



2022

SUSTAINABILITY **REPORT**

Member of the SCHULTE GROUP



LETTER FROM OUR CEO

Progressing our ESG strategy

Every year, our Environment, Social and Governance (ESG) strategy grows more focused and ambitious, signifying the remarkable progress we have made in embedding sustainability into our core values and daily operations. Our aim was to establish reliable data to measure our impact at sea and on shore. Quantifying our impact increased transparency at every level, gave us clarity on where changes were most needed and led to the establishment of our dedicated ESG team.

We work diligently to track global trends and engage in conversation with our stakeholders to help us set ambitious targets for positive change and support our customers in their own sustainability journeys.

This year in anticipation of the Corporate Sustainability Reporting Directive (CSRD) framework, we conducted a double materiality assessment and proactively updated our ESG strategy based on its outcomes, taking into account the needs and expectations of our key stakeholders and our company's impact on the society and environment. As we enter a new era defined by ESG priorities, I want to emphasise our commitment to meeting the evolving needs of our customers and stakeholders through applied knowledge, synergies with industry experts, and innovation in our work processes.

Working Together for the Environment

The challenges posed by climate change and environmental pollution have been at the forefront of our sustainability efforts. In 2022, our full-managed vessels emitted approximately 11 million metric tonnes of carbon dioxide (CO₂) emissions (≈ 1.57% of CO₂ emissions from international shipping). As ship managers, our customers rely on us for solutions. So, our primary role in decarbonisation is to provide advanced tools and expertise to optimise the environmental performance of ships under our management.

We have taken significant steps to deliver green operational and consulting services, positioning ourselves at the forefront of the industry. Our Fleet Monitoring and Performance Centres play a crucial role in allowing our customers to monitor their vessels' emissions and environmental footprint in real time using our

innovative LiveFleet tool and dashboards. Our in-house experts provide tailored recommendations to help our customers reduce emissions and improve efficiency. As a result, 47% of our fleet has achieved BSM's decarbonisation targets, while the remaining vessels met the regulation requirements.

Looking ahead, with the inclusion of the maritime sector in the European Union (EU) Emissions Trading System (ETS) from January 2024, we are developing a single-source dashboard in our Enterprise Resource Planning (ERP) tool, smartPAL, to help our customers make proactive decisions in their carbon management strategy and practices.

As we navigate the logistical and technological challenges of transitioning to alternative fuels and energy sources, we actively collaborate with owners, charterers, and industry experts to accelerate this process. Our priority is developing in-house expertise in managing vessels powered by alternative fuels through internal efforts and strategic partnerships. We recently established a joint venture with a Norwegian ammonia specialist in line with this commitment. This collaboration allows us to provide ship management services specifically for ammonia-powered vessels, adding to our collective expertise.

Additionally, we recognise the influence of our purchasing power on environmental and social responsibility throughout our value chain. With a network of over 5,000 suppliers, we have established a rigorous evaluation process to monitor their adherence to our internal standards. Our goal is to empower our customers by providing them with a network of verified sustainable suppliers. By doing so, we aim to create a ripple effect of positive change throughout the industry, transforming to a more sustainable form of commerce.



Working Together for Our Employees and Communities

Shipping is a global industry that connects people from all corners of the world, fuelling trade and facilitating globalisation. Our BSM workforce comprises over 90 nationalities working at sea and shore and thrives by valuing respect for all people and the planet. As an organisation, we contribute to the global economy by employing over 27,500 workers, providing humanitarian relief, and inspiring young minds to seek careers in shipping through our early career programmes.

As part of our Diversity, Equity, and Inclusion (DEI) goals, we are supporting the representation of women in shipping. In 2022, our efforts resulted in an incredible 150% increase of women on BSM-managed ships since 2020, reaching 304 talented professionals joining our ranks. We are resolute in our pursuit of expediting women's career progression and narrowing the gender pay gap through advanced training programs and transparent monitoring. We partnered with the All Aboard Alliance foundation which includes global thought leaders and decision-makers across our industry to track our global progress and contribute solutions.

Amidst the global instability caused by the Russia-Ukraine conflict, we prioritised the well-being of our employees. Over the past two years, we introduced comprehensive mental health and well-being programmes, flexible work arrangements, and financial assistance to ensure our workforce has the necessary resources and support. Seeing our employees coming together to support one another, even during prolonged challenging periods, is energising and encouraging. Our people's resolve motivates us to address issues and potential roadblocks head-on.

Working Together to Innovate the Ways We Work

We advanced safety at shore and sea by harnessing the power of digitalisation and automation in our work processes. For example, our dedicated Autonomous Shipping team took on the challenge of increasing shipping traffic volume by introducing the B Zero project. With the introduction of new technology, developing a periodically watch-free bridge that can be unmanned for up to eight hours will be possible.

This will allow nautical officers to focus on other tasks to improve safety and efficiency in their routine work. Initiatives such as these can have a significant impact on our safety performance, which in 2022, was zero work-related injuries in our offices and low recordable cases at sea.

As we embrace the digital age, cybersecurity governance is our top priority. We have taken extensive measures to protect our networks, devices, and data. Our comprehensive IT and Cyber Security manual outlines clear protocols that empower our workforce to contribute to our overall security posture. Further, we are developing a dedicated cybersecurity awareness and training platform, set to launch in 2023. This platform will enable us to identify vulnerabilities early on, evaluate the effectiveness of our defence mechanisms, and provide training to improve our cybercrime resilience.

Future generations will carry forward the foundation we are laying as we enter a new era of sustainable shipping. I am proud to be on this journey of preserving and growing the societal benefits of this industry with so many talented colleagues. Together, with so many capable and committed partners that share our values and vision, we have made strides towards a sustainable future that will benefit the world.



Ian Beveridge
CEO, Bernhard Schulte Shipmanagement

Letter from our CEO

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ESG ACHIEVEMENTS 2022



BSM launches Ukraine Disaster Fund and collects USD 230,000 to support relocation of 500 people including their families to safe locations.



BSM commits to All Aboard Alliance's principles and sets its strategic goals for 2024 to lead the transformation towards an inclusive industry.



BSM pilots the first Vessel Performance and Decarbonisation course which provides a holistic approach to maritime decarbonisation.



BSM provides remote maintenance capabilities to customers, helping them reduce operational expenses and Greenhouse Gas (GHG) emissions.



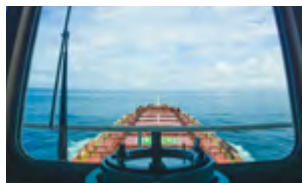
70 BSM colleagues run in Athens Authentic Marathon and raise 30,000 EUROS to support education of 200 children under the care of SOS Children's Villages.



BSM Pocket Park in Athens opens its doors to public and serves as a great space for community to gather, while plants absorb emissions and cool the city.



BSM and Amon Maritime create a 50/50 joint venture to offer ship management services for Norwegian market, specialising in ammonia-powered vessels but open to all ships.



47% of our fleet achieves BSM's decarbonisation targets, while remaining fleet complies with Carbon Intensity Indicator (CII) requirements.



BSM's Liquefied Natural Gas (LNG) Competence Centre brings a next-generation design for an LNG bunker vessel to market.

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1.1 BSM – SOLUTIONS PROVIDER

As a top-tier third-party ship manager, Bernhard Schulte Shipmanagement (BSM) enables the delivery of safe, reliable, and efficient maritime solutions. Each year we expand our expertise to be a single point of contact for our customers, providing solutions based on their individual needs. We have a global network of people that help facilitate trade by sea, supporting our business partners in reaching their goals and our local communities to thrive and grow.

BSM is a member of the Schulte Group, and we harness 135+ years of experience in shipping and span all major maritime hubs. We cut through the complexity of shipping for our customers by offering a suite of complementary services through our various subsidiaries and entities (Appendix 1 provides a description of our services and Appendix 2 gives an overview of where we operate). Moreover, our diverse teams enable us to set ambitious goals and protect our values.

