

SUSTAINABILITY PILLAR: ENVIRONMENT

IMPORTANCE TO AET

The climate change agenda has taken a broad significance in the global trade ecosystem. Shipping accounts for up to 3% of global emissions but carries 90% of the world's cargo. As a result, the spotlight is now firmly on the shipping industry, with regulators and investors pressuring shipping groups to step up their efforts to cut their emissions.

The International Maritime Organization (IMO) has announced an ambition to halve international shipping greenhouse gas (GHG) emissions by 2050 while reducing CO₂ emissions intensity by at least 40% by 2030 and 70% by 2050 relative to the 2008 baseline. There is a need for the whole shipping industry to be fully committed to bringing about this change.

With a core objective to care for the environment and operate responsibly, AET is committed to environmental stewardship by managing our environmental impact and ensuring the sustainable use of natural resources. Our decarbonisation targets are fully aligned with IMO's GHG emission goals for 2030 and 2050. AET's Sustainability Strategy 2021-2025 was formulated to provide a clear roadmap towards these targets.

In our drive to accelerate decarbonisation, we have been partnering with our customers to support their strategic needs and environmental ambitions. We have also been exploring new R&D opportunities and pioneering the development of zero- and low-emission vessels. These efforts will enable us to forge long-term partnerships with our customers and meet their expectations.

UNSDGs IMPACTED



Design or retrofit sustainable assets which optimise resource-use efficiency with greater adoption of clean and environmentally sound technologies



Design and operate assets that can reduce effects of climate change

OUR INITIATIVES

A key development for AET is the launch of our 2021-2025 Sustainability Strategy, which represents the next phase of AET's overall sustainability goals. The sustainability strategy provides a clear roadmap for our ESG commitments over the next five years, in addition to our GHG Target and Net-Zero Commitment that stretch further ahead into 2030 and 2050. The strategic priorities under the environment pillar are: Towards Decarbonisation, Promoting Circular Economy and Biodiversity Conservation.

Towards Decarbonisation

Under this priority, AET is focused on investing in greener technologies, rejuvenating our fleet with low-carbon emission vessels, adopting alternate fuels and reporting our climate-related risks in accordance with the TCFD framework. We are progressively incorporating greener technologies across our fleet of vessels, recognising their long-term benefits in terms of climate risk management and cost optimisation.

Organisational and Operational Boundaries

In line with MISC, AET's GHG organisational boundary was revised to follow the GHG Protocol Corporate Standard's financial control approach in 2021. All direct GHG emissions emitted from

assets and operations falling under AET's GHG organisational boundary are accounted as our Scope 1, while electricity purchased for use on our assets and facilities are accounted as Scope 2. Emissions from the below mentioned assets and facilities, where material and applicable, form part of our Scope 3 emissions:

1. downstream leased assets which are owned by AET but leased out (bareboat-out) to other parties,
2. assets where AET has minority equity ownership and no control, and
3. upstream leased assets (in-chartered) with a lease term of six months or more.

We expect to complete the estimation of our remaining material Scope 3 categories in 2022. We revised our carbon measurement unit to Annual Efficiency Ratio (AER) to align with IMO's upcoming Carbon Intensity Indicator (CII) regulation. The GHG intensity

of our vessels is measured in AERCO_{2e}, where the three relevant GHGs, i.e. carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) emissions are measured using a common unit called CO₂ equivalent (CO_{2e}). We also revised our base year to 2008 to align with IMO's 2030 and 2050 GHG aspirations.

To sharpen our medium- and long-term GHG reduction strategies and support the setting of GHG reduction targets, a GHG projection exercise was carried out for our fleet. AET's GHG emissions were forecasted up to 2050 and analysed for different scenarios, taking into consideration:

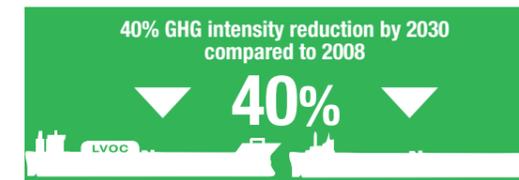
- (i) changes to our asset profile, and
- (ii) influence of GHG reduction technologies and regulations.

Our Climate Action Goals, Priorities and Plans

Short- to Medium-Term GHG Target

Our short- to medium-term target is to reduce our shipping fleet's GHG intensity (AERCO_{2e}) by 40% by 2030 compared to the 2008 baseline.

Short- to Medium-Term Carbon Intensity Target Breakdown



Our Initiatives and Plans to meet our Short- to Medium-Term GHG Target

As a part of our environmental responsibility, we will progressively undertake the following steps to decarbonise our operations in the short- to medium-term:

- Reduce the CO_{2e} intensity of our existing ships by improving the vessel's technical and operational efficiency
- Power all newbuilds with high-efficiency LNG dual-fuel engines
- Progressively work towards developing zero-carbon emissions vessels by 2030

Long-Term Commitment

A key step to limiting the temperature rise well below 1.5 degree Celsius is to significantly reduce global GHG emissions and become net-zero in the long term. As a part of our long-term commitment to supporting the global call to

action, AET is undertaking a long-term approach to reaching net-zero GHG emissions by 2050. To fulfil our environmental responsibility, we will start to decouple our GHG emissions from business growth before 2030 and focus on achieving net-zero GHG emissions by 2050.



For details on AET's climate action strategies and scenarios, refer to the Strategy section of the TCFD report on pages 75-83.

