

# Sustainability report

# 2023

 BW  
Epic Kosan  
Delivered with CARE



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# 1.1 About BW Epic Kosan

**BW Epic Kosan Ltd ('BW Epic Kosan') is the world leader in last-mile delivery of liquefied petroleum gas ('LPG'), petrochemicals and other speciality gases.**

BW Epic Kosan plays a vital role in supplying the world with LPG, an exceptional and essential energy, which is a clean-burning and versatile fuel. We specialise in safely and efficiently delivering it over the last mile to our customers around the globe.

BW Epic Kosan owns and operates the world's largest fleet of small gas carriers, managed at its headquarters in Singapore, with Copenhagen as a regional office and teams in Manila and Tokyo. We control a fleet of 59 vessels, which serve the international supply chains of oil majors and commodity traders throughout Asia, Europe, Africa and the Americas. We have significant commercial and technical capability across pressurised, semi-refrigerated, refrigerated gas and petrochemical transportation. This enables us to perform 3,000 cargo operations annually and transport more than 4.7 million tonnes between 300 different ports globally – providing our customers with the best solution for their transportation needs, furnished by our leading service and high operational standards.

As a market-leading owner and operator of vessels engaged in the global delivery of cleaner energy, BW Epic Kosan recognises the need to enhance its environmental, social and governance performance. 'CARE' forms the basis of our Values – it means Collaborative, Ambitious, Reliable and Enduring. Our ESG vision is to strive with CARE: to provide safe and sustainable seaborne transportation of gases in a lower-carbon world. We are focused on long-term economic performance, built on strong business ethics, and invest in our people through training and development to ensure good physical and mental health, safety and security.

BW Epic Kosan aspires to achieve these goals by placing safety, inclusive growth, innovation and environmental conservation at the core of our business. Furthermore, we recognise the need to build our business around key areas we believe will drive long-term positive impacts for the environment and our stakeholders.

# 1.2 About this report

## Reporting scope

Here, we present BW Epic Kosan's standalone Sustainability Report ('the Report'). It highlights our sustainability approach and governance, showcasing performance and progress in the context of activities relating to environment, social and governance ('ESG') considerations annually. Through the Report, we share our commitments to achieving our sustainability goals and hold ourselves to transparent reporting standards. The scope of this Report covers BW Epic Kosan's business operations in Singapore, Copenhagen, Manila and Tokyo. The reporting period for ESG-related activities spans from 1 January 2023 to 31 December 2023 ('FY 2023').

## Reporting standards

BW Epic Kosan has prepared the Report with reference to the Global Reporting Initiative ('GRI') Sustainability Reporting Standards. The GRI Standards were used due to their universal application and versatile usability. This allows us to communicate our sustainability performance and impacts to all stakeholders holistically. The GRI content index is contained on pages 43 to 44.

The Report makes references to the United Nations Sustainable Development Goals ('UN SDGs'). Adopted by the UN General Assembly in 2015, the SDGs represent an ambitious global agenda to achieve a sustainable future by 2030. BW Epic Kosan aims to be an integral part of a sustainable energy future in which the products we transport play an important role. Therefore, we support the principles of the UN SDGs and understand the urgent need for a unified approach across borders and industries. In this regard, we have mapped our material topics to five UN SDGs deemed most relevant to our business, specifically UN SDGs 3, 7, 8, 13 and 16 (as shown in Table 2 in Section 2.2).

The Report has not been externally assured. BW Epic Kosan has made every effort to ensure that the information presented here is accurate and will consider external assurance in the future.

## Feedback

At BW Epic Kosan, we believe continuous engagement with our stakeholders will help us and our subsidiaries (collectively, 'the Group') to enhance our sustainability policies, practices, performance and disclosures.

Any feedback and/or suggestions about this Sustainability Report may be directed to: [communications@bwek.com](mailto:communications@bwek.com)

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# 1.3 Letter from our CEO

A fit-for-purpose sustainability strategy requires us to take ambitious, actionable steps to deliver our long-term outcomes for all our stakeholders.



Holding ourselves to the highest ethical standards is both a business and moral imperative, and our stakeholders expect us to conduct our business responsibly. We are committed to strong corporate governance, economic performance, sound internal controls, transparency, business ethics and cybersecurity, with accountability to all stakeholders.



Using our ingenuity and determination to deliver, we are committed to contributing to a more sustainable world. In this report, we deliver an update on how we are managing sustainability, both ashore and afloat, addressing any impacts arising from our business operations and communicating our sustainability efforts and progress.

Our active approach to sustainability is rooted in our company Vision, Mission and Values, which form our ESG Vision: 'We strive with CARE (Collaborative, Ambitious, Reliable and Enduring), to provide safe and sustainable seaborne transportation of gases in a lower-carbon world. We are focused on long-term economic performance, built on strong business ethics, and invest in our people through training and development to ensure good physical and mental health, safety and security.'

We have a cross-company team focused on sustainability, representing those ashore and afloat. This team, which reports to our CEO, comprises our CFO, Commercial and Technical Director, and HR Director, alongside key executives with different backgrounds and expertise. This ensures that our sustainability strategy delivers meaningful outcomes and sound progress against our monthly and annually reviewed targets.

Understanding and addressing our stakeholders' concerns is vital as we work towards achieving our sustainability goals. To this end, our materiality assessment identifies seven material topics. This allows us to focus our efforts on the most important issues, ensuring that our sustainability strategy is aligned to our wider business goals, for instance, in

concluding sustainability-linked loans with our financing banks, using a sustainability-linked margin adjustment.

Crew safety remains a top priority for us. To enable greater control over the quality of our ships and service reliability, we offer our customers our in-house fleet management that drives health, safety, quality and environmental focus afloat. We are focused on zero harm, safety and the successful delivery of improvements in working practices. In FY 2023, our lost time incident rate ('LTIR') was 0.38 days per million hours worked in the year, compared with 0.23 and 0.82 in FY 2022 and FY 2021 respectively. This performance is underpinned by our investments in training and risk management, and the policies of our Safety Management System. Notwithstanding this, we will continually seek new ways to improve seafarers' lives, enhance their mental and physical health, and raise the profile of their essential work. This will be important in the long-term challenge of attracting future talent to meaningful careers at sea.

Within our crewing operations, and in terms of attracting future talent, we also highlight our commitment to diversity at sea, with an increase from 1% to 3% in female seafarers as a percentage of our total number of seafarers in employment.

The maritime industry is undergoing a transformative period to decarbonise. In July 2023, the International Maritime Organization (IMO) adopted a revised 2023 IMO GHG Reduction Strategy with higher levels of GHG reduction targets to be achieved by 2030 and 2040, and a net-zero

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# 1.3 Letter from our CEO (cont.)

GHG emissions target by 2050, at the latest. We are striving to achieve the IMO targets ahead of their deadlines. Effective 1 January 2024, our ships trading in the European Union ('EU') region will comply with the EU's Emission Trading System ('ETS'). The EU ETS is a cap-and-trade system that is a market-based measure for reducing GHG emissions, aligned with the EU's 'Fit for 55' package. Our sustainability, efficiency, technical, commercial and senior management teams are well attuned to these and longer-term decarbonisation challenges and are committed to reducing our emissions.

We have several measures in hand, including:

- Renewing our fleet with younger, larger and more efficient ships, which help to reduce our carbon intensity;
- Assessing and adopting innovative energy efficiency technical retrofits (such as silicone hull paints, fins, ducts and new propeller designs) as we have done for several years;
- Trading our ships efficiently for high laden-to-ballast utilisation;
- Seeking, assessing and implementing other energy efficiency operating measures, such as fuel-efficient weather routing, slow steaming and just-in-time arrivals; and
- Engaging in collaborative solutions with our customers, tonnage providers, ports, shipyards and other key stakeholders.

Due to our focus on these measures, our year-on-year carbon emissions have reduced by 3.8%, with an AER of 23.5g CO<sub>2</sub>/dwt-tm.

At the end of 2023, our average vessel size was 7,998cbm, an increase of 4.2%, whilst the average age of our fleet at 12.2 years was managed to an increase of 0.2 years higher, both as compared to 2022.

Holding ourselves to the highest ethical standards is both a business and moral imperative, and our stakeholders expect us to conduct our business responsibly. We are committed to strong corporate governance, economic performance, sound internal controls, transparency, business ethics and cybersecurity, with accountability to all stakeholders. During 2023 we adopted EthicsPoint to facilitate the confidential reporting of concerns in respect to possible breaches of ethics or standards of professional conduct.

Collaboration is also key to driving sustainable development, as we share knowledge and best practices that benefit the industry. We are convinced that the industry must strengthen collaboration and act now to work towards a more sustainable future. In this regard, we are represented in, and partners with, organisations and associations including INTERTANKO, the Maritime Anti-Corruption Network, the World Liquid Gas Association, the Singapore Maritime Foundation and the Singapore Shipping Association. We also work with other industry stakeholders including customers, classification societies, engine manufacturers, financing banks, insurers and shipyards.

Our vision for the future is ambitious. But we are confident that our people, values, assets, strategies and financial health are well positioned to help us provide safe and sustainable seaborne transportation of gases in a lower-carbon world.

As we continue to make progress on our sustainability journey, we would like to extend our appreciation and gratitude to all our stakeholders and employees for their continued support.



**Charles Maltby**  
Chief Executive Officer

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# 1.4 Key ESG highlights



## Emissions

ANNUAL EFFICIENCY RATIO ('AER')  
**\*23.50g CO<sub>2</sub>/DWT-NM**  
(2022: AER – 24.43g CO<sub>2</sub>/DWT-NM)

ENERGY EFFICIENCY OPERATIONAL INDICATOR ('EEOI')  
**87.10g CO<sub>2</sub>/tonne-NM**  
(2022: 93.18g CO<sub>2</sub>/tonne-NM)

CO<sub>2</sub> EMISSIONS  
**459,608 metric tonnes**  
(2022: 554,322 metric tonnes)

NO<sub>x</sub> EMISSIONS  
**10,741 metric tonnes**  
(2022: 13,804 metric tonnes)

SO<sub>x</sub> EMISSIONS  
**430 metric tonnes**  
(2022: 470 metric tonnes)



## Training and development

**17.1hrs**  
Achieved an average of 17.1 training hours per seafarer  
(2022: 10.7hrs)



## Ecological impacts and compliance

**0**  
Achieved zero spills and accidental releases to the environment

**100%**  
Compliance with International Convention for the Prevention of Pollution from Ships 'MARPOL'



## Governance

**0**  
Achieved zero confirmed cases of non-compliance with relevant national and international laws and regulations



## Safety

LOST TIME INCIDENT RATE ('LTIR')  
**0.38**  
(2022: 0.23)

TOTAL RECORDABLE CASE FREQUENCY ('TRCF')  
**2.26**  
(2022: 0.47)



## Cybersecurity

**0**  
No significant cases of cyber breaches



## Diversity and equality

FEMALE-CADET PROGRAMME  
**\*37**  
28 deck and nine engine cadets at year end

**3%**  
Female seafarers 3% of total pool  
(2022: 1%)

**27**  
Maintained a strong international team with 27 nationalities represented, demonstrating our commitment to include diverse backgrounds, experience and skill sets  
(2022: 27)

\* Met our 2023 KPIs for sustainability-linked loans

# 2.0

# Sustainability approach and strategy

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## 2.1 Governance structure and strategy

BW Epic Kosan’s sustainability strategy is driven by its strong governance structure, which oversees the execution of ESG initiatives in alignment with its business strategy (Figure 1).