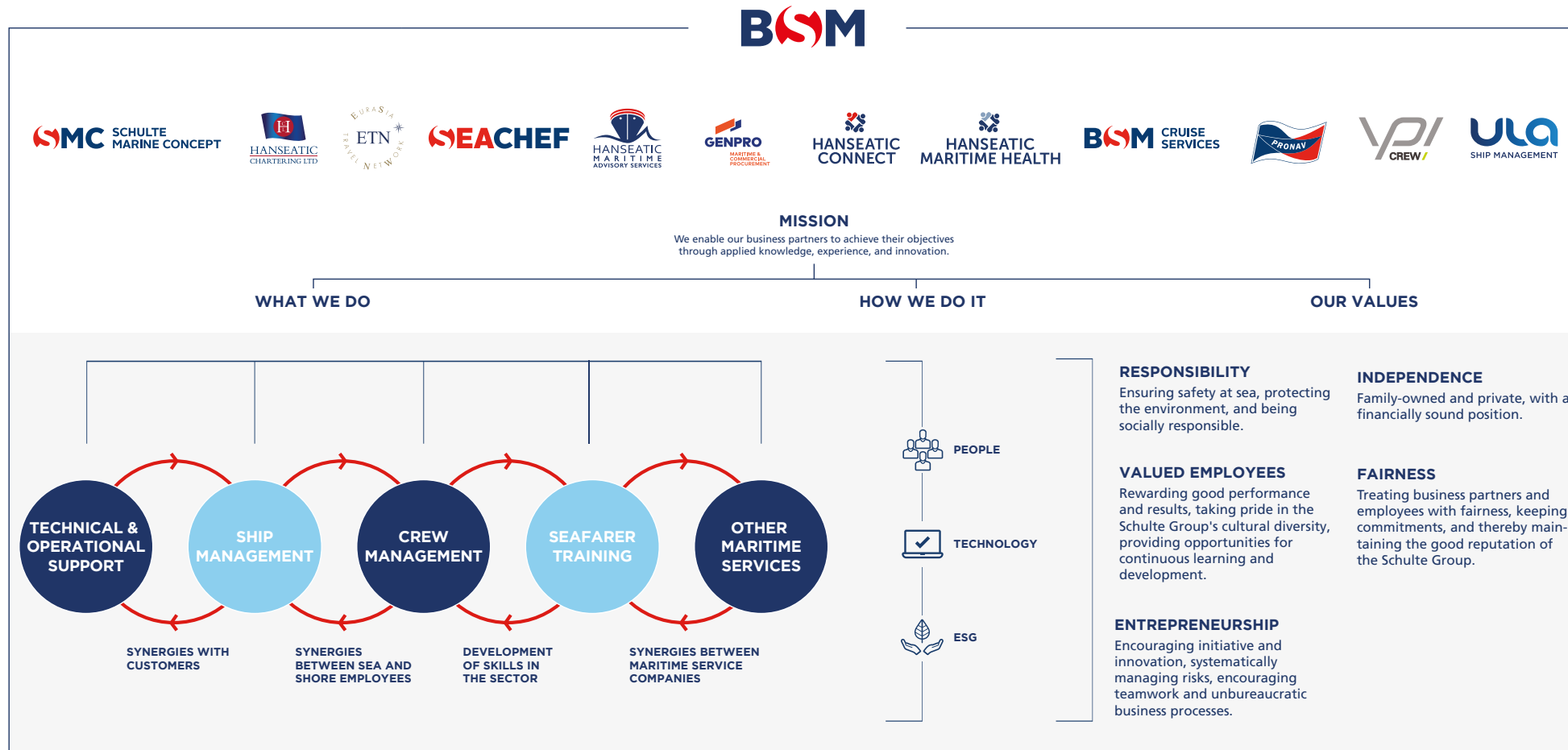
We acknowledge that our operations contribute to climate change and social welfare. Therefore, we strive to digitalise, decarbonise, and safeguard ethical operations in our industry.



OUR VALUE CREATION MODEL

We leverage our exceptional professionals, vast network, and technologies to create synergies between our business, partners, and local communities. We connect, communicate, and collaborate with cross-functional partners to deliver simpler and more responsible solutions, in-line with the United Nation's Sustainable Development Goals (SDG) 14 Life Below Water, 12 Responsible Consumption and Production, 4 Quality Education, 5 Gender Equality and 8 Decent Work and Economic Growth.

Our recent efforts to build meaningful long-lasting partnerships with industry peers, start-ups, Non-Governmental Organisations (NGOs) and universities encompass our drive to create job opportunities, innovate our ways of working, and invest in the well-being of others.



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1.2 ESG STRATEGY & GOVERNANCE

GLOBAL TRENDS IMPACTING OUR ESG STRATEGY

The worldwide economy and tourism industry rely extensively on the shipping sector. In 2022, an estimated 11.9 billion tonnes of commodities and 30 million cruise passengers were transported by sea across 6,000 ports in operation worldwide.

However, global disruptions have significantly influenced our industry in recent years, shaping our operations and strategic direction. In 2022, as pandemic restrictions eased, we observed a slight expected decline of 0.5% in seaborne trade. However, the demand for freight last year was remarkable, reaching 11.9 billion tonnes, and benefiting over 25,000 shipping companies.

At the same time, geopolitical disruptions have notably impacted the energy sector, representing 36% of global trade. The sanctions placed on Russia have led to alternative sourcing of LNG and crude oil by ship, resulting in an approximately 2-4% annual increase in tanker demand forecasted for the next two years.

Against this backdrop, the increased demand for seaborne trade has reached the shipping boom of 2008. However, unlike that period when companies primarily focused on expanding their fleets, there is now a global movement towards investing in sustainable solutions and technologies for shipping. For example, the global energy mix is shifting towards cleaner sources and renewables, with offshore wind expected to be rapidly growing by 13% annually for the following two decades. This approach embraces the shipping industry's drive to fulfil our international climate commitments in line with the Paris Agreement, which aims to keep the global average temperature increase well below 2°C above pre-industrial levels.

BSM's strategy involves supporting customers in navigating this transition period by responsibly managing their supply chain, creating synergies, and collaborating with industry peers to develop new technologies for increased efficiencies that maximise the positive impact on society and the environment.

Another major trend influencing shipping is the rapid evolution of technology, including the development of Artificial Intelligence (AI) solutions, such as the automation of cargo handling and management, optimisation of routes and logistics, and predictive maintenance of ships and other equipment. Over the past few years, BSM has worked on several SMART projects (e.g., SMART Maintenance, SMART Procurement) to boost safety and automation in our work processes.

However, the surge of open-source AI tools in 2022, specifically the latest machine Learning Language Models (LLM), have profoundly impacted workers, with 80% of United States (US) workers recognising the potential for AI to change how they work. As a result, an opportunity for a new level of efficiency in work processes has been created in all sectors. Early research shows that most workers will have at least 10% of their tasks influenced by AI, while 19% will experience a 50% impact. So far, over 85 job roles have been identified where AI could reduce the time it takes for humans to complete tasks by half.

As a service company, we see potential in streamlining workflows, enhancing customer experiences, and improving overall productivity with the support of technology, such as AI. We have a team that is closely monitoring this trend and identifying new tools to supplement our current work. For example, they are exploring using AI-supported presentations, digital training, report writing, and behavioural analysis tools. Beyond AI, they are exploring using metaverse environments for collaborating with remote teams. Finally, partnerships to build new solutions for gathering employee feedback in near-real time for faster interventions and to address forthcoming changes in how we work. We are following this opportunity to simplify our work processes to help our employees focus on problem-solving, creative thinking, and customer support.