Our Initiatives and Plans to meet our Long-Term Commitment

AET is committed to net-zero GHG emissions by 2050. This commitment covers our own operations and those impacted across our value chain. Our climate strategy to achieve net-zero GHG emissions includes:

- Progressively renewing the fleet with ZEVs
- Adopting new technological innovations on existing vessels and newbuilds to drive energy efficiency improvements and reduce carbon emissions
- Adopting carbon removal technology and carbon capture retrofits in newer vessels to remove excess carbon emissions, where viable
- Reducing value chain emissions (Scope 3 emissions)
- Initiating a nature-based carbon removal offset programme for unabated residual GHG emissions

THE CASTOR INITIATIVE

The three founding members, Lloyd's Register, Samsung Heavy Industries and MISC, of The Castor Initiative, are taking the lead in the development and construction of two ammonia dual-fuel zero-emission VLCCs, which will be owned and operated by AET with delivery planned in late 2025 and early 2026.

INVESTING IN LOW-CARBON TECHNOLOGIES

In October 2021, AET alongside Shell Ventures, Trafigura and Saudi Aramco Energy Ventures invested in Daphne Technology, a Swiss climate tech start-up addressing the GHG challenge. Daphne Technology's solution leverages an innovative technology to remove toxic GHG emissions from the combustion gas of any fuel type, and converts the pollutants into non-hazardous by-products.



For details, refer to Our Investments in Sustainable Shipping on pages 62-63.

SUSTAINABILITY PILLAR: ENVIRONMENT

OUR INITIATIVES

What We Mean by Net-Zero?

NET-ZERO

'Net-zero' refers to balancing the volume emissions produced and removed from the atmosphere to prevent global warming. At AET, this means we will explore and implement commercially-viable technologies to decarbonise our operations until reaching a state where we are left with unabated residual emissions. Only the unabated residual emissions will be compensated with carbon removal offsets through nature-based sequestration or technological carbon removal projects.

Total GHG

− **Carbon Abatement**

− **Carbon Removal**

=

Residual Emissions

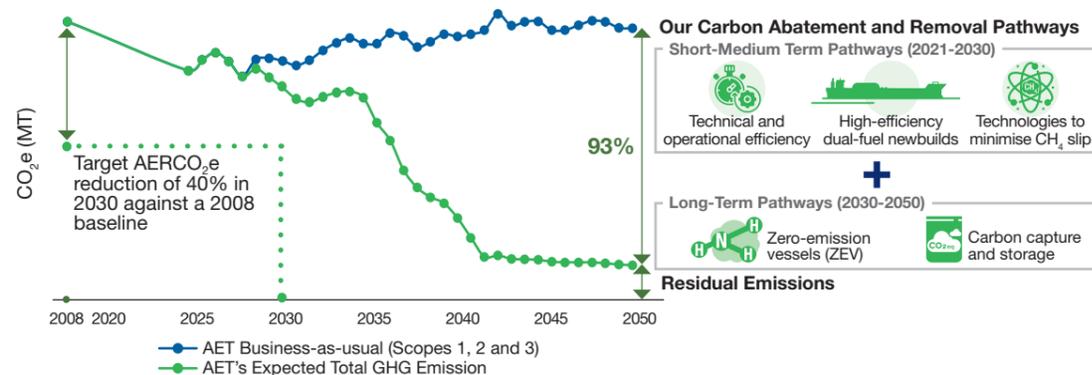
− **Carbon Removal Offsets**

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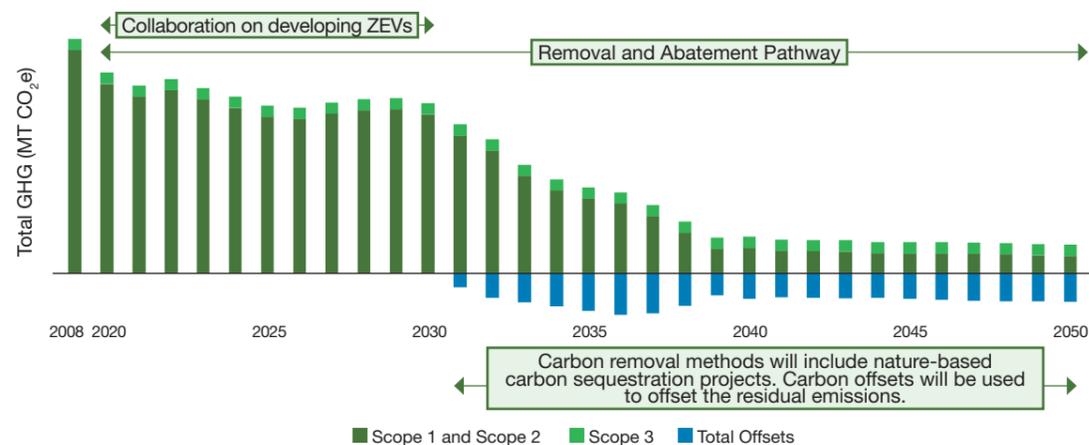
Absolute GHG Emissions Trajectory to 2050

The 2050 absolute GHG emissions trajectory is based on our forecasted GHG emissions until 2050 for different scenarios, considering changes to our asset profile until 2050, GHG reduction technology influences and regulatory policies.

