

#### 5.A.1. Current Policies, Practices and Performance

While the global COVID-19 pandemic had progressing turned endemic since early 2022, the Russia/Ukraine conflict continues into its third year as new flashpoints emerged in the Middle East emanating from the Israel/Hamas war since October 2023 which had led to disruptions to shipping and air routes and supply chains. Against this backdrop which the Atlantic Group is monitoring and being vigilant of, the offshore oil and gas sector in the Middle East whose exploration and development activities are largely confined to the Arabian Gulf had not been significantly impact as evident by the strong turnaround culminating to record performance of the Atlantic Group in FY2023.

The Atlantic Group has been able to capitalise on the increased demand by adjusting charter rates while sustaining its elevated utilisation rates, resulting in improved financial performance. Furthermore, the Atlantic Group has been able to increase its investments in capital expenditures including 2 new vessel additions to fleet and the scheduled special surveys of 6 vessels in FY2023, while continuing to meet financial commitments such as servicing loans and interest payments and gradually reducing its gearing since FY2021.

In light of these developments, the Atlantic Group has strengthened its financial position, allowing it to improve overall business operations and enhance its reputation in the industry and attained record revenue and profits in FY2023. The success of the Atlantic Group is a testament to its resilience and ability to adapt to changing market conditions, and it continues to remain well-positioned to capitalise on future opportunities including those related to climate change in the offshore oil & marine sector.

The Earnings Before Interest, Taxes, Depreciation and Amortisation as adjusted for non-cash items (“Adjusted EBITDA”) are tabulated, and together with the fleet utilisation rates, are disclosed in our quarterly financial results announced on SGX since 2QFY2019. These information provide indications of the economic performance leading to the cash generation abilities of the Atlantic Group to meet payment obligations to creditors and suppliers as well as to fulfil the capital and maintenance expenditures due to annual and special surveys in the upkeep of vessels to sustain operational performance.

#### 5.A.2. Future Plans & Focus

##### *Our Response to Challenges*

With the improved market conditions and the rebound from the COVID-19 pandemic, the focus of the Atlantic Group has shifted towards maintaining an elevated fleet utilisation rate to take advantage of the increased demand for our vessels while being vigilant of the conflicts as mentioned above.

Sustaining a high utilisation rate allows us to generate higher revenue and cash flows while minimising operating expenditure. Additionally, maintaining a high utilisation rate of our vessel fleet is not only beneficial for our economic objectives but also for our various stakeholders, including customers, employees, creditors, and suppliers, and the community indirectly as a whole.

Looking ahead to FY2024, the focus of the Atlantic Group will remain on sustaining the overall utilisation rate of our fleet coupled with potential fleet renewal. With increasing localization requirement in our key markets, the Group will look to increasing its local presence by incorporating local entities as evident by the operating entity incorporated in Qatar in June 2023.

### 5.A.3. Economic Performance and KPI Targets

For FY2023, in view of the discussion above, we intend to focus on the following KPIs:

#	KPIs	FY2021	FY2022	FY2023	FY2024 Target
1	Sustaining the fleet utilisation rate	73.70%	91.40%	88.5%	Maintain an elevated utilisation rate, FY2023 utilisation was impacted by 6 vessels which had undergone special surveys including dry-docking.
2	Adjusted EBITDA generation	US\$8.5 million	US\$25.1 million	US\$34.1 million	Sustained stable growth in Adjusted EBITDA
3	Gearing ratio	54.3%	45.2%	38.0%	To maintain gearing ratio i.e. net debt* divided by total capital** plus net debt comparable to FY2023 at about 40%

\* Net debt comprises of loans and borrowings, trade and other payables, other liabilities, less cash and bank balances in aggregate.

\*\* Total capital refers to equity attributable to owners of the Company.

The Atlantic Group continue to work closely with our various stakeholders to achieve the above objections. While the above economic KPIs are areas of focus and aspirational targets, they are not to be construed as forecast or prospect statements.