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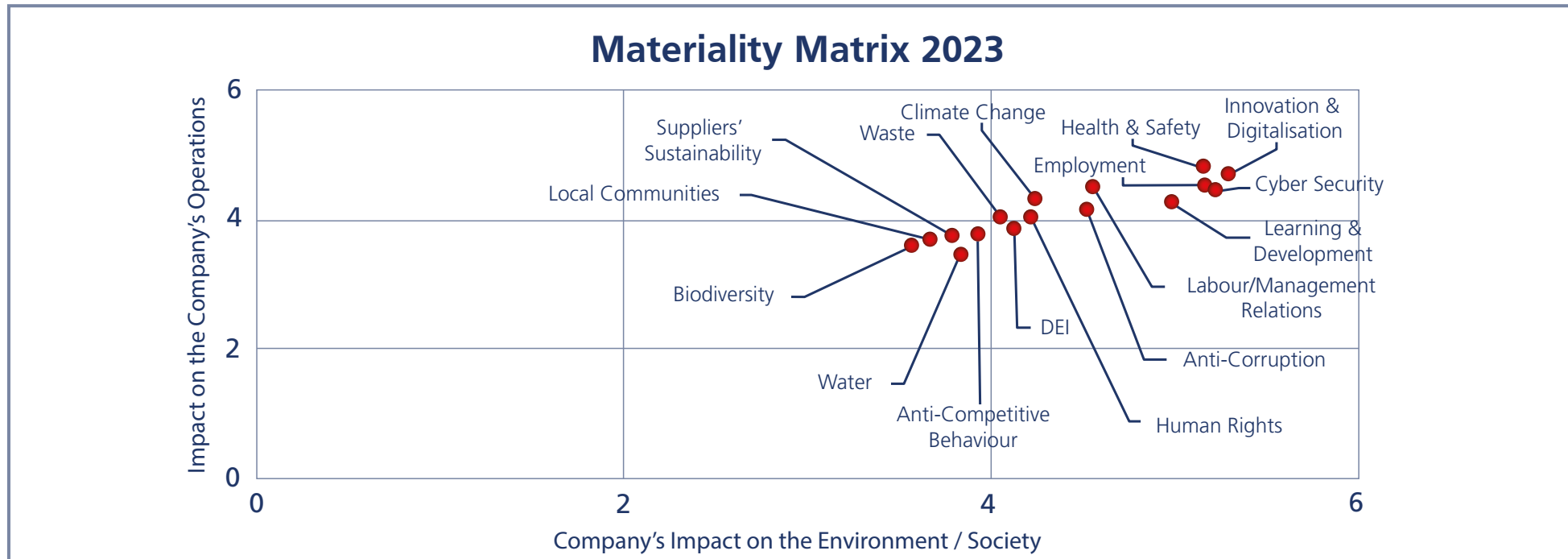
Setting our ESG Strategy

Overall, these global trends significantly impact our ESG strategy, and we are actively addressing them to ensure sustainable and responsible practices in the shipping industry. Moreover, our ESG strategy is founded on feedback from our seven stakeholder groups: customers, shareholders and employees, competitors, suppliers, trade associations, government bodies, and NGOs.

We continuously engage them to ensure our ESG strategy is transparent and relevant. This year, we performed a double materiality assessment to meet the upcoming CSRD reporting requirement. We considered, how our operations are affected by sustainability issues (“outside-in”) and how our activities impact society and the environment (“inside-out”). The assessment consisted of three parts.

Firstly, we reviewed our internal news portal and BSM Highlights publication to identify commonly raised topics by the BSM community. Secondly, we conducted desk research to understand the expectations of our external stakeholders. This helped us narrow down the material topics for BSM and informed the questionnaire sent to senior leadership. The questionnaire asked about the impact of specific ESG topics on the company’s financial performance, operations, and continuity, as well as the influence of BSM on these ESG topics through its operations.

The 13 material topics we identified included Innovation and Digitalisation, Cyber Security, Employment, Health and Safety, Learning and Development, Anti-Corruption, Labour and Management Relations, Climate Change, Human Rights, Anti-Competitive Behaviour, Diversity, Equity, and Inclusion (DEI), Sustainable Supply Chain, and Waste Management.



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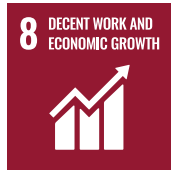
SDG 4 Quality Education

We offer and stimulate equal access to quality education for our employees and local communities. We focus on lifelong and inclusive learning.



SDG 5 Gender Equality

We advocate for diversity, equity, and inclusion in our operation and beyond, focusing on gender, age, and disability.



SDG 8 Decent Work and Economic Growth

We safeguard a safe work environment and protect human and labour rights. We promote the well-being of our people and provide opportunities for personal and professional development.



SDG 12 Responsible Consumption and Production

We strive to maximise resource efficiency at sea and shore by facilitating environmentally sound vessel management in our diverse portfolio.



SDG 14 Life Below Water

We have a strong environmental protection programme that includes independent on-board environmental audits, comprehensive plans to minimise single-use plastic, and measures to protect biodiversity by complying with biofouling, ballast water regulations and the MARPOL convention.

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OUR ESG GOVERNANCE STRUCTURE

BSM's ESG Governance structure is designed to ensure effective decision-making and transparent reporting. At the core, our Management Board holds the authority to take significant decisions that impact our operations. To maintain alignment and progress, we conduct annual management meetings where Managing Directors synchronise strategic goals with the Management Board. Additionally, our quarterly Management Discussion and Analysis (MDA) reports provide regular updates to shareholders and the board, covering progress across all functions. Recognising the importance of ongoing collaboration, our Senior Leaders engage in monthly calls with our Chief Executive Officer (CEO) to align priorities and address emerging needs promptly.

We share updates with all employees on our strategic direction and achievements via our internal news portals on an ongoing basis.

When it comes to ESG matters, we have established a dedicated ESG team comprising representatives from various core functions and members from around the world. This inclusive approach enables effective monitoring of our ESG progress, with responsibilities shared across BSM's core functions and cascading down to all operational levels. For more information on our overall Governance structure and the people leading our organisation, [visit our website](#).



	ENVIRONMENTAL		SOCIAL				GOVERNANCE		
ESG MATERIAL TOPICS	Emissions & Energy	Waste	Health & Safety	Learning & Development	Diversity, Equity & Inclusion	Employment	Business Ethics	Sustainable Supply Chains	Innovation & Digitalisation
ESG CORE TEAM REPRESENTATIVE	Anil Jacobs	Martin MacMahon	James Joseph	Christina Hadjisterkoti & Manasi Dutt	Irena Kyprianidou & Manasi Dutt	Elena Pantazidou & Manasi Dutt	Rose Andrew	Clara Chan & Marina Ioannidou	Irena Kyprianidou & Anil Jacobs

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OVERVIEW OF OUR ESG STRATEGY

	ENVIRONMENTAL	SOCIAL	GOVERNANCE
COMMITMENTS	We will assist our clients in their fleet’s decarbonisation journey and set ambitious internal goals to accelerate shipping’s decarbonisation by going beyond compliance with IMO’s goals.	We are committed to protect life at sea and at shore, ensure diverse and inclusive workplaces and provide life-long learning opportunities to our employees and local communities.	We are committed to enable the use of sustainable supply chains and ensure zero tolerance to any acts of bribery and corruption across our value chain.
2024 STRATEGIC GOALS	<ul style="list-style-type: none"> All vessels with rating A, B, or C to have a 4% reduction in Carbon Intensity Indicator (CII) compared to 2022 All full-managed vessels to be using electronic record books and electronic logbooks to ensure high quality of data and reduce paper use All offices to be ISO 50001: 2018 certified energy management system, have an effective waste management policy, and maximise the use of renewable energy. 	<ul style="list-style-type: none"> 40% of women in leadership positions 10% reduction of Gender Pay Gap 15% of employees below 35 in managerial roles 100% of employees informed in our DEI agenda Establish learning pathways based on roles and learning styles Complete the first batch of Work Experience Accelerator Graduates 	Select and evaluate suppliers based on rigorous ESG criteria using comprehensive Sustainability Scorecards.
ESG MATERIAL TOPICS	Emissions & Energy Waste	Health & Safety Learning & Development Diversity, Equity & Inclusion Employment	Business Ethics Sustainable Supply Chains Innovation & Digitalisation
KEY SUSTAINABLE DEVELOPMENT GOALS (SDGS)	 	  	 

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1.3 STAKEHOLDER ENGAGEMENT

Engaging with stakeholders is crucial for our company's success. We prioritise building relationships with both internal and external stakeholders because we understand the importance of their perspectives and expectations. Through various forms of regular engagement, we stay informed about their needs and aspirations. We stay connected with our stakeholders by offering multiple communication channels and feedback mechanisms that they may use to voice their needs.

Table 1: Information regarding the methods and frequency of engaging with our key internal and external stakeholders.