AET's Absolute GHG Emissions Trajectory to 2050 and our Carbon Abatement and Removal Pathways



AET's Net-Zero Total GHG Emissions Pathway



Summary of our Long-Term Net-Zero Commitment

SCOPE OF GASES	SCOPE OF ACTIVITIES	MITIGATION PATHWAYS	TIMEFRAME
All GHGs Unit: CO ₂ e	Scopes 1 - 3	<ul style="list-style-type: none"> Abatement Removal Removal Offset 	Long-term
<ul style="list-style-type: none"> Carbon Dioxide (CO₂) Methane (CH₄) Nitrous Oxide (N₂O) 	<ul style="list-style-type: none"> AET operations (Scope 1 and Scope 2) Scope 3 (where material) 	<ul style="list-style-type: none"> Abatement and removal pathways to reduce own operations and value chain emissions Nature-based removal pathways to offset residual GHG 	2050
Rationale on why net-zero by 2050: Investments in our newbuild assets generally last for 20 years on an average. Assuming ZEVs are widely available by 2030, we will need 20 years from 2030 to complete the transition from the existing fleet to ZEVs.			

Promoting Circular Economy

AET is committed to reducing waste and encouraging the use of renewable resources. The waste products generated from our shipping operations are managed in accordance with the International Convention for the Prevention of Pollution from Ships (MARPOL Annex V).

Since 2016, all newbuilds are fitted with approved Ballast Water Treatment Systems.

In addition, all AET vessels maintain a garbage management plan specifying the proper separation and responsible disposal of waste products. In 2021, the garbage generation per vessel has increased by 18% while plastic waste generation per vessel has increased by 11%, compared to last year. Unlike in previous years (2019 and 2020), 2021 includes data of our third-party managed

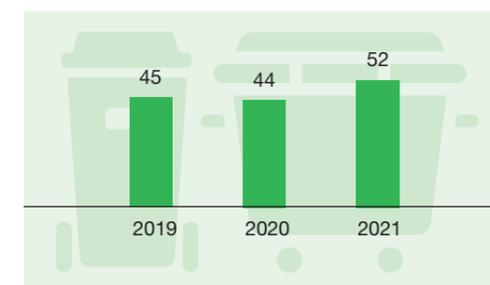
ships. Additionally, some increase in the garbage and plastic waste generated can be attributed to the usage of face masks and single-use food packaging for onboard visitors due to strict hygiene measures adopted amidst the pandemic.

On shore, beverages packed in single-use plastic bottles have been discouraged across AET offices since 2018, and posters are used to encourage employees to reduce plastic waste. These efforts have significantly reduced the usage of single-use plastics within our premises.

We will continue to make targeted efforts to reduce waste as part of our waste management strategy.

For more information, refer to the Performance Data under Sustainability Pillar - Environment on page 91.

Garbage Generation Per Vessel (m³)



Plastic Waste Generation Per Vessel (m³)



For 2019 and 2020, data from third-party operated vessels was excluded due to data limitations.

SUSTAINABILITY PILLAR: ENVIRONMENT

OUR INITIATIVES

AET'S SHIP RECYCLING POLICY

The lifecycle and disposal of vessels at the end of their service is governed by strict regulations, such that the recycling process does not pose a hazard to the environment. As a responsible shipowner and operator, it is our duty to recycle our disposed ships with utmost care. In 2021, AET Board approved our Ship Recycling Policy, which ensures proper and responsible recycling of disposed vessels. An inventory of hazardous materials must first be prepared, while the disposal process is done in accordance with The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the Hong Kong Convention).

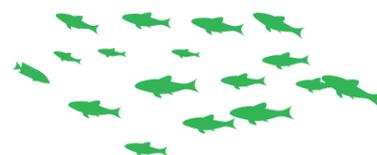
The scope of AET's Ship Recycling Policy covers the following four areas.

 <p>1 Design and construction stage</p>	 <p>2 Ship operations</p>	 <p>3 Repurpose or resale for further trading</p>	 <p>4 Sold to intermediary or directly to Hong Kong Convention approved yards for scrap</p>
<ul style="list-style-type: none"> Constructing each ship with zero or minimal hazardous materials Documenting each vessel with an approved Inventory of Hazardous Materials (IHM) 	<ul style="list-style-type: none"> Generating minimal hazardous substances and waste onboard our ships Removing hazardous substances in a controlled manner and replacing them with non-hazardous materials if practical whenever repair or maintenance is carried out on equipment Producing and maintaining a ship-specific IHM for each existing ship in our fleet 	<ul style="list-style-type: none"> Updating the ship's IHM and transferring it with other documentation before the sale of ships Complying with the Hong Kong Convention and/or all applicable national and international law when selling ships directly or indirectly to a yard for recycling Requiring buyers or yards for all AET sale contracts to undertake safe and environmentally sound recycling as per the Hong Kong Convention including using approved shipyards, and monitoring rights to the ship-breaking process whether directly or indirectly via appointed agents 	

Biodiversity Conservation

Considering the nature of our operations, biodiversity conservation is material to AET's business. We are committed to protecting life below water through our environmental initiatives and aligning with MISC Group's initiative, the Heart of The Ocean programme.

As a member of MISC's Heart of the Ocean programme, AET contributes to two conservation programmes in Malaysia. Through the Marine Biodiversity Conservation Flagship Programme, AET supports the activities to conserve coral reef in the Mersing Islands, Johor, as well as eradicate plastic litter in the ocean. Through the UMT-MMS Sea Turtle Conservation Programme, our resources are channelled into protecting sea turtles in Redang Island, Terengganu.



These programmes underscore our commitment to UNSDG 14 on sustainable ocean use and the preservation of marine diversity.