## **5.B. Material Topic #5: IT Process Automation and Cyber Security**

### **5.B.1. Current Policies, Practices, and Performance**

#### ***IT Process Automation***

The Atlantic Group is continually seeking to improve its workflows and processes and enhance its efficiency, and effectiveness. One of the key areas of focus where such improvements can be achieved is through the IT system which integrates the various functions of the Group across departments from purchase requisition, raising of purchase orders, delivery notes and invoicing as well as interfacing with Human Resources (“HR”) including crewing and payroll requirements.

Given the nature and importance of IT and the related issues of connectivity and use of applicable software and licensing, the Atlantic Group has been investing and adopting IT initiatives relating to the above to achieve its end objective to enhancing productivity. With the increased levels of activities and complexities in our operations across different countries, the focus has been to upgrade our IT software to improve efficiencies with enhanced Management Information System (“MIS”) capabilities to better enable, amongst others, revenue and cost analysis, and strategic decision making.

In view of the strategic importance of IT, ensuring robust data protection and security is of paramount importance to the Atlantic Group. Our efforts are focused on business continuity through secured hosting and back-up retrieval as contingency in events of disruptions caused by natural environmental events and mishaps (such as flooding, fire etc) or deliberate means through attempted malicious IT attacks and security breaches with adoption of adequate firewalls and updating of security patches and undergoing training to keep abreast of latest threats and developments.

#### ***International Maritime Organisation (IMO) - Cyber Security***

As per IMO, maritime cyber risk refers to a measure of the extent to which a technology asset could be threatened by a potential circumstance or event, which may result in shipping-related operational, safety or security failures as a consequence of information or systems being corrupted, lost or compromised. Cyber risk management then encompasses the processes of identifying, analyzing, assessing and communicating a cyber-related risk and accepting, avoiding, transferring or mitigating it to an acceptable level, considering costs and benefits of actions taken to stakeholders.

With the overall objective to support safe and secure shipping being operationally resilient to cyber risks, the Maritime Safety Committee, at its 98<sup>th</sup> session in June 2017, adopted among others, Resolution MSC.428(98) - Maritime Cyber Risk Management in Safety Management Systems (“SMS”). The resolution encourages companies to ensure that cyber risks are appropriately addressed in existing safety management systems (as defined in the ISM Code) no later than the first annual verification of the company's Document of Compliance (“DOC”) from 1 January 2021.

The Atlantic Group has completed the formalisation of policy and procedure manuals for communications between on-shore staff and off-shore crew to ensure the data security and consistency of data transmission for safe and secure vessel operations. Maritime Cyber threat management is based on Confidentiality, Integrity and Availability, i.e. “CIA” model when assessing the impact levels. The Annual DOC Audit including Cyber Risk Management assessment was completed on 3 April 2024.

### 5.B.2. Future Plans & Focus

The Atlantic Group intends to continue to review our requirement and invest in where required to upgrade its IT processes and systems, embrace new technologies, and conduct training to enhance efficiency through connectivity and communications and able to react and respond to clients and operating demands in a timely manner with the existing ERP implemented 1<sup>st</sup> quarter of FY2020. We will continue to enhance the capability of the new ERP software with further customisation to allow further efficiency emanating from its MIS capabilities.

### 5.B.3. IT Performance and KPI Targets

For FY2024, in view of the discussion above, we intend to focus on the following KPIs:

#	KPIs	FY2021	FY2022	FY2023	FY2024 Target
1	Dedicated IT Staff to support operations	2	2	2	To evaluate manpower requirements in line with increased operations
2	IT Expenditure and Investments (US\$'000, estimated)	72.9	85.0	141.2	Target to commensurate with activities, IT compliance and data security enhancement initiatives. Increase in spending in FY2023 mainly due to increase in IT support services and hardware upgrade in line with increased activity levels
3	Compliance with IMO – Maritime Cyber Risk Management in SMS	In compliance with the applicable regulations	In compliance with the applicable regulations	In compliance with the applicable regulations	To keep abreast of and update manuals and procedures to comply with new requirements, if any





Part

6

# GRI Content Index

## Part 6: GRI Content Index

Atlantic Navigation Holdings (Singapore) Limited has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