The Board of Directors is responsible for the Company’s ESG efforts and has delegated the Audit Committee to oversee ESG management. The Audit Committee is bound by terms of reference that outline its responsibilities in dealing with BW Epic Kosan’s sustainability issues. These encompass the monitoring and reviewing of the Company’s ESG strategy and performance and its exposure to ESG risks. The Management makes key decisions on the Company’s sustainability strategy and reports on ESG issues to the Board and Audit Committee on a regular basis. The Management is supported by a dedicated ESG team comprising representatives across different functions (Finance and Accounts, Fleet Performance – Emissions & Energy, Technical Fleet Management, Purchase, Commercial – Chartering and Operations, Human Resources) such that ESG is considered and embedded in all aspects of the business. The ESG team is responsible for developing, implementing and coordinating sustainability-related programmes and initiatives.<sup>1</sup>

Guided by our ESG vision and mission as a company, BW Epic Kosan’s sustainability strategy is anchored on three strategic pillars (environment, social and governance) and underpinned by the GRI Standards and UN SDGs, as shown in Figure 2.

**Figure 1: BW Epic Kosan’s sustainability governance structure**

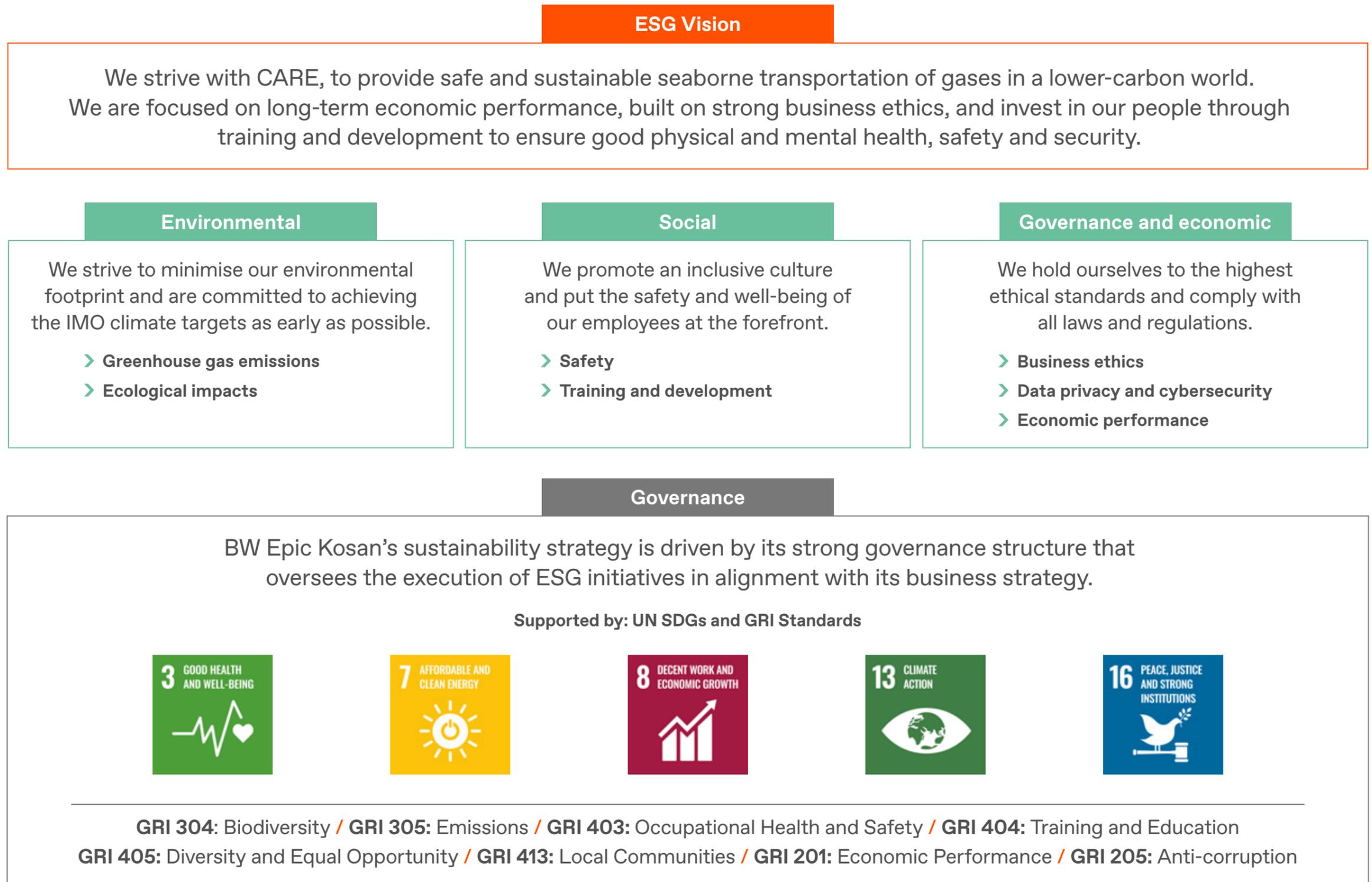


<sup>1</sup> In FY 2022, the Audit Committee and our employees attended two ESG training sessions hosted by KPMG Services Pte Ltd. The Audit Committee was informed of key regulatory developments and market expectations on ESG. Our employees have attended a foundation training on ESG, including key concepts of sustainability in a business environment.

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## 2.1 Governance structure and strategy (cont.)

Figure 2: BW Epic Kosan’s sustainability framework



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## 2.2 Materiality assessment

In FY 2022, BW Epic Kosan held a materiality workshop to identify its material topics.

KPMG Services Pte Ltd was engaged to support the conducting of the workshop with the key members of the Management and ESG team. We reviewed these material topics in FY 2023 and concurred with the outcome of our last materiality assessment.

### Why is it important for us to identify our material topics?

We consider that the materiality assessment process serves as a strategic business tool. It enables us to:

- Ensure that the **management of sustainability issues** is well integrated into BW Epic Kosan’s overall business strategy.
- Identify key risks and opportunities in the industry that could significantly impact our ability to create value in the long term and **safeguard the interest of our stakeholders**.
- Address the most pertinent and pressing **concerns of our stakeholders**, while also considering the **specific needs of our business**.
- Develop our **long-term sustainability roadmap**.

### Our approach to materiality assessment

We have undertaken the materiality assessment using a three-step approach:

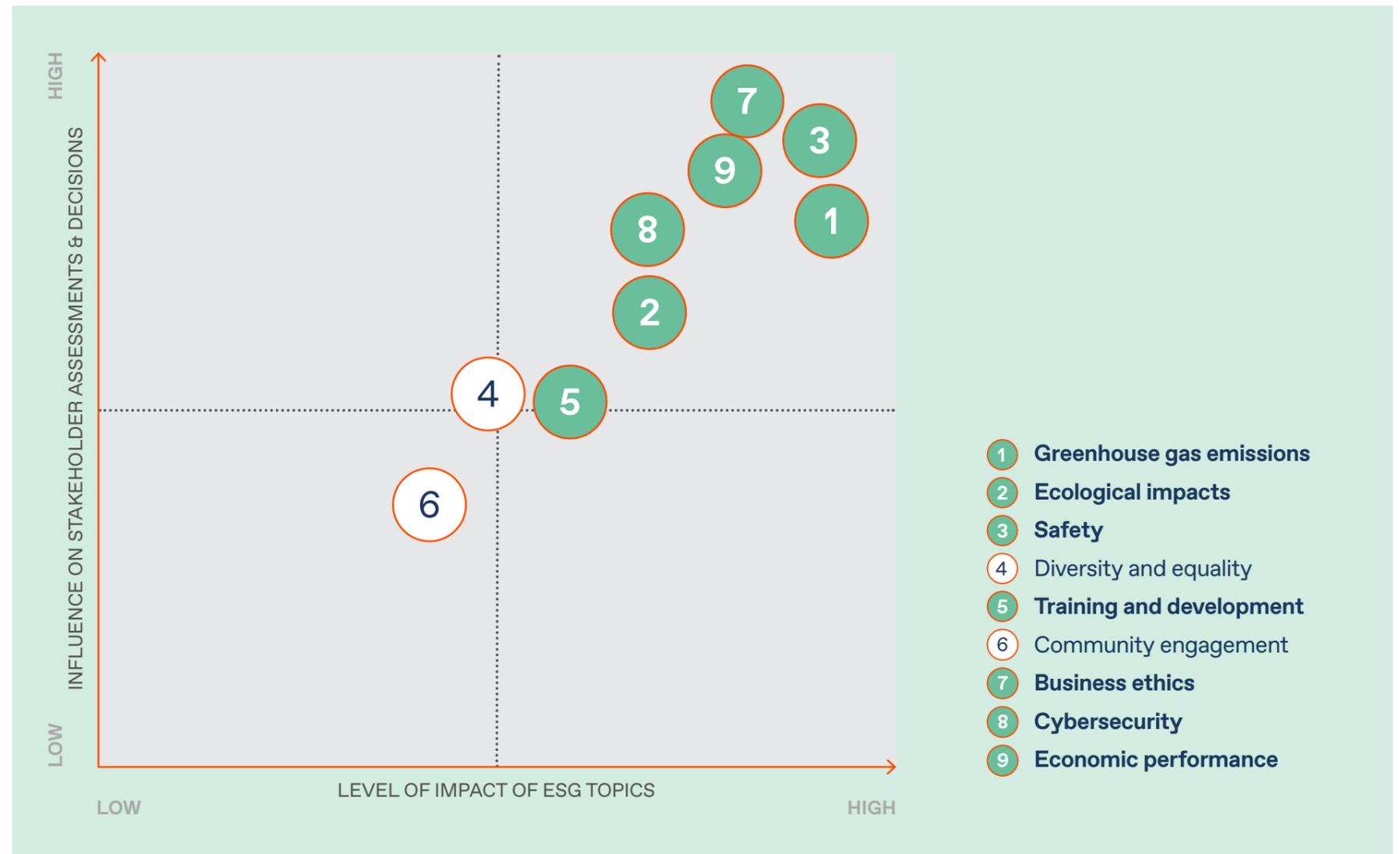


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## 2.2 Materiality assessment (cont.)

**Figure 3:** Prioritisation of BW Epic Kosan’s ESG topics during the materiality workshop. The topics listed in Table 1 are represented by the numbered green circles on the materiality matrix.