Environmental and Sustainability Awards

- ★ 50 ships received CSA Environmental Achievement Awards for excellence in HSSE and environmental protection
- ★ Six AET vessels successfully surveyed and certified for Green Award through the Green Award Foundation
- ★ AET's London office attained SKA rating of Gold by Royal Institute of Chartered Surveyors (RICS) for its sustainable fit-out

PERFORMANCE DATA

	Unit	2021	2020	2019
GHG EMISSIONS				
TOTAL GHG EMISSIONS (Including third-party vessels)	tonnes CO ₂ e	1,610,211	1,779,877	2,006,556
Scope 1 (including third-party vessels)	tonnes CO ₂ e	1,609,584	1,779,473	2,006,134
Scope 2 (shore electricity)	tonnes CO ₂ e	627	404	422
TOTAL SCOPE 1				
Petroleum	tonnes CO ₂ e	1,557,596	1,714,706	1,789,880
Product	tonnes CO ₂ e	51,988	64,768	216,254
AIR EMISSIONS (Excluding workboats)				
NOx Emissions	tonnes	32,898	36,942	42,253
SOx Emissions	tonnes	3,338	3,050	25,588
CARBON INTENSITY AND ANNUAL EFFICIENCY RATIO (AER)				
AER – TOTAL (Product/Petroleum)	gCO ₂ /ton-nm	3.80	3.55	3.59
AER – Petroleum	gCO ₂ /ton-nm	3.72	3.46	3.32
AER – Product	gCO ₂ /ton-nm	10.28	10.65	10.75
Total distance travelled by Petroleum & Product vessels	nm	2,707,296	3,024,761	3,041,860
Garbage generation per vessel (Petroleum & Product)	m ³	52	44	45
Plastic waste generation per vessel (Petroleum & Product)	m ³	20	18	22
ISO CERTIFICATION				
ISO 50001 Energy Management System	Yes/No	Yes		

SUSTAINABILITY PILLAR: SOCIAL

IMPORTANCE TO AET

AET believes that sustainable businesses drive positive social change. AET's sustainability and business strategies provide the roadmap for how we leverage our global maritime expertise and partnerships, engage our employees and support meaningful charitable initiatives to enhance the lives of people in our communities.

Our people are our greatest asset, and ensuring their well-being, safety and health remain paramount. Creating the right environment for our talents to grow and thrive, and investing in their skills and overall development would be vital to AET's

continued success. Contributing to the communities where we operate is equally material for our business. As a responsible ship owner, it is important for us to stand in solidarity with our communities by supporting the disadvantaged in society, so as to strengthen our social value in AET's localities.

Despite the many challenges faced by shipping industry in 2021 due to the pandemic, our efforts to safeguard and support AET's employees and seafarers have ensured the continued provision of maritime services to our customers and the global economy.

UNSDGs IMPACTED

<p>3 GOOD HEALTH AND WELL-BEING</p>	Promote health and well-being of employees, contractors and our communities to progress towards a generative safety culture	<p>4 QUALITY EDUCATION</p>	Promote skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
<p>5 GENDER EQUALITY</p>	Grow and promote female participation in the maritime industry. Drive meritocracy and equal opportunities to ensure women's full and effective participation and leadership at all levels of decision making	<p>10 REDUCED INEQUALITIES</p>	Promote equal opportunities in the workplace where all diverse talents are able to perform to their full potential

OUR INITIATIVES

Health and Safety

Health and safety are among AET's top priorities. We are committed to maintaining the highest Health, Safety, Security and Environment (HSSE) standards and adhering to all relevant industry requirements to ensure that our people, assets, operating environment and reputation are protected. Our business and HSSE outcomes are integrated, resulting in strong performance track record and quality services. In 2021, we achieved a high vessel availability rate of above 99%, meeting or exceeding our stakeholders' expectations.

Our HSSE achievements including our fleet in numbers

Lost Time Injury Frequency (LTIF)	0.08
Total Reportable Case Frequency (TRCF)	0.31
INTERTANKO industry LTIF average	0.45
INTERTANKO industry TRCF average	1.00

With regards to upholding HSSE excellence, AET aspires to lead-by-example. Our HSSE initiatives

are led by the Executive Leadership Team (ELT), which closely reviews AET's HSSE performances, safety incidents and investigation outcomes. The ELT makes regular visits to our vessels, engages with frontline staff, conducts HSSE walkabouts at the office premises and updates the Board's Audit and Risk Management Committee (ARMC) quarterly on AET's safety performance and initiatives. All safety incidents and investigations are monitored and tracked at the highest level within AET. We have a Safety Roadmap that aligns with the principles in AET's Health Safety and Environment Management System.

To foster a strong HSSE work culture, AET initiates and supports various programmes to drive health and safety behaviours. We have adopted Hudson HSE Culture Ladder approach to shaping the right safety habits and behaviours via five stages of development within AET. During the year, workshops were conducted for shore and sea personnel across all AET offices by one of the original architects of the Hudson Ladder. The workshop objectives included benchmarking our safety culture against the Hudson HSE Culture Ladder, identifying opportunities to improve safety practices and embedding them into our organisational culture.

As a progressive organisation, AET is steadfast in its journey towards achieving a "Generative" HSE Culture as prescribed in the Hudson HSE Culture Ladder.

Hudson HSE Culture Ladder¹



Other initiatives included "Stop Work Authority", which is focused on promoting a strong safety culture amongst all employees including our seafarers. Employees are also given the opportunity to participate in various behavioural HSSE (b-HSSE) initiatives such as Earth Hour, HSSE Recognition Day and submit their HSSE observations through our "Unsafe Condition Unsafe Act (UCUA)" programme. This is in addition to the disclosure of HSSE matters and performance at the company's level, where HSSE alerts including lessons learnt are disseminated regularly via internal circulars and other communication channels.

AET maintains a comprehensive HSSE training regime for all the frontliners throughout the year in addition to the trainings mandated under statutory requirements. In 2021, various trainings and events were conducted virtually including HSSE workshops and digital engagements with shore and sea staff.