Item	Disclosure Requirement	Reference	Page
<b>GRI 1: Foundation 2021</b>		Sustainability Report 2023	SR 8
<b>GRI 2: General Disclosures</b>		<b>Sustainability Report 2023 – Part 1 &amp; 2</b>	SR 4-19
<b>2-1</b>	Organisational details	Sustainability Report 2023	SR 4-7
<b>2-2</b>	Entities included in the Organisation’s sustainability reporting	Sustainability Report 2023	SR 7
<b>2-3</b>	Reporting period, frequency and contact point	Sustainability Report 2023	SR 11
<b>2-4</b>	Restatements of information	Sustainability Report 2023	SR 11
<b>2-5</b>	External assurance	Sustainability Report 2023	SR 12
<b>2-6</b>	Activities, value chain and other business relationships	Sustainability Report 2023	SR 4, 7
<b>2-7</b>	Employees	Sustainability Report 2023	SR 31-35
<b>2-8</b>	Workers who are not employees	Sustainability Report 2023	SR 31
<b>2-9</b>	Governance structure and composition	Annual Report 2023	AR 17-36
<b>2-10</b>	Nomination and selection of the highest governance body	Annual Report 2023	AR 22-28
<b>2-11</b>	Chair of the highest governance body	Annual Report 2023	AR 22
<b>2-12</b>	Role of the highest governance body in overseeing the management of impacts	Annual Report 2023	AR 17-36
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Part

7

**Task Force on  
Climate-Related  
Financial  
Disclosures (TCFD)**

## Part 7: Task Force on Climate-Related Financial Disclosures (TCFD)

### Introduction

In December 2021, the Singapore Exchange Regulation (“SGX RegCo”) announced that all issuers must provide climate reporting on a ‘comply or explain’ basis in their sustainability reports from FY2022 onwards. The Company falls within the energy industry which is subject to mandatory climate reporting for FY2023 onwards. In line with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) for climate reporting, the Company aspires to disclose to the best of our knowledge to the extent that it is practicable without comprising on commercial sensitivities on how the Atlantic Group manages climate-related risks and opportunities, with reference to the four key pillars recommended by TCFD namely: Governance, Strategy, Risk Management, Metrics and Targets.

Please refer to Section 1.D. Governance of this report and the section on the Corporate Governance from Pages 17 to 36 in the Annual Report 2023 for more detailed information on the Board.

### 1. Governance

The Company is headed by an effective Board which is collectively responsible and works with Senior Management for the long-term sustainability of the Company by committing to maintain a high standard of corporate governance within the Atlantic Group to safeguard the interests of shareholders and to enhance corporate value and accountability. The Senior Management reviews and reports to the Board and Audit Committee on the Group’s Risk Management and Internal Controls during the Board and Audit Committee meetings and also as and when necessary. The Internal Auditors also reviews the same and reports to the Board and Audit Committee who regularly engages the Senior Management to ensure that the implementation of adequate and effective risk management and internal control systems are cascaded down to the Senior Management and department heads.

The Board and Senior Management will continue to identify, assess, monitor and report on the climate-related issues to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the latest guidelines, rules and regulations which includes the climate-related endeavors and progressively updated. The Board also ensures that the necessary financial and human resources are in place for the Company to meet its sustainability and climate-related targets. The Board recognises the importance of setting short-term, medium-term and long-term targets for sustainability and climate-related targets, and shall meet annually to review the progress and performance of the Group’s climate commitments and strategy for disclosure from FY2024 onwards..

Currently, the Board takes broad factors into consideration including those being climate-related and its potential impact on operations and financial performance as part of overall

assessment of the performance and remuneration of the Senior Management (i.e. including the CEO who is the Executive Director of the Company) and moving forward to set relevant targets for the Senior Management as the circumstances evolve in the future reporting periods.

On this basis, the Board shall take into consideration and progressively incorporate the relevant ESG issues under the ambit of the Risk Management Committee and moving forward target to fully comply with the relevant climate reporting requirements.

