

CEO'S SUSTAINABILITY FOREWORD



ZAHID OSMAN
President & CEO

As a leading provider of shipping solutions that meet the world's evolving energy needs, AET has a unique opportunity and responsibility to transport energy across the world while maintaining a balance between sustainability, affordability and reliability.

Sustainability is a fundamental part of the value proposition we bring to our stakeholders and is our social license to operate. Our sustainability strategy is geared to deliver positive environmental, social and economic benefits and produce tangible results that help AET, our customers and communities contribute towards our broader ESG goals. These ESG goals are described under our strategy's five pillars which are Environment, Social, Financial, Governance and Stakeholder Engagement.

We have committed to achieve net-zero GHG emissions across all scopes by 2050, in line with the Paris Agreement goals. Our interim goal is to reduce our shipping GHG emissions intensity by 40% by 2030 from our 2008 baseline. I am pleased to report that in 2022, we reduced our total Scope 1 GHG emissions intensity by 3.4% year-on-year and decreased our total Scope 1 absolute GHG emissions by 21% compared to 2019.

AET has made significant investments in a modern fleet particularly in dual-fuel technology. We were among the first to invest in LNG dual-fuel ships, which is currently the most effective solution available for significantly reducing GHG emissions by ships. To address the issue of CH₄ emissions from LNG-fueled ships, AET intends to trial SlipPure™, an innovative exhaust gas cleaning system developed by Daphne Technologies, on our ships within the next two years. AET is a strategic investor in Daphne Technologies.

We are also actively collaborating with our industry partners and future-focused customers to develop ZEVs to champion environmental stewardship. We are among the first in the crude tanker shipping sector to align our disclosures with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We chose

to do so to provide our stakeholders with transparent and reliable information on our climate-related risks and opportunities as well as our strategies for managing them. We will continue to improve our disclosures as sustainability reporting frameworks and standards evolve over time. Through our modest efforts, we hope to encourage others in the tanker shipping industry to disclose relevant climate-related information to help the industry transition to a low-carbon future.

Social sustainability is also a core focus area for us and this is reflected in the priority we place on safeguarding the health and safety of our people and stakeholders. Our frontliners undergo comprehensive HSSE training throughout the year on top of mandatory and statutory training. This ensures that our frontliners are fully competent to discharge their duties and are proactive in managing HSSE matters at the workplace.

We are committed to create an inclusive environment where every individual at AET is encouraged and supported to reach his or her full potential. This is reflected in our substantial investment in the development and training of our employees. Additionally, our investment in people extends to the development of individuals in the communities where we operate, which includes offering scholarships and internships.

We place strong emphasis on effective corporate governance compliance in AET to ensure ethical and responsible business conduct. The Code of Conduct and Business Ethics (CoBE) outlines the standards of behaviour and ethical conduct that are expected of everyone involved in the organisation's activities, including directors, employees and third-party contractors.

Our sustainability linked initiatives are not just the right thing to do but are also critical to our business success. Moving ahead, I am confident that our efforts will enable us to create and deliver stronger value and forge deeper and more meaningful relationships with our stakeholders, while allowing us to be a part of a sustainable future for our planet.