AET's Wellness Month was conducted in October 2021 to support the physical and mental well-being of our global workforce. The activities featured themes ranging from social and financial well-being to talks on mental health, basic first aid and alternative medicine by medical practitioners and health experts. "MindFit at Work", a meditation app to support happiness, resilience, mental health and mindfulness, was extended to all staff for 12 months. To promote better work-life balance, flexible work arrangements were piloted in 2021, with an official launch across all our locations in early 2022.

To safeguard our seafarers, we engaged Occupational Health and Hygiene experts to conduct Health Risk Assessments (HRA) to identify possible physical,

chemical, biological, ergonomic and psychosocial hazards onboard our vessels. The mitigation measures from the HRAs are implemented to ensure our working environment becomes safer for all.

AET continued to work closely with the Industry Task Force on Offshore Lightering (ITOL), a cooperative organisation promoting industry self-policing and continuous improvement in lightering in the Gulf of Mexico. We also engaged regularly with our premier customers to update them on our safety initiatives and share best practices.

Our lightering operations managed out of AET Offshore at Galveston have remained zero Lost Time Injury (LTI) since 2015.

In recognition of our excellent health and safety record, 48 AET ships were presented the Jones F. Devlin Award for Safety by the Chamber of Shipping of America (CSA).

We believe that continued digital transformation will drive the shipping industry towards enhanced safety, operational performance and cost efficiency. The possibilities offered by digital transformation, artificial intelligence and automation will also be a game-changer for the reduction of environmental emissions. Sol-X, Chord-X and SparesCNX are digital solutions being deployed on our vessels which enhance the safety and work efficiency of our people and assets.



Refer to Operational Excellence at AET section on pages 36-39 for detailed description.

Source:

¹ Energy Institute. Understanding your HSE culture. Hearts and Minds. Retrieved from <https://heartsandminds.energyinst.org/toolkit/UYC>

SUSTAINABILITY PILLAR: SOCIAL

OUR INITIATIVES

Talent Excellence

Our human capital enables AET to deliver on its business goals and value creation agenda, and supports our transformation aspiration. As we embarked on our 2021-2025 Sustainability Strategy, we have remained firmly committed to developing our internal talents whilst targeting the external sector for specific capabilities to build a strong talent pipeline to support AET's growth ambitions for today and the future. Our efforts are also aimed at creating a positive work environment with rewarding careers where our diverse and multi-generational workforce feel they belong and can perform to their full potential whilst delivering against AET's stakeholder expectations.

2021 was a challenging year for us due to the ongoing pandemic and turbulent market. As an organisation, we adjusted to the new normal by adapting our working styles which included piloting flexible work arrangements, providing support for our people's wellness, and leveraging technological advancements. We continued our employee engagement activities throughout the year through regular townhalls with our CEO and vessel visits by our ELT.

To nurture a skilled and talented workforce and ensure we remain competitive as an employer, we refreshed our employee value proposition, enhanced employee engagement, volunteered to support local communities, offered differentiated rewards and targeted development programmes to support career advancement of our people. Most of our learning activities remained virtual during the pandemic. As a result, we placed greater emphasis on on-the-job learning opportunities which included participation in strategic projects and secondments, allowing our talent to broaden their skills, experience and cultural perspectives.

Our Talent Development Committee across various regions, together with respective team leaders, ensure high-potential talents focused on their development plans, and the wider talent pool continued to learn and develop within their respective roles. In 2021, our staff clocked a total of 4,840 learning hours via 3,286 learning places. In addition, there were 20 leadership and 95 functional programmes conducted through various modes of training delivery. For global leadership development, we offered five international assignments per year for the past five years to widen the horizon of our employees.

With newer ways of working, greater emphasis was placed on leadership development including the implementation of the wider MISC Group's leadership programmes which were catered for all levels within the organisation. These programmes were supported by the annual calibration exercise with our succession planning framework to identify and develop successors for AET and MISC Group's critical positions.

In line with efforts to grow the industry and nurture young talents, we welcomed 20 university interns in our offices globally, providing them with three to six months of hands-on training and experience in a variety of job functions. Across regions, we provided scholarships through the Singapore Maritime Foundation and Texas A&M University at Galveston.

Diversity and Inclusion

We value the rich diversity that exists in our organisation which we know drives greater understanding and alignment with our stakeholders, as it builds resilience to changing markets and enables us to stay flexible in serving our customers' needs. As of end-2021, our shore staff were represented by 20+ nationalities worldwide who continue to bring their unique backgrounds and multi-generational perspectives to our global operations.

We see Diversity and Inclusion (D&I) as an essential component of AET's sustainability goals, and our focus has been on continuing to build trust and empowerment through an inclusive work culture.



As a global organisation, AET's workforce spreads across seven countries and our D&I strategy focuses on two to three key initiatives annually.

In 2021, as an outcome of building gender diversity through inclusion, our performance-related HR processes have enabled a gender representation of 56% male and 44% female for our shore staff. In addition, 22% of our senior management are women and 32% of our middle management are women.

To mark International Women's Day 2021, our CEO hosted a roundtable discussion with our women leaders focused on continual coaching and mentoring of young female talents within the organisation. We continued to benchmark our progress against the Bloomberg Gender-Equality Index (GEI), which tracks diversity data using a standardised Gender Reporting Framework.

Our D&I Policy, which was inceptioned in 2020, focuses on three priorities including:

- growing our diversity initiatives,
- creating the right environment for all to succeed, and
- equipping our leaders with the skills and ability to lead inclusively and with accountability.