## 2. Strategy

The TCFD has classified climate-related risks into two major categories:

1. *Transition risk which are risks related to the transition to a lower-carbon economy;*  
*and*
2. *Physical risks which are risks related to the physical impacts of climate change*

While the circumstances are evolving, the Company is progressively identifying these risks and opportunities and recognising their potential impacts over the short, medium, and long term. The Company had identified the key climate risks include changes in laws & regulations, meeting clients and stakeholder expectations as they become more focused on sustainability and climate change, monitoring the pace of the global energy transition, and long-term effects of global warming, such as sea-level rise, changes in ocean currents, and changes in weather patterns. At this current juncture, it is difficult to accurately assess and quantify the financial impact on these key climate risks being subjected to availability and reliability of data. The Company shall progressively work towards the collection of data and the assessment on potential financial impact to be presented for future reporting periods with more clarity in industry developments from FY2024.

In relation to 2023 IMO Strategy on Reduction of GHG Emissions from Ships which targets the reduction of greenhouse emissions to net-zero by 2050 with incremental reduction targets set for 2030 and 2040, the Atlantic Group is *not* an international shipping company *per se* which is mainly involved in sea freight with the shipping transport of cargo including goods, dry bulk, oil and gas through various vessel types such as container vessels, dry bulk, oil and gas carriers etc across open seas.

To the best of our knowledge, the offshore vessels in the Middle East are vastly operating on marine gas oil whose specifications are largely dictated by the international majors and large national oil companies. The operations of the Group are currently also confined to the Arabian Gulf where the vessels do not ply in open seas and are hence not significantly impacted by rising waters or ocean currents. The climate-related risks include physical risks where there are already strict operational conditions where work will need to stop in the hot extreme weathers during the summer months as dictated by the government and other regulatory authorities.

Based on the industry sources, investments decisions of international and national oil companies and activity levels, one prevailing view is that fossil fuels and renewables are energy

sources which are expected to co-exist in the prevailing market conditions in the short- and medium-term.

In this regard, in the short and medium term, the Group does not expect major changes in these industry dynamics as evident in the recent tender documents and through its interactions with its charterers. With regards to further reduction in CO<sub>2</sub> emissions, the Atlantic Group will work closely with its customers to assess the need to convert its engines to hybrid fuel-electric, retrofit vessels with applicable engine power limitation technologies etc, and work with industry service providers on such endeavours if necessary subject to commercial viability and the availability of infrastructure necessary to support such changes.

Over the past 2 years i.e. post COVID-19 market recovery, the Group had also increased in its exposure in Qatar which for FY2023 contributed almost 50% in revenue compared to about 25% in FY2022. Qatar possesses one of the largest abundance of natural gas reserves as well as the largest producers of natural gas globally.

One key strategy of the Atlantic Group in view of the market dynamics and its size in the fragmented is to maintain an efficient fleet of young modern vessels being the most direct and environmentally friendly in the short and medium term. The average age of the vessel fleet of the Atlantic Group is disclosed in the section on Vessel Fleet list of the annual reports which as at 31 March 2024 was 8.7 years which the Atlantic Group believes is below the industry average.

In the current favourable market environment, it is the intention of the Group to continue to focus on its elevated utilisation to generate the cash flows and profits to grow the equity and asset base of Atlantic Group while reducing its debt and gearing levels so that it is in a position to capitalise on the opportunities including those which are climate-related in the medium to long term.

### **3. Risk Management**

As disclosed on Page 29 of the Annual Report 2023, the Risk Management Committee comprising of Senior Management of the Company supported and assisted by head of departments adopts an enterprise risk management framework and register to identify, manage, and monitor all business and operating risks, including climate-related risks, impacting the Company on an on-going basis. The risk management framework and register will continue to be overseen by the CEO, the Deputy CEO cum COO and the CFO and supported by various heads of divisions or business units such as Operations, Finance, IT and Administration. During the financial year, these departments were involved in identifying and evaluating risks from the bottom up, and these risks were then reviewed in consultation with the senior management of the Group to provide a top-down approach to mitigating these risks as well.