Table 1 Read more about our material topics	
<b>Environment</b>	
1	Greenhouse gas emissions (Section 3.1)
2	Ecological Impacts (Section 3.2)
<b>Social</b>	
3	Safety (Section 4.1)
5	Training and development (Section 4.2)
<b>Economic and governance</b>	
7	Business ethics (Section 5.1)
8	Cybersecurity (Section 5.2)
9	Economic performance (Section 6.1)



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## 2.2 Materiality assessment (cont.)

The UN SDGs represent an unprecedented opportunity to put the world on a sustainable path and we are increasingly integrating the underlying guidance into our decision-making and investment processes.

While we support all 17 SDGs, we believe that our actions will have the most significant impact on the following five SDGs. Table 2, overleaf, shows how we have mapped our material topics to these five UN SDGs.



GOAL 3

### Good health and well-being

We commit to improving the health and well-being of all our people by actively promoting and providing access, guidance and support to health-focused lifestyle changes, and quality healthcare.



GOAL 7

### Affordable and clean energy

We will join hands with stakeholders and relevant national and international bodies to help promote the use of LPG as a clean and affordable energy, while pursuing energy efficiency in our business operations.



GOAL 8

### Decent work and economic growth

We are committed to promoting safe and secure working environments and providing productive employment to a diverse workforce with equal pay for work of equal value.



GOAL 13

### Climate action

We aim to actively reduce our carbon footprint by integrating climate change measures and green initiatives into our strategies, policies, planning and operations, while raising awareness on the impact of climate change within our community.



GOAL 16

### Peace, justice and strong institutions

We are committed to eradicating corruption and bribery from all our operations, and always providing transparent reporting and accounting in line with international and industry standards.

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## 2.2 Materiality assessment (cont.)

**Table 2: BW Epic Kosan's reported topics for FY 2023 aligned to GRI Topic Standards and UN SDGs**

Topics reported for FY 2023	GRI Topic Standards	UN SDGs	What they mean
<b>Greenhouse gas emissions</b>	<b>GRI 305</b> Emissions	 Affordable and Clean Energy  Climate Action	Activities from the maritime sector contribute to global greenhouse gas emissions. There is an urgent need to decarbonise, and we strive to meet IMO targets as soon as possible.
<b>Ecological impacts</b>	<b>GRI 304</b> Biodiversity		Large oil spills and poor ballast water management can have substantial and long-term adverse effects on ecosystems. Hence, we implement measures to prevent incidents and to avoid, reduce or mitigate any direct impacts.
<b>Safety</b>	<b>GRI 403</b> Occupational Health and Safety	 Good Health and Well-Being  Decent Work and Economic Growth	There are inherent safety and security hazards associated with maritime operations that must be properly handled to protect our crew and the fleet. As such, we continue to strive for zero harm.
<b>Training and development</b>	<b>GRI 404</b> Training and Education		To remain relevant and up to date with changes in our industry, we must quickly adapt and grow our employees' skills and abilities to address new business challenges. Hence, we continue to prioritise and invest in employee development to ensure BW Epic Kosan's long-term development and success.
<b>Business ethics</b>	<b>GRI 205</b> Anti-corruption	 Peace, Justice and Strong Institutions	We uphold the highest ethical standards and conduct our business in compliance with all applicable laws and regulations. Any non-compliance can result in severe financial penalties and reputational damage.
<b>Cybersecurity</b>	<b>Non-GRI Topic</b>	 Peace, Justice and Strong Institutions	Cybersecurity threats in the maritime shipping industry have a huge potential to affect the safety of the crew, vessels and cargo. Failure to handle cyber risks may result in negative impacts on our operations and cause financial consequences for BW Epic Kosan.
<b>Economic performance</b>	<b>GRI 201</b> Economic Performance	 Decent Work and Economic Growth	A strong economic performance is key to building a resilient business. It is important to prioritise the distribution of sustainable economic value to our stakeholders.
<b>Non-material Topic: Diversity and equality</b>	<b>GRI 405</b> Diversity and Equal Opportunity	 Decent Work and Economic Growth	Employees are the driving force behind the success of our business, and it is important to attract and retain the best talent who share our values and business objectives. This can be achieved by building and maintaining a diverse and inclusive workplace environment to enhance employee engagement.
<b>Non-material Topic: Community engagement</b>	<b>GRI 413</b> Local Communities	 Decent Work and Economic Growth	As a socially responsible organisation, we are committed to delivering value for our stakeholders while creating sustained impacts in the communities in which we operate.

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## 2.3 Stakeholder engagement

Stakeholder engagement is important for BW Epic Kosan.

We need to understand our stakeholders' concerns and engage with them to address their concerns and work towards achieving our sustainability goals. We have defined our stakeholders as persons, groups and organisations that are directly or indirectly impacted by our business activities. We have identified seven stakeholder categories: employees, customers, shareholders, business partners, suppliers, government and industry bodies, and local communities. Our stakeholder engagement methods and the key issues that they raised are detailed in Table 3.

**Table 3: BW Epic Kosan's stakeholders and stakeholder engagement methods**

Stakeholders	Stakeholder engagement methods	Issues raised
<b>Employees</b>	<ul style="list-style-type: none"> <li>Quarterly BWEK all-hands town hall</li> <li>Annual performance appraisals and midyear reviews</li> <li>Regular manager and employee one-to-one meetings</li> <li>Employee engagement and bonding sessions</li> <li>Employee engagement survey</li> </ul>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Employee-related issues</li> <li>Reward and recognition</li> <li>Q&amp;A</li> <li>Employee performance goals</li> <li>BWEK values</li> <li>Training and development needs</li> <li>Regular interaction and communication on work-related issues</li> <li>Areas of concern and creation of intervention</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Physical meetings, directly or at conferences</li> <li>Online meetings</li> <li>Phone</li> <li>Email and other electronic correspondence</li> <li>Presentations at meetings / conferences</li> </ul>	<ul style="list-style-type: none"> <li>General market information</li> <li>Specific cargo quotes</li> <li>Project description and exchanges for transportation solutions</li> <li>Voyage-specific discussions and issues for spot, contracts and time charter vessels</li> <li>Future requirements for transportation</li> <li>Regulations and their implications on current and future transportation</li> <li>Performance feedback and evaluation</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Quarterly Board Meetings and reports, monthly management reports</li> <li>Annual Report</li> <li>One-to-one meetings</li> <li>Conferences</li> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability performance</li> <li>Financial performance</li> <li>Risks: interest rates, geopolitical market</li> <li>Market trends: shipping</li> <li>Strategy and road map</li> </ul>
<b>Business partners</b>	<ul style="list-style-type: none"> <li>Physical meetings</li> <li>One-to-one meetings</li> <li>Online meetings: Phone/Teams etc</li> <li>Emails</li> </ul>	<ul style="list-style-type: none"> <li>Monthly earnings</li> <li>Strategy / regulations / risks</li> <li>Market intelligence and direction</li> <li>Performance</li> <li>Investment possibilities</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Physical meetings: in / out-of office, conferences, trade fairs</li> <li>Online meetings: Phone calls / Teams / Zoom etc.</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to the Anti-Slavery Code of Practice</li> <li>Compliance with our Supplier Code of Conduct policy</li> <li>Freight forwarder</li> </ul>
<b>Government and industry bodies</b>	<ul style="list-style-type: none"> <li>Meetings or conferences</li> <li>Presentations and guest lectures</li> <li>Seminars</li> <li>Trade fairs</li> </ul>	<ul style="list-style-type: none"> <li>Statutory regulations</li> <li>Crisis management</li> <li>Knowledge partnerships</li> <li>Create new collaborative projects (NoGAPS, CO<sub>2</sub> transportation, NH<sub>3</sub> transportation and use as a fuel in green corridors)</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Volunteer programmes</li> <li>Sporting events</li> <li>General community activities</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impacts</li> <li>Health initiatives</li> <li>Increase monetary contributions to local charities and non-profit groups</li> </ul>

## 2.4 Memberships and associations

BW Epic Kosan is a member of, or partners with, the following organisations and associations.



3.0

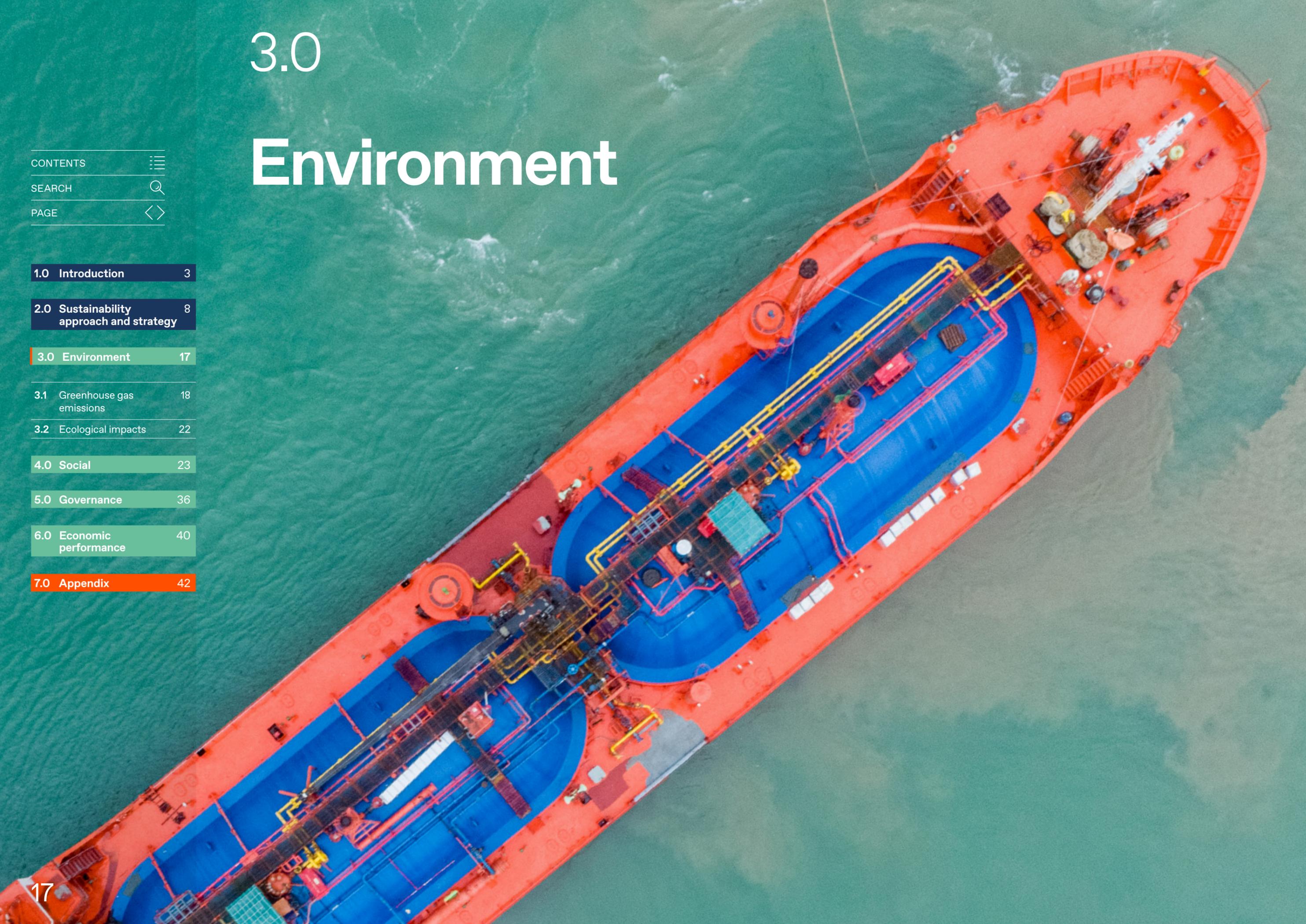
# Environment

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## 3.1 Greenhouse gas emissions

### BW Epic Kosan plays a key role as an industry leader in safely and efficiently delivering clean energy.

We support the transition to a more sustainable energy future, as evidenced by our continued effort to reduce emissions and improve efficiencies within our organisation.