The importance in building an inclusive work culture means continuous and ongoing training and education of our people. We introduced bite-sized awareness sessions and hosted cross-functional dialogue sessions on D&I to elevate self-awareness and understanding of unconscious bias. AET prides itself in celebrating diverse festivities and cultural events including International Women's Day and Day of the Seafarer. Whilst the pandemic persisted and limited our ability to organise in-person events, we held virtual sessions in replacement which were well participated by staff across the organisation.

Based on the findings from our employee survey, we have set up a D&I baseline to measure our progress. Simultaneously, we ensured that 100% of our managers and senior leaders undergone inclusive leadership trainings to build their self-awareness and personal accountability to lead and develop their teams inclusively. We launched a global virtual workshop series on "Inclusion and Unconscious Bias Awareness", which was conducted quarterly for staff across all levels to raise awareness about embracing an inclusive mindset.

As we continue to evolve on our D&I journey, our focus will be to ensure equitable HR processes and inclusion practices that further champion our D&I commitments and ESG Agenda.

HEAR FROM OUR PEOPLE



“AET has given me equal opportunities to speak, be heard, and be included in all discussions. My career in AET has progressed positively alongside the growth of my family in the past eight years, thanks to the company's family care and maternity benefits, and now we have the FlexWork benefits that further support our differentiated needs.”

Trixie Tolentino
Manager, Fleet IT Applications



“As an organisation, AET is committed to D&I. I believe AET has a strong moral compass. The company wants to do the right thing and treat people equitably, with fairness and respect.”

William Blagbrough
Head of Legal, APAC



“What I value most about AET is that they encourage you to voice your opinions. Working with a diverse group of people, I value the sharing from the colleagues with different cultural backgrounds and ethnics.”

Antoinette Love-McCloney
Accounts Payable Officer, Finance

SUSTAINABILITY PILLAR: SOCIAL

OUR INITIATIVES

Community Investment

AET's community efforts provide a way for creating social value in the localities where we operate. We prioritise our investments in areas where we can demonstrate leadership and where our expertise and resources can make a positive difference. Our continued efforts to give back to communities have strengthened the mutual trust and strategic relationships that we have formed with our respective stakeholders. As a global organisation, we continue to contribute towards purposeful social causes by empowering the disadvantaged in communities and supporting wider community needs such as reducing inequality, and eliminating hunger and poverty to make a positive impact through our actions and business performance.

Nurturing Talents

AET's support for the MaritimeONE scholarships with Singapore Maritime Foundation is a good example of our commitment to develop young talents. AET continued its scholarship programmes in 2021 sponsoring two students enrolled in the Diploma in Maritime Business at Singapore Maritime Academy of Singapore Polytechnic.



We also partnered with Texas A&M University at Galveston (TAMUG) for a scholarship programme to support 10 maritime students' training. These scholarships are in addition to our sponsorship of cadet training at the Malaysian Maritime Academy (ALAM). In the last four years, ALAM has provided

professional maritime training for over 460 AET sponsored cadets. In turn, the cadetship programme provides us access to a talent pool of seafarers that is vital to AET's uninterrupted business operations.

AET Caring for Communities

We remain committed to supporting communities around our offices to make a positive difference and giving back to the society to "build a better world". In 2021 and early 2022, we contributed US\$250,000 to fund over one million meals for the underprivileged through our global COVID-19 donation campaign. This is an ongoing partnership with eight national and local charities' food programmes in seven countries.



Norway: With our donation expanded to Norway, around 34,000 underprivileged received a meal either cooked or through delivered food packs from Matsentralen Rogaland. The foodbank also redistributed and delivered 619 tonnes of surplus food for meals for impacted community members across 23 municipalities in Rogaland while at the same time helping to reduce food waste.



Brazil: Our Rio colleagues attended the donation handover ceremony with RioContraCorona where they distributed food packs to about 200 beneficiaries at the Center of Public Education at Rocinha. Next to Rocinha, 4,100 underprivileged families (about 16,500 individuals) in Vidigal, Cantagalo and other communities have been provided with food packs to have two daily cooked meals for up to two weeks translating into nearly 600,000 meals.



Singapore: In 2021, our donation extended support to a new charity, Singapore Children's Society which supports the day-to-day operational needs of the Sunbeam Place @ Children's Society, a residential home and gazetted place of safety for children who are in need of protection. Our donation funded groceries, fresh food and necessities for 24,000 meals to provide a home-like, loving and conducive environment for the beneficiaries. In addition, our colleagues in Singapore participated in an in-house fundraiser and auction and raised over S\$4,000 to provide fresh food, fruits and hygiene necessities for 40 children and families in need.

We also successfully raised S\$4,200 from our #LetsHelpIndia fundraising campaign in partnership with Singapore Red Cross for the purchase of medical supplies and hospital beds for COVID-19 impacted individuals in India and Nepal through the Indian Red Cross Society. The funds raised were also matched by AET.



Philippines: Partnering Philippine Business for Social Progress, over 1,700 severely impacted families received food packs with fresh and dried goods translating into over 180,000 meals. 300 local farmers and fishermen families also received much needed income from the produce they provided for these food packs.



UK: Our contribution to The Felix Project funded the redistribution of fresh surplus food to prepare around 96,000 meals for vulnerable community members in London. In addition, our colleagues also volunteered at the Felix's Kitchen for a day and helped to prepare 2,776 nutritious ready-made meals for distribution to families in need.



USA: Supported Houston Foodbank with over 60,000 meals for the underprivileged while 80,000 meals were served through the Galveston County Foodbank.