The risk management framework is regularly reviewed and updated to ensure its effectiveness in managing all types of risks, including climate-related risks. The Company is progressively enhancing the integration of its processes for identifying, assessing, and managing

climate-related risks into its overall risk management framework through, risk identification, risk assessment and its implication on mitigation and prioritisation.

In addition to managing climate-related risks and opportunities under the enterprise risk management framework, the Company is constantly seeking to and currently in compliance with ABS class certificates and other environmental plans. These plans are in essence similar to those found under ISO 14001 and ISO 45001 which the Company successfully implemented and maintained an integrated management system in compliance with over the years.

#### **4. Metrics and Targets**

The Company recognises that climate change poses material risks and opportunities to its business and is committed to managing and disclosing these risks in line with the recommendations of the TCFD. The Company identified several metrics that are relevant to assess the performance of the Group and in the management of climate-related risks and opportunities and shall progressively provide relevant data to the extent practicable for the industry. For further information on these metrics, please see Part 3: Environmental Factors of this report.

The Atlantic Group complies with the applicable mandatory standards, and abides by relevant treaties and convention for the prevention of marine pollution, including SEEMP, IMO, MARPOL (including IOPP, IAPP, ISPP, BWMC in accordance with BWMP), SOLAS, MLC (see Section 4.A. Material Topic #2: Occupational Health and Safety of this report), the respective applicable flag administrations, and other applicable standards regarding sewage, garbage and air pollution, as well as all national, regional and local regulations.

The Company recognises that GHG emissions pose a material risk to its business, particularly given the increasing focus on decarbonisation in the marine industry. The Company is taking steps to manage this risk, including exploring alternative fuels, improving vessel efficiency, and engaging with stakeholders to promote sustainable practices subject to commercial considerations. GHG gas emissions are managed or reduced by the efficient operations of the vessels including route planning in consultation with the charterers, speed optimisation, just-in-time activities, maintaining optimum trim and ballast, together with well-maintained engines and use of quality fuel oils. For more details on GHG emissions and Fuel Oil Consumption, please see Section 3.A. Material Topic #1: Environment Protection and Compliance of this report.

Climate-related targets will progressively be set in coming years. The Company targets to ensure compliance with the TCFD recommendations based on a phased approach to report on climate risk disclosures on a ‘comply or explain’ basis and will review and consider more comprehensive disclosure based on TCFD recommendations by the [end of FY2024], including climate-related risks and opportunities, including climate-related risks and opportunities, Scope 1 and Scope 2 GHG emissions and scenario analysis.





Part

8

**TCFD Content  
Index**

## Part 8: TCFD Content Index

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Part

9

**Index on SGX  
Rulebook  
Compliance**

## Part 9: Index on SGX Rulebook Compliance

Rulebook Clause	SGX Rulebook Requirement	Reference in Report
<b>711 A</b>	Sustainability Report	<ul style="list-style-type: none"> <li>• Throughout</li> </ul>
<b>711 B1 a)</b>	Material environmental, social and governance factors	<ul style="list-style-type: none"> <li>• Part 2: Stakeholder Engagement, Materiality &amp; Material Topics Alignment</li> </ul>
<b>711 B1 b)</b>	Policies, practices, and performance	<ul style="list-style-type: none"> <li>• Part 3: Environmental Factors</li> <li>• Part 4: Social Factors</li> <li>• Part 5: Governance &amp; Economic Factors</li> </ul>
<b>711 B1 c)</b>	Targets	<ul style="list-style-type: none"> <li>• Part 3: Environmental Factors</li> <li>• Part 4: Social Factors</li> <li>• Part 5: Governance &amp; Economic Factors</li> </ul>
<b>711 B1 d)</b>	Sustainability reporting framework	<ul style="list-style-type: none"> <li>• Part 1: Overview → 1.A. Corporate Profile → GRI 1: Foundation 2021</li> </ul>
<b>711 B1 e)</b>	Board Statement	<ul style="list-style-type: none"> <li>• Part 1: Overview → 1.B. Board Statement</li> </ul>
<b>711 B2</b>	Primary content exclusion	Not Applicable