STAKEHOLDER GROUP	SIGNIFICANCE	ENGAGEMENT METHOD	FREQUENCY
Shareholders & Employees (Shore and Sea)	Our employees are at the core of our values and essential to BSM's success. They provide valuable knowledge, expertise, and foster BSM's open culture.	Telephone/Emails/Management Team Meetings/Virtual meetings	Continuous
		Materiality Assessment Questionnaire	Bi-annual – for ESG reporting purposes, the following is scheduled for mid-2024
		BSM Sofa: discussion panel in MS Teams	Irregular – in important dates
		Seafarers Blog	Irregular – in important dates
		Seafarers Surveys	Irregular
		360° Survey	Annually – only for Managers and Directors
		360° Feedback Exercise	Irregular
		Employee Satisfaction Survey (ESS)	Annual – end of the year
		Appraisal Meeting	Twice per year – mid and end of the year
		Exit Interview feedback	Irregular
		Culture Survey	In 2021 – as part of the Corporate Culture Project (p.29)
		Safety Culture Survey	In 2021 – as part of the Safety Culture Project (p.43)
One-on-one Meetings with HR/Line-Managers	Irregular		

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STAKEHOLDER GROUP	SIGNIFICANCE	ENGAGEMENT METHOD	FREQUENCY
Shareholders & Employees (Shore and Sea)		Ask Me Anything Panel Discussions (AMA)	Irregular
		Fleet Leaders Meeting	Annual – to communicate company’s strategy to our seafaring community (p.75)
		Seafarers Leadership Seminars	Monthly
		Everyday Feedback	Irregular
Suppliers	Smooth cooperation with our suppliers is necessary to ensure the high quality of our services and our customers’ satisfaction.	Webinars	Irregular
		Physical Events	Irregular
		Telephone/Emails	Continuous
		Online or Physical Meetings	Irregular
Customers	BSM’s mission is to “...enable our business partners to achieve their objectives...”. Therefore, understanding their needs, expectations and vision is crucial.	Telephone/Email	Continuous
		One-on-one Meetings	Quarterly

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STAKEHOLDER GROUP	SIGNIFICANCE	ENGAGEMENT METHOD	FREQUENCY
Competitors	Investigating the current state and ambitions of our competitors help us maintain our competitive advantage and find opportunities for collaboration.	Participation in key industry events	Irregular
		Memberships and Subscriptions in several forums and working groups	Irregular - Appendix 3 provides an overview of all membership and subscriptions
		Partnerships	Irregular
Trade Associations	Memberships and Subscriptions in several forums and working groups.	Memberships and Subscriptions in several forums and working groups	Irregular
		Social Media Platforms	Regular
NGOs	NGOs offer partnership possibilities for a variety of environmental and social activities. They reflect the society's expectations.	Social Media Platforms	Regular
		Memberships and Subscriptions in several forums and working groups	Irregular
		Partnerships and sponsorships as part of our Corporate Social Responsibility (CSR)	Irregular – for example SOS Children's Village (p. 34), Treedom (p. 53) and several local NGOs.
Government Bodies	Shipping is highly regulated both on a national and international level by government bodies. BSM must comply with all relevant legislation on behalf of its customers and in locations where we have offices.	Internal and external audits	Regular
		Internal Legal Team and Business Audit Department	Continuous monitoring of regulatory landscape (p.61)

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Partnerships & Collaborations

We actively seek opportunities to work with industry experts and explore cooperation possibilities.

In shaping the future of sustainable shipping, we prioritise strong partnerships and collaborations. We actively seek opportunities to work with industry experts and explore cooperation possibilities.

We have 84 subscriptions and memberships to remain in line with continuously changing regulations, affecting our strategy and performance. For example, we provide feedback and consultation in working groups such as BIMCO, Intertanko, Maritime Anti-Corruption Network, SIGTTO, and many more (Read More in Appendix 3).

On March 2022, BSM's Chief Digital Officer (CDO), Sankar Ragavan and BSM Singapore's Managing Director, Capt. Raymond Peter joined the 37th CMA Shipping Expo & Conference in Connecticut, USA. The conference's theme was "re-emerge, re-invent, re-engage", and showcased leading technology, software solutions, and sustainable supply chain options, to list a few.

The conference brought the maritime industry together and enabled the exchange of a broad spectrum of views from the industry's leading minds: ship owners, ship managers, class societies, flag regulators, charterers, fuel providers, and technology providers.

At this year's conference, our representatives focused on building new connections and maintaining trusted relationships with ship owners, charterers, and partners. We discussed various business opportunities and best practices related to digitalisation, safety, and cross-industry collaboration to optimise our customers' business performance through advanced technologies.

Collaboration is paramount in achieving a sustainable industry, and throughout this report, we highlighted critical partnerships formed in 2022 that have played a vital role in shaping our sustainability journey.



Sankar Ragavan, BSM's CDO (centre) and Captain Raymond Peter, Managing Director BSM Singapore (second from right) during the CMA Shipping Expo & Conference.

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OUR PEOPLE - OUR CORE

BSM's success is built on the success of its people. Therefore, empowering their personal and professional growth is our greatest motivator. We aim to maintain a safe, inclusive and open workplace where everyone feels respected and can reach their fullest potential.

We are proud of our Human Resources (HR) teams, who work closely with all BSM employees to ensure the best possible work experience. From recruitment and onboarding to professional development, we are committed to supporting our passionate professionals. The HR teams act as our company's guardians, protecting our values and ensuring safe and efficient ways of working. They gather regular feedback from our stakeholders to confirm that we offer the latest tools, technologies, and welfare resources.

In today's fast-paced world, innovation and digitalisation are key growth drivers. We strive to remain at the forefront of technological advancements to generate new opportunities for our customers, employees, and local communities.

Our ongoing strategic commitment to attractive employment practices, equitable and inclusive culture, people development, and high health and safety standards is outlined in detail in our ESG Sustainability Report for 2020 (p.23-24) and 2021 (p.19-27).

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2.1 EMPLOYMENT PRACTICES

With a full-managed fleet of over 650 vessels registered in over 20 countries, we provide employment opportunities to around 25,000 seafarers and 2,000 shore employees. We prioritise fair, equal, and uplifting working conditions that ensure every individual can grow personally and professionally. An essential part of our commitment to our employees is protecting their well-being through policy, delivering training and awareness sessions, offering support resources, and establishing frequent feedback so we can track needs as they arise. This has made BSM a great place to work with a consistent retention rate and a growing community of professionals, as outlined in Appendices 4 and 5.

COMING TOGETHER IN THE FACE OF ADVERSITY

The past three years have presented significant challenges for our company, employees, and the broader global community. The COVID-19 pandemic disrupted daily life and business operations, creating a constantly changing landscape of regulations, workload, and delays. More recently, the 2022 Russia-Ukraine conflict and the ensuing energy crisis have caused further instability and uncertainty worldwide.

Through all these adversities, BSM has developed various initiatives to provide our employees with the necessary resources and support, including mental health and well-being programmes, flexible work arrangements, and financial assistance. We remain committed to strengthening our employees and ensuring their continued success, even in challenging circumstances.

Remaining close to our people in Ukraine

In response to the crisis in Ukraine, BSM swiftly activated a crisis response programme to provide care and support to our Ukrainian seafarers and shore staff's families. Our BSM companies, shareholders, and employees collectively contributed to the fund and raised USD 230,000.

The funds were primarily used to relocate families out of battle-torn areas. We formed dedicated Refugee Relocation Committees in Romania, Poland, Bulgaria, Germany, Greece, United Kingdom (UK), and Cyprus, ensuring that fleeing families had the resources to reach a safe destination. The Committees covered relocation costs, including temporary housing, monthly allowances for daily expenses, and other necessities. They also supported refugees with finding long-term accommodation and access to social welfare facilities offered by the host countries. Relocating families was only the first step in securing the safety of our broader BSM community members. Once settled, BSM also assisted displaced family members in finding new employment, children to enrol in local schools, and sessions with mental health professionals. In total, 500 people of all ages, were evacuated from the war zone and relocated to a safe country of their choosing within the EU.

To ensure the well-being of our Ukrainian seafarers, we provided flexibility in extending their employment onboard or returning home early according to their needs. We helped seafarers repatriate in various countries where their families relocated and approved 107 cash advances for seafarers in challenging financial situations due to the war. Additionally, we supported our shore staff in Odessa by offering access to our Mental Health Support programme and fully remote work arrangements to ensure their safety at home with their families during these challenging times.



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Responding to the Economic Crisis

BSM has always prioritised protecting our employees' human and labour rights through a fair and objective reward system and competitive salaries based on sector-specific benchmarking. In 2022, we updated our compensation and benefits packages due to the transformative impact of the Ukraine-Russia conflict on the world's economy and geopolitical status. To counterbalance the effects on our people, we provided additional benefits such as an extra one-time bonus scheme and office meals in prominent office locations. We also adjusted the salaries of highly impacted regions and rankings and are working on an updated role-specific salary benchmarking system.