In the eightieth session of the International Maritime Organization ('IMO') Marine Environment Protection Committee ('MEPC' 80) which was held in July 2023, a revised 2023 IMO GHG Reduction Strategy was adopted with higher levels of ambition and GHG reduction targets given, as per the table to the right.

BW Epic Kosan is committed to achieving these IMO targets as early as possible.

To meet these targets, BW Epic Kosan invests in technological innovations for improving vessel energy efficiency, digitalisation and in improved new-build designs that lower the GHG emissions at sea and in port.

BW Epic Kosan has in place a group-wide Environment Policy that outlines our commitment to playing our part in lowering greenhouse gas emissions and improving the energy efficiency in our operations. This includes:

- maintaining and operating our fleet to the highest possible standards
- investing in technology to reduce our environmental footprint, and
- monitoring, evaluating and continually reviewing our environmental management performance to ensure efficient use of resources.

Target year	Levels of ambition and indicative checkpoints (as of 2023)
<b>2030</b> (compared to 2008)	<ul style="list-style-type: none"> <li>&gt; To reduce CO2 emissions per transport work by at least 40%</li> <li>&gt; To reduce total annual GHG emissions by at least 20% (striving for 30%)</li> <li>&gt; Uptake of zero GHG emission fuels etc. to represent at least 5% of the energy used (striving for 10%)</li> </ul>
<b>2040</b> (compared to 2008)	<ul style="list-style-type: none"> <li>&gt; To reduce total annual GHG emissions by at least 70% (striving for 80%)</li> </ul>
<b>2050</b>	<ul style="list-style-type: none"> <li>&gt; To reach net-zero GHG emissions by or around this date at the latest</li> </ul>

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## 3.1 Greenhouse gas emissions (cont.)

### Investments in technological innovations

#### Ultrasonic transducers

Our vessels are being equipped with ultrasonic transducers to keep their propellers clean and reduce bunker fuel consumption. These transducers produce ultrasonic sound waves which create resonance vibrations in the propeller blades, protecting the blade surface from biofouling. Ultrasonic transducers are also being used to keep sea chests clean. Annual bunker savings of approximately 1% are expected.

#### Yara Marine FuelOpt

One of our vessels with a CPP propeller is fitted with the FuelOpt system from Yara Marine. FuelOpt is designed to find the ideal balance between fuel consumption and vessel speed. Operating with a constant shaft power, the crew can avoid unwanted consumption during harsh weather conditions, while reaping the rewards during good weather. Dynamic pitch and RPM regulation of the CPP propeller ensures the greatest amount of thrust with the least consumption of fuel. An annual saving potential of 8% is expected.

#### Remote auto-logging sensors

As part of our efforts to reduce emissions while ensuring crew and vessel safety, we have installed remote auto-logging sensors to monitor vessel performance. The live data from the auto-logging sensors enhances performance monitoring, as it improves the data quality over what can be obtained from noon reports, for better evaluation of our vessels' performance.

#### Weather routing and voyage prognoses

In addition to the retrofits mentioned thus far, weather routing and voyage optimisation are performed for all our vessels to optimise vessel efficiency. Third-party software is also used by operators and ship staff.

#### XGIT-Prop coating

The propellers of our vessels are being coated with a graphene-based hard fouling release biocide-free coating that will improve the propulsive efficiency and protect the propellers from biofouling. This coating eliminates chances of discharging any biotoxins, silicon oils or microplastics into the sea, and helps in reducing underwater radiated noise. Annual bunker savings of around 1–2% per annum per vessel are expected.



XGIT-Prop coating installation

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## 3.1 Greenhouse gas emissions (cont.)

Our FY 2023 performance is highlighted in Table 4. From FY 2022 to FY 2023, the Annual Efficiency Ratio ('AER') reduced by 3.8% and the Energy Efficiency Operational Indicator ('EEOI') reduced by 7%. This improvement was mainly due to the positive impact of drydocking of 13 vessels and hull cleaning of 15 vessels in 2023. The other reason for this improvement is the impact of the Energy Efficiency eXisting Ship Index ('EEXI') regulation, causing overall reduction in average speed for the fleet by around 0.4 knots.

Looking ahead, BW Epic Kosan will continue to collaborate with industry partners to support industry decarbonisation efforts. As an example, we are shipping partners in the Nordic Green Ammonia Powered Ships ('NoGAPS') project. The project commenced in 2020 and has brought key industry players together in the value chain for a Nordic-based ammonia-powered vessel. This consortium has elaborated a concept for an ammonia-powered gas carrier, transporting ammonia as a cargo. It has also investigated the vessel, the fuel and the fuelling options, as well as the business and financing considerations. The first phase was a thorough investigation of new vessel designs, with high safety considerations to minimise the possibility of leaks since ammonia is toxic to people and the environment. The second phase, producing an initial ship design that lays the foundation for a shipyard tender, has been completed. In the third phase, which has now commenced, BWEK has approached several yards for interest and prices.

Concurrently, we are also engaged in discussions with oil majors in relation to carbon capture, utilisation and sequestration technology.



**Propeller boss cap fins**



Without PBCF

With PBCF

**Improved hull designs**

**Contracted loaded tip ('CLT') propellers with advanced propeller boss cap fins ('PBCF')**

In 2024, two of our vessels will be fitted with contracted loaded tip propellers with advanced propeller boss cap fins to improve the vessels' propulsive efficiency. The CLT propeller reduces the tip vortex, and the advanced PBCF reduces the hub vortex downstream of the propeller. Moreover, the under pressure on the suction side caused by a CLT propeller is lower than an equivalent conventional propeller, while the overpressure on the downstream side is much higher. The expected bunker saving is 8% per annum per vessel.

**Silicone paints**

We use ultra-premium soft-fouling release silicone paints for the hull coating of all our vessels. As a result, our vessels experience reduced resistance at sea, reducing fuel consumption and greenhouse gas emissions by approximately 5 to 6%. Furthermore, silicone paints prevent marine organisms from growing on vessel surfaces due to their smooth surface properties – unlike the toxic chemicals from biocidal paints, which could have adverse impacts on marine life.



**Advanced hull anti-fouling paint**

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## 3.1 Greenhouse gas emissions (cont.)

**Table 4:** BW Epic Kosan’s environmental metrics for FY 2023 vs FY 2022

	Units of measurement	FY 2023	FY 2022	Percentage change (%) from FY 2022 to FY 2023
<b>Total deadweight tonnage</b>	DWT 	<b>387,903</b>	406,843	-5.0
<b>Distance sailed</b>	Nautical miles 	<b>2,563,380</b>	3,144,974	-18.0
<b>Total cargo carried</b>	Metric tonnes 	<b>3,834,852</b>	4,545,297*	-16.0
<b>Transport work</b>	Tonnes – nautical miles 	<b>5,276,864,245</b>	5,948,937,540	-11.0
<b>Transport work</b>	DWT – nautical miles 	<b>19,309,748,877</b>	22,691,355,684	-15.0
<b>Total CO<sub>2</sub> emissions</b>	Metric tonnes 	<b>459,608</b>	554,322	-17.0
<b>Total NO<sub>x</sub> emissions</b>	Metric tonnes 	<b>10,741</b>	13,804	-22.0
<b>Total SO<sub>x</sub> emissions</b>	Metric tonnes 	<b>430</b>	470**	-9.0
<b>EEOI</b>	gCO <sub>2</sub> /tonnes – nautical miles 	<b>87.10</b>	93.18	-7.0
<b>AER</b>	gCO <sub>2</sub> /DWT – nautical miles 	<b>23.50</b>	24.43	-3.8

\*Amended (as reported in the FY 2022 Sustainability Report) to exclude time-chartered-in and commercially managed vessels.

\*\*Incorrectly reported as 1,192 metric tonnes in the FY 2022 Sustainability Report.

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## 3.2 Ecological impacts

The activities in maritime transport can have adverse impacts on the marine environment through ballast water, accidental spills into water bodies, and underwater noise pollution.

BW Epic Kosan recognises the effects caused on the environment by sea transport and shore-based facilities. We comply with MARPOL and all prevailing national and international regulations. Our Marine Assurance department is responsible for ensuring that all operations are in compliance with applicable international standards, laws and regulations. We also conduct training for seafarers to ensure appropriate crew response in the event of a breach to minimise any negative impacts on the environment.

### Ballast water management

Ballast water exchange is the process of exchanging the water in the ballast tanks of a vessel with water from the receiving environment. We adhere to stringent guidelines and contribute to the Ballast Water Management Convention to guarantee the proper treatment and management of ballast water. Our operations consistently align with both national and international regulations governing ballast water exchange. Compliance with these regulations is necessary to prevent the transfer of harmful aquatic species and associated diseases from one area to another. These regulations aim to protect the environment, ensuring that vessels follow best practices for managing ballast water to minimise the spread of aquatic pests and diseases. This helps protect marine ecosystems and preserve biodiversity.

### Oil spills

BW Epic Kosan maintains a rigorous policy in the effective management of oil spills. In FY 2023, we recorded zero instances of oil spills into the water, maintaining the same record as in FY 2022. In strict adherence to



MARPOL requirements, we diligently uphold the practice of keeping an Oil Record Book for each vessel in our fleet. Furthermore, we prioritise the comprehensive training of our seafarers, ensuring they possess the necessary skills and knowledge to accurately document and report their activities in the Oil Record Book, thereby contributing to our commitment to environmental responsibility and compliance with international regulations.

### Ship recycling

The recycling, end-of-life treatment and scrapping of vessels can also pose a risk to the environment.

If a vessel owned by BW Epic Kosan is required to be recycled, we adhere to the EU Ship Recycling Regulation, Basel Convention and Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (Hong Kong Convention).<sup>2</sup> For the sale of vessels, we practise responsible recycling and comply with the Hong Kong Convention. We also obligate potential buyers and their subsequent buyers to perform recycling operations at a facility that complies with the applicable conventions. In cases of violations, BW Epic Kosan reserves the right to take legal action against buyers who do not comply.