Our Other Social Support Programmes

AET was a Bronze Sponsor to The Mission to Seafarers' Sustaining Crew Welfare campaign which contributed to the Innovation Fund to provide vital welfare assistance to seafarers and their families through online stores and delivery services for seafarers who could not go ashore. As part of MISC, we joined over 300 maritime organisations in signing the Neptune Declaration on Seafarer Wellbeing and Crew Change.

Since 2007, we have been a dinner table sponsor at the Houston International Seafarer Center (HISC)'s Maritime Gala where the proceeds supported HISC's facilities for visiting seafarers and seafarers' no-cost transportation from ships to the Centre and local areas.



In addition, our US colleagues volunteered in a beach clean-up organised by the Texas General Land Office, clearing nearly half-a-mile of beaches in Galveston.

SUSTAINABILITY PILLAR: GOVERNANCE

IMPORTANCE TO AET

Upholding a high standard of Corporate Governance and principles gives confidence and assurance to our stakeholders that AET is prudently run. Our commitment to a strong governance culture is driven by AET's Code of Conduct and Business Ethics (CoBE) which clearly sets out the business ethics, professional integrity and personal conduct expected of our employees. The CoBE, which conforms to international standards and business regulations, serves to deepen our stakeholders' trust in the quality and outcomes of AET's strategy and business decisions.

The Sustainability Strategy (2021-2025) monitors and enforces robust sustainability practices centred

around ESG pillars. The Risk Management framework ensures that we balance our business risks and opportunities arising out of the identified risks.

The forward-looking Sustainability Strategy demonstrates our commitment to driving ESG targets across all our operations and reinforces our ethos of strong governance as one of the leading ship owners worldwide. It addresses the growing importance of ESG commitments in the maritime-shipping sector with increasing stakeholder interest for greater transparency and accountability in the non-financial performance of businesses.

UNSDGs IMPACTED



Promote sustainable economic growth and decent work for all by ensuring labour rights, and promoting safe and secure working environment



Promote fair business practices and foster strong governance and business ethics

OUR INITIATIVES

We continue to foster a culture of strong corporate governance, business ethics and conduct throughout AET. In 2021, our efforts were focused on fortifying our governance culture, and strengthening the sustainability governance structure within AET.

Effective Management Systems

A sound management system is key to good corporate governance. Our management systems and internal controls apply the core principles of good governance: fairness, accountability, responsibility and transparency.

Compliance Management Framework

- Embeds a compliance culture in AET
- Guides management, business and operations in achieving compliance strategies and goals
- Identifies and proactively manages compliance risk and compliance obligations
- Prevent incidents of non-compliance
- Ensures corrective actions are put in place in a timely manner

LEADERSHIP	CULTURE	RISK MANAGEMENT	MONITORING AND REPORTING
<ul style="list-style-type: none"> Demonstrate tone from the top on ethical culture and behaviour Ensure compliance to rules, regulations and governance 	<ul style="list-style-type: none"> Communication and awareness Mandatory training on critical legal areas, CoBE and relevant policies and guidelines Compliance and ethics feedback 	<ul style="list-style-type: none"> Regulatory and legislation register Group policies on critical legal areas ABMS certification CoBE Bribery and corruption, and third-party risk management Conflict of interest Whistleblowing 	<ul style="list-style-type: none"> Annual compliance attestation by all staff AET annual myAssurance attestation programme on critical and operational legal areas Management reporting Quarterly reporting to ARMC

Values, Assurance and Business Ethics

The Governance and Business Ethics Framework aims to foster a strong culture of integrity within AET to ensure ethical and professional conduct of our employees. The framework draws upon diverse business experiences and cultural backgrounds to establish comprehensive business ethics and corporate governance practices and includes even the Board composition to ensure a diverse mix of leaders with wide-ranging experiences, skillsets, nationalities and genders. As of 31 March 2022, 62.5% of the Board are Independent Directors who provide objective insights and advice on our business strategies and decisions.

Underwriting the framework are several policies and programmes. AET's Compliance and Ethics Programme is a five-year strategic plan consisting of a set of action plans and deliverables to strengthen the culture of governance and ethics. The first five-year plan (2017-2021) was completed with all objectives met.

In 2021, our ISO 9001 certification was successfully renewed for the next three years and our ISO 37001 certification was maintained as we completed our annual external audits for ISO 9001 and ISO 37001 with regards to our Quality Management System (QMS) and Anti-Bribery Management System (ABMS) respectively. ISO 37001 is the first international ABMS standard designed to help companies combat bribery risk in their operations and value chains. These certifications ensure our QMS and ABMS remain adequately and effectively implemented. Our offices in Singapore, Houston, Rio de Janeiro, London and Kuala Lumpur are

ISO 9001 certified while our offices in Singapore, Houston, Rio de Janeiro, London and Stavanger are ISO 37001 certified.

Strengthening our cybersecurity measures is essential to protect us from potential cyber threats. Protecting our technology, assets, critical information are our utmost priority as part of our ongoing cyber risk management.

Our Data Protection Policy aims to safeguard all stakeholder data residing in our systems. With our trained Data Protection Officers, we ensure full compliance with applicable data protection laws, including EU's General Data Protection Regulation (GDPR).

Responsible Supply Chain Management

AET has established Responsible Supply Chain Management to drive sustainability practices across the supply chain. As part of this strategic initiative, the Board has approved AET's Ship Recycling Policy in 2021. This policy ensures proper and responsible recycling of disposed vessels set out in the Hong Kong Convention and any other applicable conventions and regulations. AET also developed the ESG self-assessment framework with critical suppliers to ensure compliance with sustainable sourcing, circular economy, business ethics, and health and safety.



For more details on AET's Ship Recycling Policy, refer to the section "Promoting Circular Economy" under Sustainability Pillar - Environment on page 90.