We offer flexible work arrangements to our employees, which are determined by their team leaders' discretion. Remote and flexible work brings various benefits to our employees, providing them with better work-life balance. This setup allows them to work from any location, saving time and money on commuting. The freedom to choose their work environment nurtures creativity and job satisfaction. It also contributes to reduced stress and improved well-being.

Currently, we have 73 fully remote employees, primarily located in India and the Philippines. We recently published a Remote Work Policy to ensure fair treatment and consistent management between onsite and remote workers. We have also introduced a comprehensive onboarding programme to facilitate remote workers' seamless integration into our company's culture and procedures.

In 2023, all our managers will participate in remote work management training to equip them with the necessary skills and knowledge to effectively manage a remote workforce. This training will further enhance our commitment to supporting our employees' success in remote work arrangements.

Please refer to our ESG Report 2020 on page 38 to learn more about our employee benefits and initiatives.



FOOD SUPPLIES DURING SHANGHAI'S LOCKDOWN

During the COVID-19 pandemic in 2022, the city of Shanghai experienced a surge in cases that led to a complete lockdown for two months. The lockdown meant that residents could not leave their homes even for essential food shopping, and online orders could not be fulfilled due to a system-wide collapse, causing many to run out of food supplies.

At BSM, we were concerned about the well-being of our local staff and took immediate action to support them. A group of BSM volunteers organised the delivery of critical food packages to our local colleagues stuck at home, providing much-needed assistance during this challenging time. Within three days, a total of 132 co-workers received a package, thanks to the initiative and efforts of Schulte Group China and Everise Shipping Service Shanghai.

"Proud and Appreciate. Proud to be a member of the BSM family and appreciate the enormous contribution made by fellow colleagues. It's hard to believe this city came to a standstill. But we strongly believe in one BSM sticking together and making us stronger than ever."

-Krzysztof Kozdron, Managing Director of Schulte Marine Concept (S.M.C.)

"We are very proud of being BSMers and feel grateful for the luxurious food packages in these extremely tough times. These packages are not only food, but also warmth, care, and love."

-Billy Fang, Director of CSC China

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EMPLOYEE AND MANAGEMENT RELATIONS

We are committed to building constructive employee relations characterised by open communication, mutual respect, and trust. About 75% of BSM seafarers sail on vessels covered by Collective Bargaining Agreements (CBAs), which define the working conditions of seafarers onboard and specify the provisions for consultation and negotiation, including notice periods. For seafarers not covered by CBAs, we meet and exceed mandatory legal requirements and many CBA provisions through our Seafarers' Employment Agreements (SEA).

In the past year, we focused on identifying and shaping the behaviours that define the work environment at BSM. We conducted a dedicated survey to observe patterns in the workplace and compared the results with national cultural norms to identify areas for improvement. The survey results were positive, indicating that our BSM community is characterised by openness, professionalism, and a desire for continuous learning and growth.

To cultivate and maintain this level of openness, our team leaders adhere to an open-door policy, encourage continuous feedback using our appraisal tools, undergo communication and empathetic leadership training, and periodic evaluations through 360 assessments. This ensures they continually hone their skills and excel in managing employee relations.

In a positive work culture, it is inevitable that grievances may arise, but we are committed to promptly addressing them, ensuring a fair process where both sides are heard, learning from any mistakes, and implementing corrective and preventive actions in line with our Speak Up Policy. In 2022, we received 50 grievances that were mostly processed by our Fleet Personnel Managers.

Our frontline anonymous reporting tool has proven effective, and we remain committed to providing prompt responses to all grievances and protecting the reporter's anonymity to foster a culture of trust among our employees.

We follow a comprehensive Management of Change (MOC) process to minimise resistance and increase employees' buy-in. Our company's MOC process is designed to ensure that any changes we make are well-planned and executed and that the benefits outweigh the risks. We begin by identifying the consequences associated with the change and setting acceptable control measures to mitigate the risks. We also establish success criteria and deliverables to measure the effectiveness of the change. We use pilot projects to test and receive feedback before the final roll-out. Finally, we ensure employees have the necessary resources and knowledge to adapt, and we communicate changes effectively through leaders and internal communication campaigns.



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ASK ME ANYTHING SESSIONS

At BSM, we prioritise fostering a culture of transparency and collaboration where our employees feel informed and engaged. To achieve this, we have been organising Ask Me Anything (AMA) sessions with our leadership teams since 2018, covering a variety of topics such as our company's performance and strategy, behaviours and practices that define a strong company culture, as well as clarifying the roles and accountabilities of various departments.

Before each AMA session, we encourage our employees to submit questions to broaden their understanding and alleviate any concerns. In 2022, we held a highly successful AMA session featuring our CEO, Ian Beveridge, focused on our strategy. Over 500 employees participated in the live session to learn about BSM's advances in alternative fuels and propulsion systems, the latest crew planning tools, and our commitment to ensuring a healthy work-life balance for our employees.

These AMA sessions have been an instrumental tool in fostering a more open and collaborative work environment where employees feel heard and valued. As we continue to prioritise transparency and engagement, we look forward to hosting more AMA sessions in the future.



FLEET LEADERS MEETINGS 2022

Listening to the needs and feedback of our seafaring community is key to our company's success. Our annual Fleet Leaders Meetings (FLMs) aim to bring seafarers and shore staff together to discuss various topics, including the company's strategic goals, technological advancements and their effects on seafarers' lives, and inclusive culture at sea and shore, to list a few.

In 2022, we held 14 virtual and physical FLMs with 1,224 participants (16% higher participation than last year's events). A great example was the two-days event organised by our CSC office in India, Kochi. It was the first in-person event with our seafarers since the COVID-19 outbreak.

Lively discussions and Q&A sessions concluded each day of the event. Seafarers had the opportunity to discuss with the Fleet Performance and Software Development teams they work with while at sea. We celebrated our seafarers' achievements and awarded 14 devoted Officers with the BSM Long Service Awards for 10, 20 and 30 years with our company.

We will continue to promote and increase participation in our annual FLMs as they have served as an excellent communication tool to ensure continuous feedback loops between sea and shore and a well-informed and confident workforce at sea.

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2.2 CULTIVATING A CULTURE OF BELONGING

At BSM, we are committed to fostering a culture of belonging where all employees feel welcomed, valued, and encouraged to be their authentic selves. We recognise that Diversity, Equity, and Inclusion (DEI) are essential to creating a thriving and innovative workplace.

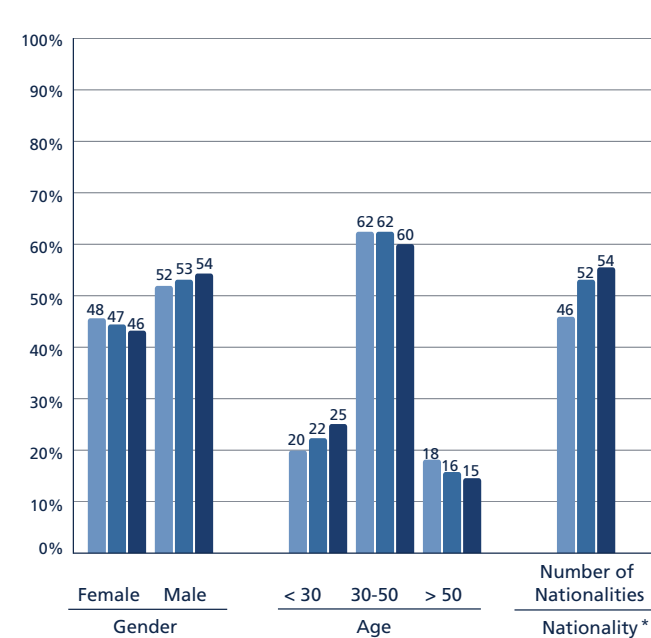
To achieve this, we ensure that equity and diversity are embedded in all aspects of our employees' lifecycle, from recruitment and onboarding to professional development and career growth. We monitor and maintain the equal representation of gender, age, and nationality across our workforce, and we empower our leaders to proactively endorse and support our DEI policy using inclusive management approaches.

Listening to our employees is essential for improving our DEI strategy. Based on their suggestions in our 2022 Employee Satisfaction Survey (ESS), we will develop more awareness campaigns and employee engagement activities, enhance our diversity and leadership training, and make our policies and procedures more inclusive.