<sup>2</sup> More information on the Hong Kong Convention can be found at: <https://www.imo.org/en/OurWork/Environment/Pages/Ship-Recycling.aspx>

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# Social

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With a workforce of more than 1,800 people, our prime responsibility is to provide a safe operating environment.

BW Epic Kosan is committed to zero harm, aligned with the BW Group’s Zero Harm policy. We believe in zero harm to people, the environment, cargo and assets. To realise our vision, we commit to prioritising safety towards our employees, the environment, our assets and cargo – including the prevention of loss of life and human injury. To this end, we comply with all international standards, ensure effective implementation of our Integrated Management System (‘IMS’), and promote a safety-driven culture throughout the Group.

BW Epic Kosan has a designated Health and Safety Committee (Management committee), which meets at least monthly and monitors the implementation and effectiveness of our Integrated Management System (Table 5), ensuring that we comply with internal safety guidelines and all relevant laws and regulations. The Management committee comprises senior officers, a Safety, Health Environment and Quality (‘SHEQ’) representative, and all crew and officers including non-duty vessel staff. The monthly meeting is also typically conducted during a

manager’s inspection. The meeting dates are planned such that all members of the committee are able to attend through rotation.

While the specific meeting agendas may vary, all meetings include the discussion of the following items and their action plans:

- Suggestions from crew and officers to improve health and safety performance
- Identification of any new occupational hazards
- Non-conformances, failures and corrective and/or preventive actions planned, and status updates regarding the implementation of corrective and/or preventive actions previously planned
- Vessel security-related aspects at port and at sea
- Updates on the onboard safety training progress
- Condition of galley, food storage facility, vessel’s sanitation and health matters

An additional Health and Safety Committee meeting is conducted after the occurrence of an accident or incident to analyse what went wrong, and discuss how to prevent its recurrence.



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**Our health and safety standards comply with these international standards:**

- › International Safety Management (‘ISM’) Code
- › International Convention for the Prevention of Pollution from Ships (‘MARPOL’)
- › International Convention for the Safety of Life at Sea (‘SOLAS’)
- › International Convention on Maritime Search and Rescue (‘SAR’)
- › Maritime Labour Convention (‘MLC’)
- › Society of International Gas Tanker and Terminal Operators (‘SIGTTO’)
- › International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (‘STCW’)
- › International Convention on the Control of Harmful Anti-fouling Systems on Ships (‘AFS’)
- › International Convention on Civil Liability for Bunker Oil Pollution Damage (‘BUNKER’)
- › International Convention on Salvage (‘SALVAGE’)
- › Convention on the International Regulations for Preventing Collisions at Sea (‘COLREGs’)
- › Convention on Facilitation of International Maritime Traffic (‘FAL’)
- › International Convention on Load Lines (‘LL’)

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**Table 5: BW Epic Kosan’s Integrated Management System**

Aspect	Description
<b>Risk assessment</b>	We adopt a systematic approach to determine the potential for harm and make informed decisions regarding risk management strategies. This may include actions such as avoiding the risk, accepting the risk or reducing the risk to ALARP (as low as reasonably possible) level.
<b>Risk reduction and job hazard reduction</b>	We take measures such as improving processes, adding controls and implementing training programmes. We reduce the risk of injury or harm to workers by identifying and eliminating or controlling hazards in the workplace. This can involve making changes to equipment, procedures or the physical work environment, as well as providing personal protective equipment and training to workers.
<b>Daily work planning meeting</b>	We discuss any potential hazards associated with the work to be performed that day and provide workers with important safety information and updates. During the meeting, workers are encouraged to raise any concerns they have about the work they will be performing, and the supervisor can provide additional safety training and review safety procedures.
<b>Toolbox meetings</b>	We hold toolbox meetings for each task planned in the daily work plan meeting. This allows the assigned crew to better understand the risk involved in each task and establish mitigating measures to deal with such risks.
<b>Occupational safety</b>	We identify, evaluate and control workplace hazards in order to provide a safe and healthy work environment for all on board and ashore. This includes measures such as providing personal protective equipment, implementing safe work practices and procedures, and conducting regular safety training and inspections.
<b>Shipboard safety organisation</b>	We establish policies and procedures, and assign responsibilities related to personnel. The shipboard safety organisation includes nominating designated safety officers (chief officer/second engineer), as well as other crew members with specific safety responsibilities.
<b>Management of near misses</b>	We ensure proper management and documentation of near misses. We analyse the cause and contributing factors and implement corrective actions to prevent similar incidents from happening in the future. This includes changes to procedures, equipment or training, as well as improvements to the overall safety management system.
<b>Incident reporting and investigation</b>	<p>For all incidents, we identify their root causes and use the findings of the investigation to develop recommendations for corrective actions to prevent similar incidents from recurring. Any safety breaches are treated with the utmost seriousness. To ensure we uphold the Group’s safety standards and prevent underreporting, we will thoroughly investigate each incident to understand the cause and implement mitigating measures. In the event of a breach or incident:</p> <ol style="list-style-type: none"> <li><b>The Senior Management and the Emergency Response Team will be notified first.</b></li> <li><b>Subsequently, investigations will be undertaken to determine the root cause and establish the severity of the loss.</b></li> <li><b>If we have identified a gap in our Integrated Management System, we will formulate an action plan to ensure that future incidence does not occur due to any gaps in our safety practices.</b></li> </ol> <p>In addition, open communication channels for confidential reporting of irregularities and whistleblowing without fear of reprisal and retaliation are available for employees under BW Epic Kosan’s Whistleblowing Policy.</p>
<b>Damage control</b>	Damage control procedures include measures to be adopted when evacuating the vessel, controlling the spread of fire, stopping leaks and stabilising the vessel. They also typically involve the coordination with emergency response teams ashore or at sea, ensuring that the necessary resources are available to respond to emergencies.
<b>Emergency management</b>	We ensure the most timely and adequate response to emergencies of varied size and nature, to remove any threat of serious escalation of the situation.

## 4.1 Safety (cont.)

In FY 2023, BW Epic Kosan recorded the following safety performance (Table 6). We will continue to closely monitor safety performance. We remain committed to zero harm and driving a strong safety-driven culture within BW Epic Kosan.

The increase in the LTIR rate can be traced back to various factors, which led us to promptly implement heightened safety measures. In 2023, we initiated specific safety campaigns and implemented new procedures to address workplace hazards and foster a more secure working environment. In our commitment to preventing a recurrence and proactively reducing the LTIR rate moving forward, we are actively engaged in sustained safety initiatives. This involves continuous training for employees, regular safety drills, and the integration of innovative technologies to bolster overall workplace safety.

We are confident that these proactive measures will positively influence our safety performance, guaranteeing a safer and healthier work environment for all our employees.

We take care of our onshore employees' physical and psychological wellness, recognising that they thrive in an environment that promotes their physical and psychological well-being. We do this through a variety of measures, including offering multiple health benefits. To complement these, in FY 2022 we engaged AIA to provide a free-of-cost on-site health screening. Since FY 2022, AIA has also included a mental wellness component in our corporate insurance package for our Singapore office.

### Promoting a safety-driven culture

BW Epic Kosan releases Focused Safety Campaigns ('FSCs') every quarter, allowing the fleet to be sensitised towards safety-related issues. During the analysis of the last quarter of 2022, we identified the need to drive a safety campaign towards safe navigation and interaction of the pilot. The campaign was run in the first quarter of 2023. A similar campaign on usage and exercising the Stop Work Authority was run in the third quarter of 2023. Both campaigns were well received by the shipboard crew and active responses were collated to draw out action points.

These initiatives led to a comprehensive evaluation of safety awareness, adherence to procedures, and the safety culture across our fleet of vessels. The fleet now

demonstrates a heightened sensitivity to safety protocols, particularly in the engine room.

All crew members undergo TAKE 5 training by our shore-based Learning and Development team before embarking on a vessel. TAKE 5 serves as an informal risk management process, systematically evaluating tasks before initiation to identify and manage associated hazards. Encouragingly, we have noted commendable practices emerge, with employees displaying awareness of TAKE 5, engaging in toolbox talks, and understanding the requirements for personal protective equipment.

Our employees also play a critical role in driving a strong safety culture. In this regard, we require all seafarers to:

- Undergo pre-employment medical examinations as stipulated by the Maritime Labour Convention 2006 (Regulation 1.2).
- Attend other safety training, such as Basic and Advanced Training for Liquefied Gas Tanker Cargo Operations, Safe Mooring Course and Ship Safety Officer Course.
- Receive medical first aid and medical care training to ensure emergency response preparedness. This also extends to proficiency in survival craft, rescue boat, and advanced firefighting. Antipiracy training and Electronic Chart Display and Information System ('ECDIS') generic training are mandatory for our newly joined seafarers.

**Table 6: BW Epic Kosan's safety metrics FY 2023 vs FY 2022**

	FY 2023	FY 2022
<b>Total recordable case frequency (TRCF)<sup>3</sup></b>	<b>2.26</b>	0.47
<b>Lost time incident rate (LTIR)<sup>4</sup></b>	<b>0.38</b>	0.23
<b>Number of serious injuries</b>	<b>3</b>	2
<b>Number of fatalities</b>	<b>0</b>	0

<sup>3</sup> Calculated using (number of lost time injuries + number of restricted work cases + number of medical treatment cases) x 1,000,000 / Exposure hours for all onboard

<sup>4</sup> Calculated using number of lost time injuries x 1,000,000 / Exposure hours for all onboard

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## 4.2 Training and development

BW Epic Kosan aims to develop a future-ready workforce by enhancing employees' competencies to adapt and respond to new business challenges in an ever-evolving world.

We are committed to addressing all employees' training and professional development needs to help them progress and succeed in their careers.

We are positive that as long as we continue to invest in and engage with our employees effectively, whether on land or at sea, we can future-proof our workforce and allow our employees to thrive at what they do while meeting our business needs.

### Training for seafarers

As the maritime industry innovates and transits towards digitalisation and automation, employees need to upskill if they are to leverage and use new technologies effectively.

BW Epic Kosan supports the development of seafarers' competency and skills by providing training programmes and courses such as Cybersecurity, Ship Simulator and Bridge Teamwork for our Junior and Senior Deck Officers, Work and Rest Hours Management, Training of Trainers and Assessors in onboard assessment, Engineer Skills Enhancement Course, BWEK Welding Courses (Welding Simulator Course), Welding Course with Assessment for Certificate, Machinery Maintenance Course, and Electrical Course for Marine Engineers.

Here is a brief description of some of these programmes. As well as offering training, they also include upskilling programmes, for instance, in using new technologies, etc.

#### A Cybersecurity

This programme covers: computer-based training ('CBT') and e-learning on our Ocean Learning Platform ('OLP'). The OLP can be accessed by all crew members onboard as well as ashore using their individual login credentials. It can be accessed on personal devices using Android or iOS operating systems.