International Standards and Certifications



- ★ Compliant with the UK Bribery Act and EU GDPR
- ★ Member of the Maritime Anti-Corruption Network (MACN)
- ★ Maintained ISO 37001 certification for Anti-Bribery Management System
- ★ Renewed ISO 9001 certification for Quality Management System

Our Governance Policies and Guidelines



- ★ Anti-Bribery and Corruption Policy
- ★ Code of Conduct and Business Ethics
- ★ Competition and Anti-trust Policy
- ★ Conflict of Interest Policy
- ★ Data Protection Policy
- ★ Modern Slavery Policy
- ★ Ship Recycling Policy
- ★ Whistleblowing Policy

SUSTAINABILITY PILLAR: FINANCIAL

IMPORTANCE TO AET

Our financial performance is one of our sustainability pillars. Our key objective is to achieve financial resilience from long-term secured income contracts and predictable growth through recurring sources of cash flow. Managing the fleet portfolio against secured earnings mitigates the effects of economic uncertainties and volatility, and improves our ability to achieve our long-term goals sustainably.

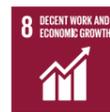
A strong financial position enables us to future-proof our business, as visibility into future cashflows enables strategic planning of our greener investments and future programmes. A robust balance sheet is essential for us to satisfy the requirements of our shareholder, investors and key stakeholders.

We have identified the following two key strategic priorities that drive AET's financial sustainability:

- Financial growth plans
- Financial governance framework in line with the Financial Reporting Accounting Standards and Corporate Financial Policy (FRAS/CFP)

The financial growth plan guides us in developing our business strategies and financial plans. The financial plan is the operating budget that forecasts the revenues, expenses and cash flow while the financial sustainability strategy identifies various methods to use available resources to the best advantage to deliver long-term profitability and positively impact the environment and society.

UNSDG IMPACTED



Promote sustained economic growth, full and productive employment and decent work for all

OUR INITIATIVES

Under the Financial Pillar, we are focused on maintaining a robust balance sheet and a stable cash flow despite the challenges posed by the external environment. Through securing long-term charters with key customers, the majority of earnings are now generated from our secured-income asset portfolio. These contracts provide AET with financial stability and operational agility to take on new opportunities as they emerge.

2021 was a challenging year for the tanker sector, with weakened charter rates and earnings. The negative effects of COVID-19 on economies continued to be felt in 2021. Amidst the challenges, we strategically managed the disposal of older assets, negotiated lightering contracts, managed the in-charter portfolio, and reduced the cost structure to mitigate downside financial exposures and risks. As a result, lower operating costs were recorded with the optimised fleet size and tighter cost controls.

Our Financial Pillar contributes to UNSDG 8 by providing Decent Work and Economic Growth. AET is committed to promoting sustained economic growth, full and productive employment, and decent work for all.

REVENUE



EBITDA



NPAT



LEVERAGE RATIO



For more details, refer to the Financial Review section on pages 46-49.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation.
NPAT: Net Profit After Tax.

SUSTAINABILITY PILLAR: STAKEHOLDER ENGAGEMENT

IMPORTANCE TO AET

AET is committed to making a positive impact on our stakeholders and contributing to the growth of the maritime sector. This commitment is supported by the Stakeholder Engagement Strategy, which focuses on creating shared value. We conduct regular engagements with our stakeholders because it enables us to understand and meet their expectations. It also enables us to seek their suggestions, consider their feedback on economic and ESG matters, and establish clear priorities in our sustainability agenda. The Stakeholder Engagement pillar is a critical element in our Sustainability Strategy, as it reflects the emphasis we have placed on generating long-term

stakeholder value through our sustainability agenda and business operations.

Our key stakeholders span from our shareholder and employees, to customers, financial partners, regulators and local communities. They each have high expectations of AET's transparency, accountability and business conduct. Every stakeholder is seen as an essential partner in our sustainability journey. By being open and transparent in voluntarily disclosing our sustainability issues in this publication and the MISC Integrated Annual Report, we are able to deepen the "trust bank" and close relationships we share with our stakeholders.

UNSDG IMPACTED



Promote global partnership for a sustainable maritime industry by encouraging multi-stakeholder collaborations

OUR INITIATIVES

In 2021, we contributed to the strengthening of the maritime industry through active participation in industry associations, public policy consultations and regulatory discussions. Our active involvement in industry associations has enabled us to engage with the maritime industry players and contribute to the development of the shipping industry. AET holds the Chairmanship of the Gas Committee at INTERTANKO, and our CEO is a Board member of the GARD P&I Club.

Our CEO and ELT also participated in international conferences and industry events, such as the

37th Asia Pacific Petroleum Conference 2021 and Marine Money London, to extend our reach to a wider group of stakeholders. As a strong advocate for sustainable shipping, we became a Bronze Sponsor at the International Chamber of Shipping Conference, "Shaping the Future of Shipping" at COP26 in Glasgow, Scotland. In 2021, MISC and AET co-hosted the MISC Group's virtual Annual Bankers Engagement. We were joined by senior relationship bankers and representatives from various local and global financial institutions as we shared the Group's business strategies and outlook.

KEY INDUSTRY BODIES

AET is associated with the following organisations:

- Chamber of Shipping America
- Getting to Zero Coalition (through MISC)
- Global Maritime Forum (through MISC)
- International Tanker Owners Pollution Federation Limited
- Malaysia Shipowners' Association (through MISC)
- Maritime Anti-Corruption Network
- Singapore Shipping Association
- The International Association of Independent Tanker Owners (INTERTANKO)
- The International Group of Protection and Indemnity Clubs - Gard & Britannia