We have set ambitious DEI strategic goals for 2024, including increasing the representation of women in leadership positions to 40%, reducing the gender pay gap by 10%, and having 15% of employees below 35 years old in managerial roles. Additionally, we aim to ensure that 100% of our employees are informed about our DEI agenda and that all employees in managerial and recruitment positions are trained on DEI topics. We believe achieving these goals will help us create a more diverse, equitable, and inclusive workplace where all employees can thrive.

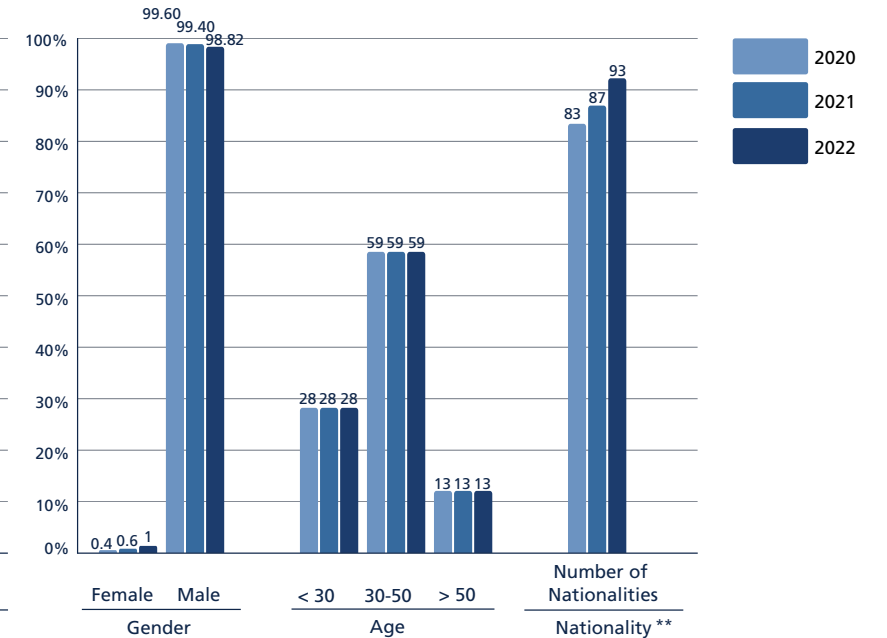
A further breakdown of diversity by position at sea and shore is provided in the appendices 6 and 7.

DIVERSITY AT SHORE



*Top ten nationalities at shore are Indian, Filipino, German, Cypriot, Chinese, Greek, Singaporean, British, Hongkongers, Russian.

DIVERSITY AT SEA



**Top ten nationalities at sea are Filipino, Indian, Russian, Ukrainian, Chinese, Indonesian, Burmese, Polish, Ghanaian and Croatian.

AMPLIFYING OUR IMPACT THROUGH PARTNERSHIPS

At BSM, we seek opportunities to join forces with other industry leaders to accelerate and amplify our efforts, exchange knowledge and best practices, and enhance our reach and influence.

Diversity Study Group

Since 2021, BSM has been an active member of the Diversity Study Group (DSG), the first organisation dedicated to promoting DEI in the workplace across the maritime industry. As a DSG member, we provide valuable data to help build a reliable industry benchmark and track DEI performance progress. We use our network to create learning opportunities for our people, such as coaching sessions for our female leaders conducted by DEI experts from our fellow DSG-member companies.

One of the most prominent topics discussed during DSG networking sessions in 2022 was how companies could cultivate employees' trust to share their special needs, whether hidden or unhidden. It was alarming that in the annual DSG survey, only 4.2% of respondents shared that they had a disability. The low percentage might signify a lack of trust in sharing such information or understanding of what disability means.

To break the biases, BSM established the Special Request Form, designed to allow our people to ask for specialised equipment, workspace modifications, and adjustments to work schedules or responsibilities. All information collected via the form remains confidential and accessible only to the HR team. The purpose is to ensure our people have the resources they need to reach their full potential.



All Aboard Alliance

In 2020, our CEO Ian Beveridge and other industry executives supported the foundation of the All Aboard Alliance. The Alliance aims to unite senior leaders across the maritime industry to collaboratively accelerate DEI efforts at sea and shore. BSM officially joined the Alliance in 2022 and committed to the following;

- Continuously sponsoring DEI
- Equipping and educating people to understand their role in fostering an inclusive workplace
- Creating and maintaining a culture of equity and belonging
- Capturing data and developing insights to evaluate and communicate progress externally annually

We have completed our first self-assessment indicating our achievements in 2022 and shared our priorities for 2023 with our Alliance network.



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EMPOWERING WOMEN AT SEA AND SHORE

As a company committed to diversity and inclusion, we are dedicated to attracting, retaining, and developing female talent in the maritime sector. We recognise that women remain underrepresented in the global maritime community, with only 2% of female seafarers and limited representation of female leaders at shore. However, we also see the potential of the untapped talent pool of women obtaining maritime education and training.

Women in Leadership

BSM has an equal number of male and female employees, but the gender gap becomes more prominent as we climb the leadership ladder. The underrepresentation of women leaders resulted in a company-wide gender pay gap of 58% (a stable figure compared to 2021). Positively, the analysis demonstrated equal pay when considering the employee's years of service, job grade, performance, and location.

To close the gap, we are working towards achieving 40% of women at the managerial level by 2024 by breaking potential barriers to women's career progression. We offer equal opportunities for training and development, including our High Potential (HiPo) Accelerator Programme, which aims to fast-track the development of select high-potential employees.

Our performance review and hiring processes are based on explicit and impartial evaluation criteria. Further, we actively work with our managers to identify and break unconscious biases. In 2022, we delivered DEI workshops to 270 employees in managerial and recruitment roles, encouraging discussion around equity and inclusion, challenging behaviours that go against our values, and each person's role in creating an inclusive workplace where everyone feels valued, respected, and heard.

We have received exceptional feedback and aim to host a second round of DEI training for another 570 colleagues in 2023. As we cultivate the right culture from the outset of an employee's journey with BSM, we will create a digital version of the training programme for all new joiners during their onboarding.

We spotlight female professionals in our internal and external communication channels to shift mindsets about our industry and inspire young women to follow a career in shipping. Driven by their passion for accelerating equity and inclusion in shipping, men, and women across our organisation act as change agents that design and implement DEI awareness initiatives.



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Expanding the Pool of Female Seafarers

BSM is thrilled of the increasing number of female seafarers, reaching 304 women onboard our vessels in 2022, a 150% increase compared to 2020. Additionally, we welcomed 20 female cadets into our BSM Cadet Programme in 2022, offering them the opportunity to develop into the seafarer leaders of tomorrow. To learn more about our Cadet Programme, please see page 32.

In 2023, we will work on establishing inclusive practices onboard our managed vessels, such as accessibility to feminine hygiene products, pregnancy tests and emergency contraception measures, and tailor-made personal protective equipment suitable for females. Finally, we will review and enhance our manuals to address matters that may impact women seafarers on board our ships.

"It is certainly challenging to be the only woman onboard. The first and main challenge that a woman may face onboard is the acceptance by the rest of the crew... On the other hand, I would like to mention that up to now during my sea service I have met very nice people, open-minded, who have genuinely tried to encourage me, guide me through the hardships of this profession and I am grateful to those people. While onboard, as the only female, sometimes I had experienced loneliness but in some other occasions, crew was very friendly."

– Anna Adamou, Graduate of the BSM Cadet Programme, 3rd Officer

FOCUSING ON EMPLOYEES ENGAGEMENT

The employees' awareness of our company's DEI policies and plans has increased, reaching 64% at the end of the year. We achieved this through a comprehensive awareness strategy, including informative communication campaigns, several employee engagement activities, and webinars on creating an inclusive culture.

Every year, we organise various global activities to unite our people worldwide, celebrate their unique talents, and encourage them to protect their physical and emotional well-being.

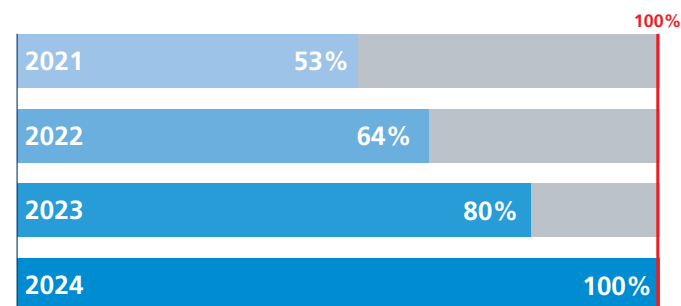
For example, around 600 employees participated in our monthly Mental Health Support webinars, while over 900 employees took part in our virtual and physical activities, including our annual step challenge, photo competition, seafarers' food challenge, and locally organised tree planting and community clean-up events.