#### B Work and Rest Hours Management

This programme would cover the following:

- Introduction to Maritime Labour Convention ('MLC') 2006
- MLC regulations covering the limits of hours of work and rest
- Minimum compliance requirements and interpretations of flag states
- Rest hour planning and record-keeping
- Identifying violation and taking corrective action
- Utilising exceptions permitted by Standards of Training, Certification and Watchkeeping for Seafarers ('STCW'), flag states and collective bargaining agreements.

#### C Training of Trainers and Assessors in onboard assessment

This training programme is based on the IMO Model Course 1.30 and the OCIMF/INTERTANKO behavioural-based Competency Assessment and verification for vessel operators. The programme covers the following:

- Conducting and evaluating effectiveness of onboard training
- Competency-based assessment
- Onboard assessment process
- Assessment of behavioural competency.

#### D BWEK Welding Courses (Welding Simulator Course)

This course uses the Augmented Reality Welding Simulator with a tailored course designed to enhance the skills of Engineers.

#### E Welding Course with Assessment for Certification

This is an actual SMAW (Shielded Metal Arc Welding) and Oxy-Acetylene Course with Assessment for National Certification.

#### F Machinery Maintenance Course

This training course involves detailed overhauling procedures of various machinery on board.

#### G Electrical Course for Marine Engineers

This comprehensive training course is intended to provide in-depth technical know-how of the maintenance and troubleshooting of the electrical system.

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## 4.2 Training and development (cont.)

In addition to these nine examples, in April 2023 BW Epic Kosan embarked on a Cadet Bridging Programme, in collaboration with our training partner in the Philippines. This is a programme for aspiring seafarers with a bachelor’s degree in mechanical engineering who wish to pursue a bachelor’s degree in marine engineering and work as marine officers on ocean-going vessels. The programme aims to support them in bridging their competency gap, equipping them with the necessary skills for a successful seafaring career.

To make the programme financially accessible to as many aspiring seafarers as possible, it follows a ‘study now, pay later’ scheme, allowing students to receive education funding in exchange for repayment in instalments. A total of 17 mechanical engineers qualified for the programme – 14 male and three female cadets. They started their training in June 2023 and completed their training in December 2023. At the beginning of January 2024, they all reported to the BWEK office in Manila for ship embarkation formalities. They will join as engine cadets for two contracts. Each contract has a duration of six to seven months to comply with the STCW requirements of 12 months of cadetship training prior to an examination for the certificate of competency. While on board, they will work on their STCW-required Training Record Book and on the company’s Cadet Competency Development Programme (‘CCDP’). The second batch of cadets will have started their training in January 2024 and expect to complete this in November 2024.

In addition, we provide a well-tailored welding course for seafarers. Maritime welders play an important role in the vessel-building and repair process. Due to the inherent risks involved in welding, it is essential for seafarers to undergo this training course so they can avoid the basic hazards of the field. The course uses an augmented reality welding simulator to enhance the skills of engineers. Augmented reality technology provides several benefits for the participants. When compared with traditional methods, it helps reduce the time required to educate users on welding procedures and approaches. Furthermore, by providing users with instant feedback, it helps to swiftly fix errors, reinforce good techniques, and expedite skill advancement prior to actual live welding. This results in a shorter learning curve for our new welding operators.

**In FY 2023, we recorded an average of 17.1 hours per seafarer (2022: 10.7).**



**2022**  
**10.7hrs**  
Achieved an average of 10.7 training hours per seafarer



**2023**  
**17.1hrs**  
Achieved an average of 17.1 training hours per seafarer

### Training for onshore staff

We also continue to build upon onshore employees’ skills and capabilities to help them remain up to date with the latest sectoral developments.

New Employee Familiarisation – in July 2023 we launched a digital Familiarisation checklist and New Hire feedback form in a system called EngageRocket. Every new hire receives a welcome email which is an introduction to the system. The familiarisation process runs over a period of 90 days during which they are required to complete certain items under different milestones of their employment, for example, upon joining, the next 30 days, 60 days and 90 days. Their progress can be monitored by their respective Manager.

A holistic Competency Framework was launched in July 2023, in various stages, providing a structure and procedures to enable and support our employees to be successful in their current job roles. All our managers worked together to identify four core competencies for all job roles, and a competency level for each competency before completing the assessment for all job holders. The Competency Framework was launched to all employees in December 2023.

For career progression, we have in place a robust and transparent performance appraisal system. We believe that this not only leads to better communication between supervisor and employee in terms of expectation, but also better employee performance. Annually, we conduct two performance appraisals where supervisors and employees jointly discuss performance, key performance indicators and development plans.

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## 4.3 Diversity and equality

Diversity to us means celebrating differences in our skill sets and perspectives, which can help BW Epic Kosan gain a competitive advantage.

We invest in our people and view diversity as something extending beyond just gender, nationality and age. With 27 nationalities currently working in the company, we consider that providing equal opportunities is a must to remain an attractive employer.

We adhere to all prevailing laws and regulations. Our human resources policies in relation to recruitment, training and performance appraisal are regularly reviewed by the Management. We practise fair hiring based on merit, and do not discriminate based on race, gender, age, religion, sexual orientation, nationality, disability, political affiliation, or any other non-work-related characteristic protected by law. We are continually working towards strengthening our workplace culture in order to foster an environment where all employees are treated fairly and with respect.

At the same time, we continue to recognise industry challenges in relation to attracting female talent due to the nature of maritime trade. These challenges include occupational cultural barriers, lack of awareness and knowledge about females at sea, and the slow development of effective policies and strategies aimed at recruiting and retaining female seafarers. To address these challenges, in 2022 we inaugurated a Female-Cadet Programme, a five-year plan to increase our number of female seafarers. Under the programme the cadets must complete an approved maritime course in a maritime educational institution. After successful completion of the course, they need to pass the company’s recruitment process in order to qualify for the cadetship training programme. Once they are hired, they undergo in-house training at BWEK’s office, as well as an induction programme and pre-embarkation training. They join as deck or engine cadets for two contracts to

complete the 12-month cadetship training prior to their officer qualification examinations. We at BWEK will support and monitor each cadet’s career progression until they become a Master or Chief Engineer. At the year’s end, there are 28 deck cadets – five of them are Kenyan and the rest are Filipino. There are also nine engine cadets – three are Kenyan and six are Filipino.

Across BW Epic Kosan, we have a 36% to 64% ratio of female to male employees ashore, and a 6% to 94% ratio if we include all our seafarers. Approximately 12% of our employees are aged over 50, with the largest proportion (55%) aged 30 to 50 years. Our employee diversity profile across gender and age is highlighted in Table 7.

**Table 7: BW Epic Kosan’s diversity metrics FY 2023 vs FY 2022**

Total employees		Nationalities represented		Age (<30)		Age (30–50)	
2023	2022	2023	2022	2023	2022	2023	2022
<b>1,884</b>	2,034	<b>27</b>	27	<b>33%</b>	30%	<b>55%</b>	55%
Age (>50)		Senior management gender split		Board gender split		Onshore gender split	
2023	2022	2023	2022	2023	2022	2023	2022
<b>12%</b>	15%	<b>40%–60%</b>	40%–60%	<b>17%–83%</b>	17%–83%	<b>36%–64%</b>	37%–63%
		(female-male)		(female-male)		(female-male)	

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## 4.3 Diversity and equality (cont.)

### Onshore employees

To address any form of discrimination and unfair treatment, we have in place a Grievance Policy for all employees to raise any complaints to the Management confidentially and without any fear of retaliation. Employees should first raise their concerns to their Supervisors, Section Heads and Heads of Department. Should their grievances not be resolved at that stage, an appeal is to be written and submitted to the Human Resources Manager for review, who will then consult the Chief Executive Officer for

further action and advise accordingly – including but not limited to workplace improvement suggestions and, if necessary, disciplinary action. BW Epic Kosan treats every complaint seriously, and will deal with all complaints promptly, fairly and transparently.

### Seafarers

For seafarers, our Fleet Regulations clearly state instructions on the conduct of vessel employees, and complaints procedures on board. Seafarers can resolve matters according to the detailed complaints

procedures set out in the Fleet Regulations. In addition, they may contact any managers in the Technical Department, including the Head of Technical Department, if the complaints are not resolved on board to their satisfaction. All seafarers are covered by collective bargaining agreements with the Singapore Maritime Officers' Union ('SMOU'), the Singapore Organisation of Seamen ('SOS') and PNO-IBF. For our Brazilian seafarers, our manning partner V-Ships Brazil has collective bargaining agreements with the Brazilian Union.



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## 4.3 Diversity and equality (cont.)

For too long, our industry has lacked gender diversity. We are taking proactive steps to address this through our female cadet programme. We spoke to four cadets about their experiences of the programme and their ambitions for the future.



### In conversation with: Kathleen Alcaraz

Engine Cadet, EPIC SUSAK

#### Q1 What attracted you to a life as a seafarer?

Since I was little, I've always been curious about how ships work. Being on board a vessel with the opportunity to travel and meet people from across the world is an additional perk for me, but what motivated me the most to enter this field is my passion for learning – especially about the machinery involved in running a ship. The urge to explore fuelled my passion to pursue this profession. The more I learn about the maritime industry, the more enchanting it gets.

#### Q2 What attracted you to BWEK? Can you talk about the cadet programme?

The cadetship programme at BWEK highlights the importance of a good foundation from the moment you start. There's a well-structured framework for the cadets' career progression. The cadets' competency development programme contributes greatly to our study, because it serves as a guide to which areas we should focus on. Overall as a cadet, I truly feel valued in this company where everyone is treated with no bias. BW Epic Kosan lives up to its company values, and I am proud to be part of the world's leading owner and operator of LPG carriers.

#### Q3 What is it like to be a female seafarer?

Being a female seafarer might be physically and mentally demanding sometimes, but we can still find a way to fulfil our duties and responsibilities. Like other seafarers, we've encountered various challenges, but the ability to be versatile and adaptive is not dependent on one's sex. Overall, it's a fulfilling experience that I hope can serve as a motivation for other women looking to enter this field.

#### Q4 What are your ambitions for the future?

To be a chief engineer has been my goal from the moment I entered the maritime industry. We live in an age when the world is constantly changing, and there's no doubt that the pace of innovation is accelerating. I have a lot of things I want to learn, and knowledge is what keeps me going. I'm determined to know the ins and outs of the engineering department and the ship organisation as a whole. This eagerness and passion will be my stepping stone to becoming a competent chief engineer in the future.

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## 4.3 Diversity and equality (cont.)

### In conversation with: Johnness Claveria

Engine Cadet, EPIC SULA

#### Q1 What is it like to be a female seafarer?

Being a female seafarer is an empowering experience for me, as it allows me to contribute to breaking the status quo of the maritime industry. It made me realise how essential it is to determine your weaknesses – to identify the areas that need improvement, and also use your strengths to empower the people around you to achieve their personal ambitions. As I look back, I remember how I doubted that I would be able to conquer a male-dominated industry. It also made me realise that my 'one day' is now 'every day', and I am out there facing down challenges on this long career voyage every day. With that in mind, and as an engineer in the making, I am living the journey with this thought: just because you started weak, it doesn't mean you can't come out strong; so take that big leap of faith, and live one day at a time.