In 2023, we will pilot an employee pulse survey tool to move away from annual employee satisfaction surveys and ensure continuous monitoring of our employees' well-being and cater to their unique needs.

To leverage the creativity and passion of our people, we launched the Employees for Inclusion (Efi) initiative, inviting employees to form peer-managed and self-determining groups to advocate for DEI areas of their interest. These groups can create awareness campaigns, propose new internal policies or programmes, and build stronger partnerships with external actors to help accelerate our DEI journey. In 2022, we saw the formation of the first Efi group, which hosted several cultural and disability awareness campaigns. We will continue to encourage and incentivise the development of more Efi groups, cultivating our DEI culture and bringing employees closer together.

The BSM HR Manual guides the HR teams on inclusive practices when organising activities for the staff, such as considering religious or other dietary restrictions or accessibility requirements. Our global activities allow employees to learn about different national cultures, exchange knowledge and resources while having fun, contributing to good causes, and promoting diversity and inclusion.

Level of Employee Awareness on BSM's DEI Agenda



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2.3 GROWTH AND DEVELOPMENT

BSM is a learning organisation that strives to keep its people's knowledge up to date with advanced training and diverse experiences. We offer multiple growth opportunities based on the employee's role, development goals, personal interests and company needs.

GLOBAL ONBOARDING PROGRAMME

We recognise the importance of investing in our employees' advancement at the early stages of their careers. Our global onboarding programme supports new joiners to grow into shipping professionals nurtured with BSM's values. It comprises digital, self-paced courses and virtual classroom sessions with global trainers. While it introduces the company's history, values, and structure, it also provides a deep dive into our tools and processes to ensure fast assimilation and adaptation. Our buddy system ensures that each new joiner receives ongoing support and guidance from a dedicated colleague on the day-to-day activities, procedures and policies of the department and the company.

In 2023, we will kick off a one-week live event called "The Crew". It will serve as a forum for all new joiners globally to meet and greet with senior management representatives, network with employees from different departments and locations, and enjoy fun and interactive training sessions on self-development in a metaverse environment called "Gather Town".

Table 2: Number of trainings delivered to BSM employees in 2022 and the Learning and Development (L&D) based on the ESS.

	External	Internal	Total	Satisfaction on L&D
2021	600	244	844	74%
2022	782	382	1164	77%

BSM'S TRAINING STRUCTURE

Identifying the necessary knowledge and core competencies required to perform in a specific role is crucial for designing appropriate training programmes, accurate and fair performance evaluation processes, and effective workforce and career planning.

We implement a comprehensive training programme to secure our employees' work licences and compliance with International Standardisation Organisation (ISO) and company-specific requirements. BSM employees complete mandatory training according to the job-specific training matrices to proactively acquire essential skills for their roles. In addition, we support them in setting annual development goals and cover the costs for external training, seminars, and conferences that help elevate their proficiency levels and reach their career aspirations.

Our dedicated Learning Management System (LMS) provides tailored, job-specific learning opportunities that cater to our employees' diverse job roles and backgrounds. It is a cost-effective solution for enhancing the capabilities of our workforce while promoting knowledge sharing across multiple departments. It offers 19 course categories covering soft and technical skills, such as effective people management, conflict resolution, anti-bribery, and corruption awareness, and more. Additionally, "How-To" video tutorials effectively guide staff using our ERP software, covering multiple ship management processes like crewing, purchasing, and accounting.

To ensure effective and engaging training experiences, we consistently evaluate and enhance the functionalities of our LMS. Our efforts include integrating multimedia content support, gamification techniques, and hands-on assessments, enabling interactive and dynamic learning sessions. Looking ahead, we aim to incorporate the rising AI capabilities to enhance the learning experience further.

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Orbit Learning

The Orbit Learning is our suite of customised educational programmes that focuses on developing employees' soft and technical skills and overall knowledge of the company (see more on ESG Report 2020, p. 44).

In 2022, we expanded the Orbit by adding the Work Experience Accelerator Programme (WEA). The programme will start in 2023, with the first 22 fresh graduates across nine locations. This 17-month paid internship offers the opportunity to rotate in various ship-management departments and, if interested, receive training in our MTCs and gain sailing experience onboard our managed fleet. The participants are mentored by BSM leaders and receive regular and constructive feedback on their productivity, engagement, and work ethics to grow into exceptional professionals.

We are also proud to launch the third BSM's High Potential Accelerator Programme (HiPo) round in December 2022 with 28 participants, the biggest group of participants so far. HiPo invites high-potential employees to participate in a two-year development journey on people and business skills. The programme resulted in one innovative business idea that is currently profit-making, and 84% HiPo graduates were promoted to more advanced positions within two years of completing the programme.

We are committed to delivering high-quality Orbit programmes that help our people reach their full potential.



Our latest group of HiPos during their first training sessions in Cyprus.



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Tailor-made Learning Journeys and Career Paths

As the labour market welcomes a new generation, there is a growing trend where employees are increasingly seeking career paths that offer fresh experiences, skill development, and diverse opportunities, causing the traditional concept of lateral progression to diminish¹.

At the same time, an enriched career portfolio can help companies tackle global attraction and retention challenges. 94% of the 4,000 respondents in a recent survey by LinkedIn said they would stay longer with their employer if career development pathways are offered².

In 2022, we analysed job roles in seven departments to enhance our skills and competencies framework. We considered the current accountability profiles, the required years of work experience, the emerging industry trends, and essential skillset. Job roles were categorised into four clusters based on qualifications (from generalist to specialist) and competencies (from normative to complex). The clustering allowed us to identify potential employee movements across various job roles and departments and the knowledge required for lateral and horizontal career progression. Our objective is to provide BSM employees with increased employment opportunities within our organisation. This not only supports their professional advancement but also helps us retain our talented workforce.

We currently design career paths with tailored courses, lessons, and practical exercises to proactively cultivate our employees' transferable skills, expand their professional networks, and enhance their education. This project will foster our employees' motivation, productivity, and job satisfaction and support a fair promotion system rooted in predefined knowledge development goals.

Further, we identified the preferred learning styles of our workforce to ensure that our training programmes cater to diverse needs. We are committed to providing equal opportunities for learning and development across all roles and levels within the company.

1 [Employees are done climbing ladders - It's time for the career portfolio. Forbes, 2023.](#)

2 [2018 Workplace Learning Report, Linked in 2018.](#)

By the end of 2023, we will finalise each career path's learning plan and establish accreditation requirements and a reward system in collaboration with prestigious universities in our local communities.



VESSEL MANAGER PROJECT

In 2021, we launched the Vessel Manager position in select fleets of our Singapore and India SMCs. Vessel Manager is a career progression path for our marine and technical superintendents as it combines technical and marine skills for a holistic overview of vessel operations. Following the 18-month pilot with six volunteers, we will run pilot phase two, where two superintendents will act as vessel managers for one vessel for six months.

During this period, the technical superintendent will receive external certified training on navigation and the marine superintendent on the engine. They will be guided and supported by a current BSM Fleet Manager who oversees the operations of 15 vessels in our current fleet. We will also integrate the new role in our organisation structure to ensure proper allocation of accountabilities to deliver higher calibre future middle management.

We are committed to providing unique opportunities for growth and innovative career paths that fulfil our people's aspirations and benefit our overall organisation structure and profitability.

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SEAFARERS TRAINING

Maritime Training Centres

BSM delivers high-quality training to our pool of internal seafarers and beyond through our dedicated Maritime Training Centres (MTCs). We regularly provide a variety of training courses remotely or physically in China, India, Cyprus, and the Philippines. Where possible, we also offer bespoke training programmes tailored to our seafarers' specific needs and requirements.

Our MTCs are externally accredited to ISO 9001 Quality Standards. By offering verified and certified training, we ensure that all our courses meet and exceed the requirements of the Standards of Training, Certification and Watchkeeping (STCW). We cover various topics, including Deck and Navigation, Engineering and Electrotechnical, Oil and Gas, and Cargo Management.