#### Q2 Why is gender diversity important?

As an aspiring maritime officer in a male-dominated profession, I already knew that there were going to be challenges. I want to pave the way to making those obstacles less daunting for the generations to come. That is why it was so important for me to ensure the industry becomes more diversified. It is time to break the stigma that only men can excel at this job. Women seafarers have been proving time and again that we can do just as well in this profession. Diversity is important because it helps people to change their perspective, and it's high time that we broke down the barriers in the maritime profession and across society.

#### Q3 Can you describe the culture on board? How do people make you feel at home and valued?

Life on board is challenging: most of the work requires great physical and mental strength. I realise how important it is to have crew members who aim to create a healthy working environment. I am beyond grateful that I work with senior officers who allow me to learn at my own pace, and have given me a safe space for my lapses. It makes the shipboard environment very conducive to learning.



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## 4.3 Diversity and equality (cont.)



### In conversation with: Shania Andrei R. Ferrer

Deck Cadet, EPIC SULA

#### Q1 What attracted you to a life as a seafarer?

When I chose to enter the academy, it was really just to challenge myself. Throughout the years, the programme made me learn to love the journey. I just knew that the seafaring industry would open a lot of doors for me. Imagine a female seafarer navigating the world for free – making a name in a male-dominated industry while being the best provider for her loved ones.

#### Q2 What attracted you to BWEK? Can you talk about the cadet programme?

This company has so much to offer women who aspire to be a part of the maritime industry. The BWEK cadetship programme has a clear timeline, so we know exactly when we achieve each milestone. It gives us a fixed schedule on board to make sure that we have enough rest, ensuring we have the energy to perform our everyday tasks. BWEK ensures that there is always a healthy working environment for the cadets, and I am living proof of it. In my first vessel, I never felt that I was a cadet (which is the lowest rank on board). From the ratings to the officers, everyone treated me as an officer in the making. They always made me feel I had a seat at the table. It's a home and a family I never knew I needed. With BWEK, nothing is impossible.

#### Q3 What is it like to be a female seafarer?

It takes a lot of effort to secure a place in this industry. You need to think hard and persevere. Given that we cannot always match a man's physical strength, we tend to think 10 steps ahead of them to excel at our job. In my experience, instead of obsessing over the small slights that are sometimes thrown at us, we think more objectively and divert our focus onto seeing the bigger picture and getting the job done.

#### Q4 What are your ambitions for the future?

I want to be financially secure and have that 'Capt.' in my name. That's the dream I'm striving for.

#### Q5 What do you like to do outside work for fun?

I'm always looking forward to going to the crew mess for our movie time. When we're at anchor, the crew gathers inside the mess every night to watch a movie while eating ramen or ice cream. Sometimes we have a karaoke night to release stress. If there's good camaraderie on board, the fun will be there whether we're working or not.

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## 4.3 Diversity and equality (cont.)

### In conversation with: Elaine Tanguilan

Deck Cadet, ALEXANDRA KOSAN

#### Q1 What attracted you to a life as a seafarer?

Ever since I was in high school, I dreamed of navigating a ship. I told myself I wanted to become a seafarer to navigate the high seas competently and safely. I'm not the type of person who wants to be stuck in an office – I want to have adventure and thrills.

#### Q2 What attracted you to BWEK? Can you talk about the cadet programme?

At BWEK, they actively promote gender equality and give everyone a chance, regardless of which school you went to, your family background or your gender. The BWEK cadetship programme provides us with hands-on experience to learn about the operation and maintenance of the ship, while gaining practical experience in navigating and handling the vessel. It also gives us the opportunity to work alongside experienced crew members and gain valuable insights from them. The programme is a valuable stepping stone for us cadets who are looking to build a career in the maritime industry, as it provides us with extensive knowledge and practical experience.

#### Q3 Why is gender diversity important?

It is important that all genders feel loved and respected. Diversity of perspective, experiences and ideas can lead to better decision-making and increase innovation on board. Gender diversity helps to break the traditional stereotypes and biases, leading to greater opportunities for all individuals.

#### Q4 Can you describe the culture on board? How do people make you feel at home and valued?

On board our vessel, the culture is one of team work, camaraderie and respect. Crews on board include many different nationalities, and we work hard to promote respect and acceptance since we are all working together towards a common goal. My crewmates make me feel at home and valued by showing me respect and listening to my perspective, ideas and opinions. They always give me advice and words of wisdom, and they correct me when I'm wrong. This helps me to grow as a seafarer and as a person.



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## 4.4 Community engagement

Driven by our values to make a positive impact, BW Epic Kosan and our leadership team believe in uplifting our communities through a variety of means, including development programmes, community engagement and monetary donations.



A BWEK All-Hands Town Hall was introduced in early 2023 and is conducted on a quarterly basis for all onshore employees. It provides more structured and timely communication and operates as a platform for the BWEK strategic focus and latest news, as well as to celebrate its success. During these meetings, presentations by Senior Management figures include key highlights, achievements, and items of strategic focus. Also announced are the winners of quarterly awards for outstanding performance, while Senior Management figures address questions raised by employees.

In May 2023, in support of The Mission to Seafarers, BWEK sent a team of three employees from Copenhagen, Manila and Singapore to participate in a two-day Adventure Race in Japan, to raise funds for seafarers around the world who often work in dangerous environments, experiencing isolation, fatigue and extended periods away from family. Collectively the employees raised US\$13,000.

In July 2023, Team Singapore, in support of The Food Bank Singapore, packed and distributed 150 grocery food bundles to households in need. In August, they participated in Tree Planting Day around Mapletree Business City, and in December, all colleagues pooled their resources to purchase requested food items for the elderly residents at the Lions Home.

In August 2023, Team Copenhagen participated in a 5 to 10km run to benefit veterans in Denmark, organised by The Danish Armed Forces.

Meanwhile, Team Manila, via one-to-one matching and BWEK donations, were able to provide nutritious lunches for 24 children in Tapulanga for a whole year.

In collaboration with BW LPG, we extended our LPG cylinder sponsorship initiative for four NGOs in Singapore. This initiative stems from the belief that energy can uplift communities and that LPG is a clean and enabling source of energy that allows us to prepare healthier meals for ourselves and our families. Consequently, with better health, we can face life's challenges more positively, one meal at a time.

# 5.0

# Governance

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## 5.1 Business ethics

BW Epic Kosan is committed to the highest standards of corporate governance. We promote transparency and accountability in our business.

We conduct our business activities responsibly and uphold the highest standards of ethics and integrity. This extends to our suppliers, contractors and business partners. We believe that strong governance is pivotal to long-term value creation.

To this end, BW Epic Kosan has policies and processes in place to ensure accountability to all stakeholders. We do not tolerate any unethical or illegal activities and we comply with all prevailing laws and regulations. BW Epic Kosan is also a member of the Maritime Anti-Corruption Network ('MACN') – a global business network that is working towards the vision of a maritime industry free of corruption, enabling fair trade for the benefit of society at large.

We do not tolerate any acts of bribery, corruption, anti-competitive behaviour or violations of human rights, including forced or child labour. We support the United Nations Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. Our Code of Conduct, applicable to all employees including those at subsidiaries and affiliates, obliges everyone to observe the highest standards of business and personal ethics in the conduct of duties and responsibilities. Onshore employees and seafarers alike are required to acknowledge and understand our Code of Conduct prior to the start of their employment, and attend relevant trainings. We also require our suppliers to follow our Supplier Code of Conduct which stipulates our minimum standards in relation to human rights, health and safety, environment and business conduct.

### Whistleblowing Policy

Through our Whistleblowing Policy, onshore employees and seafarers can raise concerns and report suspected cases of malpractice and unethical or illegal activities in strictest confidence, without fear of retaliation. Such reports are made first to the immediate supervisors of the employees or the Human Resources department. The reports may also be made directly to the Chief Executive Officer. In cases where reporting to the Management is inappropriate, concerns are to be addressed to the Chairman of the Audit Committee, or Chairman of the Board. The Audit Committee will review all whistleblowing reports lodged and ensure that investigations and follow-up actions are taken. Our Whistleblowing Policy is also applicable to our suppliers.

In 2023, this programme was taken further – we adopted EthicsPoint, an online platform where employees can anonymously report their concerns regarding possible breaches of ethics or standards of professional conduct. There were no whistleblowing cases in 2023.

### Grievance Policy

To address any form of discrimination and unfair treatment, we have in place a Grievance Policy for all employees to raise any complaints to the Management confidentially and without any fear of retaliation. Employees should initially raise their concerns to their Supervisors, Section Heads and Heads of Department. Should their grievances not be resolved at that stage, an appeal should then be written and submitted to the Human Resources Manager for review, who will then consult the Chief Executive Officer for further action and advise accordingly. This procedure includes, but is not limited to, workplace improvement suggestions and, if necessary, extends to disciplinary action. BW Epic Kosan treats every complaint seriously and will deal with all complaints promptly, fairly and transparently.



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## 5.2 Cybersecurity

The maritime sector is on the verge of digital disruption, and closely accompanying this is the increased infrastructure exposure to cyber vulnerabilities and threats.



Failure to address these threats can impact our operations and may lead to financial implications for BW Epic Kosan. Furthermore, it may result in information or systems being damaged, lost or compromised, which would result in failures in operational, safety or security aspects of vessel operations, and a breach of customer data privacy.

BW Epic Kosan supports the resolution made by the Maritime Safety Committee ('MSC'), recognising the urgent need to raise awareness of cyber risk threats and vulnerabilities to support safe and secure vessels, operationally resilient to cyber risks. The MSC affirms that an approved safety management

system should consider cyber risk management in accordance with the objectives and functional requirements of the ISM Code.

To address cybersecurity issues, we have in place a Cybersecurity Policy to safeguard information assets from any threats, whether internal or external, intentional or unintentional. We also continuously strive for innovative and robust IT architecture solutions, with regular reviews and monitoring. Recognising that staff play an important part in building cybersecurity resilience, we require all employees to attend a cybersecurity-cyber wellness training session annually.

### Onshore employees

We use a third-party Learning Management System ('LMS') named Awarego to train our employees on information security. This is an online service in which all employees are enrolled. Several modules related to cybersecurity are made available in that portal. Each module consists of a short video related to the topic, followed by a brief questionnaire which the employee should answer correctly. After completion of each module the user will be issued a certificate by email. Modules are assigned to all employees by the BW Epic Kosan IT department and progress of each employee is monitored. This training is provided annually, but also whenever a new topic of interest emerges.

In FY 2023, all onshore employees received training on an extensive list of topics including phishing, ransomware, data leaks, vulnerability of passwords, viruses and multi-factor authentication.

In addition to the employee Information Security and Privacy Awareness ('ISPA') training, we conduct regular exercises to test employees' awareness of phishing and spam email handling. Phishing campaign exercises are initiated by the IT department. Phishing emails with different kinds of scenarios are sent to all employees as a test. These scenarios include credential harvest, malware attachment, link in attachment, link to malware, drive-by URL, OAuth Consent Grant etc.

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## 5.2 Cybersecurity (cont.)

### Seafarers

All seafarers are required to complete cybersecurity modules which are delivered by the LMS system used in the fleet. The current LMS system is being replaced by a new system named Ocean Learning Platform ('OLP').

The main objectives and scope of the training include:

- › **Awareness:** Raising awareness among employees about the importance of cybersecurity and the potential consequences of security breaches.
- › **Understanding of threats:** Providing employees with knowledge about the various types of cyber threats, such as phishing, malware and social engineering.
- › **Safe practices:** Educating employees on safe practices for using technology, such as creating strong passwords and avoiding suspicious links.
- › **Reporting procedures:** Teaching employees how to identify and report potential security incidents.
- › **Responsibility:** Emphasising the role of each employee in protecting the organisation from cyber threats.
- › **Continuous education:** Providing ongoing education and training to employees to keep them informed of new threats and best practices.
- › **Personal protective measures:** Advising employees on how to protect their personal information and devices from cyber threats.
- › **Incident response:** Training employees on how to respond to a security breach or cyber attack, including the appropriate steps to take and the relevant reporting procedures.

### Cyber attack / Data breach

There were no cyber attacks, significant compromises and/or reportable data privacy breaches in 2023.

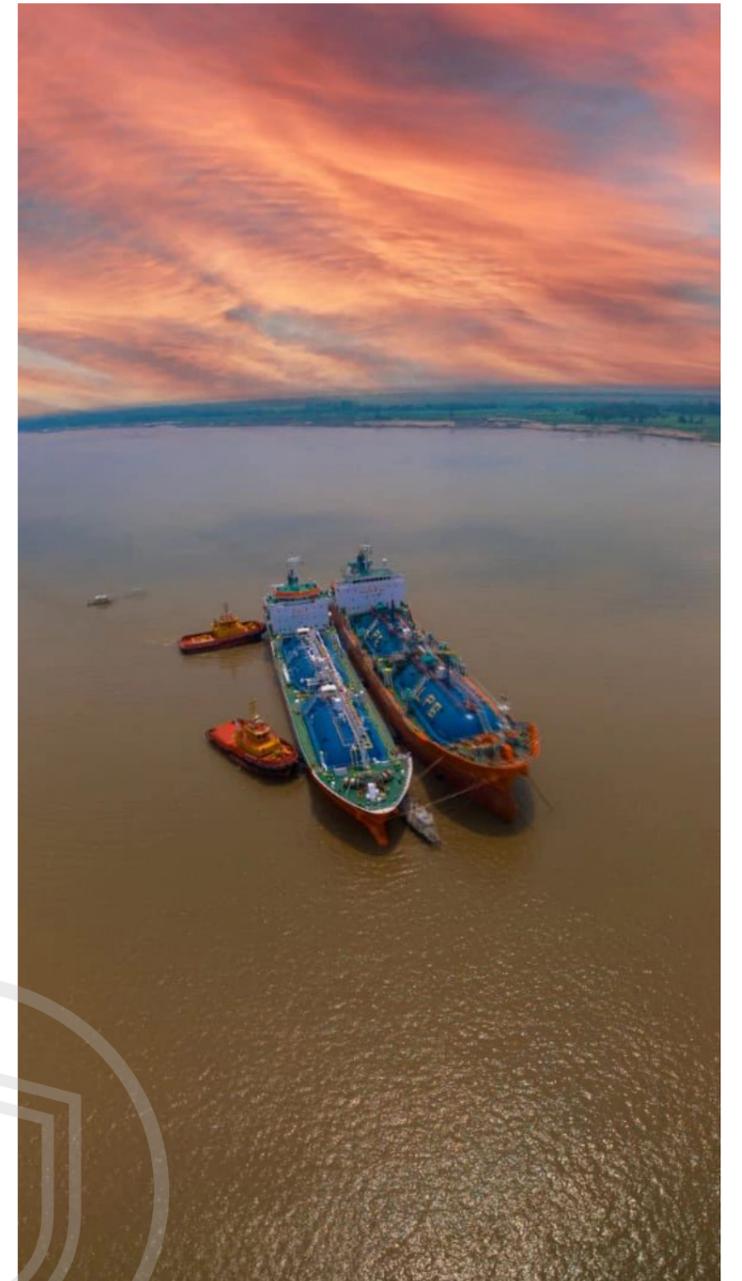
### Motion sensors

BW Epic Kosan's Copenhagen office is equipped with closed circuit security cameras with motion sensors. If any motion is detected inside the office premises after office hours or during public holidays, the cameras are triggered automatically to start recording.

The Copenhagen office, and also BW Epic Kosan's headquarters in Singapore, are equipped with motion sensors to control the lighting for the whole office premises. If no motion is detected for a specific number of minutes, the controller will automatically switch off the lights in the room to save electricity.

### Compliance

BW Epic Kosan is certified ISO 27001:2013 for its Information Security Management System ('ISMS'). Annual internal and external audits are conducted to check the compliance of the company with ISO (International Organization for Standardization) standards.



# 6.0

# Economic performance

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## 6.1 Economic performance

In FY 2023, BW Epic Kosan recorded a revenue of US\$340.5 million, compared to US\$361.4 million in FY 2022. BW Epic Kosan's net profit in FY 2023 increased to US\$48.8 million, up from US\$21.4 million in FY 2022. Table 8 highlights our key economic performance. BW Epic Kosan endeavours to keep delivering long-term value to all our stakeholders.

**Table 8: BW Epic Kosan's economic performance FY 2023 vs FY 2022 (audited accounts)**

Income statement (US\$ M)	Group 2023 US\$	Group 2022 US\$
Revenue	340.5	361.4
Other income	2.9	1.4
Other gains/(losses)	4.8	(0.2)
<b>Expenses</b>		
– Brokerage commissions	(6.5)	(7.0)
– Voyage expenses	(58.0)	(81.1)
– Bareboat charter hire expenses	(0.2)	(0.1)
– Time charter hire expenses	(12.2)	(13.0)
– Vessel operating expenses	(101.2)	(114.3)
– General and administrative expenses	(30.4)	(29.2)
– Finance expenses	(22.4)	(19.7)
– Depreciation	(68.0)	(72.7)
– Impairment loss on vessels	—	(4.4)
<b>Total expenses</b>	<b>(298.8)</b>	<b>(341.3)</b>
Profit before income tax	49.5	21.2
Income tax (expense)/credit	(0.7)	0.2
<b>Profit for the year</b>	<b>48.8</b>	<b>21.4</b>
<b>Other comprehensive income</b>	<b>(3.8)</b>	<b>17.3</b>
<b>Total comprehensive income</b>	<b>45.0</b>	<b>38.7</b>

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# 7.1 GRI content index

BW Epic Kosan 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.

GRI Standard	Disclosure	Page reference	GRI Standard	Disclosure	Page reference	
GRI 2: General Disclosures 2021	2-1	Organisational details		2-19	Remuneration policies	
	2-2	Entities included in the organisation's sustainability reporting		2-20	Process to determine remuneration	
	2-3	Reporting period, frequency and contact point	4	2-21	Annual total compensation ratio	
	2-4	Restatements of information	N/A		Due to the nature of the industry we are in, and the composition of our total workforce, we may consider disclosing it in future years.	
	2-5	External assurance	N/A	2-22	Statement on sustainable development strategy	
	2-6	Activities, value chain and other business relationships	4	2-23	Policy commitments	
	2-7	Employees	24-34	2-24	Embedding policy commitments	
	2-8	Workers who are not employees	We may consider disclosing this number in future years.	2-25	Processes to remediate negative impacts	
	2-9	Governance structure and composition	9	2-26	Mechanisms for seeking advice and raising concerns	
	2-10	Nomination and selection of the highest governance body	<a href="#">Board Responsibility - 9</a>	2-27	Compliance with laws and regulations	
	2-11	Chair of the highest governance body	BWEK Leadership	2-28	Membership associations	
	2-12	Role of the highest governance body in overseeing the management of impacts	9-10, 11-12	2-29	Approach to stakeholder engagement	
	2-13	Delegation of responsibility for managing impacts	9-10	2-30	Collective bargaining agreements	
	2-14	Role of the highest governance body in sustainability reporting	9-10, 11-12	GRI 3: Material Topics	3-1	Process to determine material topics
	2-15	Conflicts of interest	<a href="#">BW Epic Kosan, Code of Conduct (Conflict of Interest)</a>		3-2	List of material topics
	2-16	Communication of critical concerns	30			
		2-17	Collective knowledge of the highest governance body			
		2-18	Evaluation of the performance of the highest governance body			<a href="#">Remuneration Committee - Terms of Reference</a>

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GRI Standard	Disclosure	Page reference	GRI Standard	Disclosure	Page reference
<b>Greenhouse gas emissions</b>			<b>Diversity and equality</b>		
GRI 3: Material Topics	<b>3-3</b> Management of material topics	18-20	GRI 3: Material Topics	<b>3-3</b> Management of material topics	29-30
GRI 305: Emissions	<b>305-1</b> Direct (Scope 1) GHG emissions	21	GRI 405: Diversity and Equal Opportunity	<b>405-1</b> Diversity of governance bodies and employees	29-30
	<b>305-7</b> Nitrogen oxides (NOx), Sulphur oxides (SOx), and other significant air emissions	21			
<b>Ecological impacts</b>			<b>Community engagement</b>		
GRI 3: Material Topics	<b>3-3</b> Management of material topics	22	GRI 3: Material Topics	<b>3-3</b> Management of material topics	35
GRI 304: Biodiversity	<b>304-2</b> Significant impacts of activities, products and services on biodiversity	22	GRI 413: Local Communities	<b>413-1</b> Operations with local community engagement, impact assessments, and development programmes	35
<b>Safety</b>			<b>Business ethics</b>		
GRI 3: Material Topics	<b>3-3</b> Management of material topics	24-26	GRI 3: Material Topics	<b>3-3</b> Management of material topics	37
GRI 403: Occupational Health and Safety	<b>403-9</b> Work-related injuries	26	GRI 205: Anti-corruption	<b>205-3</b> Confirmed incidents of corruption and actions taken	37
<b>Training and development</b>			<b>Cybersecurity (non-GRI Topic)</b>		
GRI 3: Material Topics	<b>3-3</b> Management of material topics	27-28	GRI 3: Material Topics	<b>3-3</b> Management of material topics	38-39
GRI 404: Training and Education	<b>404-1</b> Average hours of training per year per employee	28	<b>Economic performance</b>		
	<b>404-2</b> Programmes for upgrading employee skills and transition assistance programmes	27-28	GRI 3: Material Topics	<b>3-3</b> Management of material topics	41
			GRI 201: Economic Performance	<b>201-1</b> Direct economic value generated and distributed	41



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