We prioritise the development of new training programmes in response to emerging regulations and industry adaptation measures. With increasing LNG and LNG-fuelled vessels being ordered and delivered in the coming years, we recognise the urgent need for a proficient and extensively trained pool of seafarers capable of efficiently managing these ships. Our MTCs offer basic and advanced LNG courses that adhere to industry standards to meet this demand. Specifically, our MTC in Cyprus has an in-house developed Liquid Cargo Simulator training facility that provides immersive training experience on various LNG and LNG-fuelled vessels.

In addition, the IMO decarbonisation goals, and related regulations have increased the demand for an in-depth understanding of vessel performance management. To this end, we piloted a newly developed Vessel Performance and Decarbonisation course in 2022, which takes a holistic approach to maritime decarbonisation by considering regulatory, social, environmental, technological, and economic challenges. This two-day course aims to help our crew understand vessel performance Key Performance Indicators (KPIs), the importance of high-quality reporting for proper performance monitoring and commercial viability, and the impact of vessel equipment on energy efficiency. Additionally, it clarifies the crew's responsibility in improving energy efficiency and highlights the support available

from onshore staff and BSM's dedicated digital tools. As of March 2023, we have completed ten batches of this training programme.

Our efforts in recruitment, training, and retention have been recognised by the IMO's Secretary-General Kitack Lim, who visited our office in Hamburg and congratulated our initiatives in these areas. We take great pride in modernising our MTCs, allowing complete remote learning and creating a LNG-training hub in Cyprus. We will continue empowering the seafaring community with advanced training, as it is essential for safe and successful maritime operations worldwide.

Table 3: An overview of our annual training delivery statistics by the MTCs

MTC	BSM	External	Total	BSM Attended	External Attended
Cyprus	521	25	546	5,962	172
India	668	16	684	6,538	75
China	505	2	507	2,526	10
Philippines	656	26	682	6,504	161
Poland	14	0	14	52	0
TOTAL 2022	1,696	53	1,749	15,044	343
2021	2142	140	2,282	18,498	1
2020	1156	150	1,306	7,730	18
2019	863	208	1,071	4,766	25
2018	964	172	1,136	5,146	14

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Smart Competence Management System

BSM continuously develops its advanced Competence Management System (CMS) for seafarers, moving forward from traditional computer-based training to interactive and practical learning, ongoing feedback, and mentoring. By analysing the tasks performed by our seafarers during their time onboard, we can establish specific competencies tailored to their rank and vessel type. We have already created over 230 core competencies for both deck and engine departments, applicable to various ship types, and this number is steadily increasing.

Implementing the CMS will bring forth a more equitable appraisal process and provide meaningful end-of-contract comments supported by comprehensive information and quantitative data. To facilitate this, we are developing a seafarer competence page featuring detailed and interactive elements, including enhanced graphical data and precise completion metrics. Through this page, seafarers will have transparent access to information regarding their competency gaps and be able to monitor their progress, fostering their preparedness for future promotions.

Moreover, the CMS will seamlessly integrate with all critical modules of our ERP tool, offering convenient links to relevant computer-based courses, internal articles, and other applicable training materials. We anticipate the first release of CMS in early 2024, followed by ongoing development efforts to achieve a high level of automation within the system.



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Cadet Programme

BSM's Cadet Programme is a comprehensive in-house initiative designed to develop and nurture loyal junior officers with a deep understanding of our company's systems. Our three-month pre-sea cadet foundation course focuses on developing cultural, behavioural, vocational, and technical skills, with course content including cultural awareness, emergency leadership, and navigation and engine simulator training.

Over the past five years, we have recruited over 2000 cadets from 50 countries and remain committed to expanding our reach. In 2022, we welcomed cadets from new locations such as Georgia, Korea, Chile, Costa Rica, and Egypt to our Cadet Programme in Cyprus, and we continue to establish partnerships with local universities to broaden our reach.

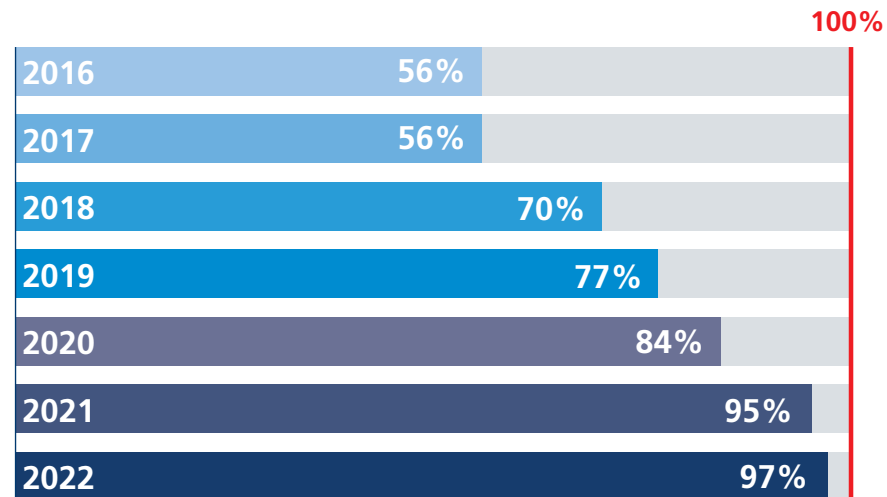
For example, in 2022, we signed a Memorandum of Understanding (MoU) with the Maritime Academy in Alexandria, Egypt. Our BSM representatives are members of the academy board, offering their expertise and insights to help prepare the next generation of Egyptian cadets to succeed in a rapidly evolving industry.

In 2022, our Cadet Programme delivered promising results, including a 9% increase in cadet intake, a record high of 404 new joiners, with an exceptional retention rate of 97.3%. We also successfully enrolled 5% female cadets and noted Ghana as the second location with the highest cadet intake.

We offer a complete career path to all successful graduates who aspire to become senior seafarers in the future. We recorded 623 internal promotions of seafarers who completed the Programme, with 75% of promotions to 3rd officers and 4th Engineers being BSM Cadet Programme graduates.

Looking ahead, we aim to continue diversifying our pool of seafarers and have set the goals to double the intake of female cadets and promote the programme to Turkish seafarers in 2023. BSM is committed to nurturing and uplifting our future seafarers, ensuring vessels' safe and successful operation worldwide.

BSM Cadet Programme Retention Rate



Building Strong Partnerships with Universities

We build strong relationships with local universities to improve our students' quality of education and subsequent employability. For example, we have a long-term collaboration with the Regional Maritime University (RMU) in Ghana to offer combined shore and sea-based training and increase career opportunities for the younger African population.

The RMU has granted a long-term lease to BSM for one acre of land within the RMU campus to establish a MTC. We have already invested in a new CSC facility within the campus to increase the number of RMU graduates undergoing shipboard training onboard BSM vessels. In 2022, we employed 445 seafarers and aim to increase our intake of new talent from Africa to 1,000 by 2025.

Moreover, BSM entered a cooperation with the Korea Institute of Maritime and Fisheries Technologies (KIMFT), a maritime education and research institute operated by the government of South Korea. The strategic collaboration marks the first step in recognising the mutual interests in seafarers' entry into the global shipping market. It aims to promote the career development and training of young Korean seafarers. As part of the project, KIMFT selected 17 Korean seafarers with various backgrounds and experience in multiple types of vessels, including senior women seafarers. They completed their five-week training at MTC Cyprus following a five-week training programme in Korea.

MTC Cyprus created a tailor-made training programme including BSM-specific professional knowledge and skills utilising the latest simulators and teaching facilities while providing cultural awareness, soft skills, leadership, and management skills. The unique facilities at MTC Cyprus simulate life onboard a vessel with on-campus cabins, galley and messroom while taking advantage of various cultures with instructors from five European countries. Through the training process, BSM aims to provide Korean seafarers with an opportunity to experience the work environment in a multicultural set-up onboard BSM-managed vessel.

This close cooperation is just one component in BSM's commitment to expanding the source markets of future highly qualified BSM seafarers.



"Some courses, such as communication skills, mental health and teaching methodology, were completely foreign to me; they were fascinating, though, and I think they will be useful to me throughout my life at sea. I am delighted to be able to participate in these educational programs and to experience such an advanced and well-organised system. BSM seemed to have a strong interest in its people, which was impressive. I believe it makes BSM more attractive to seafarers. Last but not least, I want to express my gratitude for all the support I have received at MTC, not just in the class but also in the leisure and living areas."

– Suhyeon Lee, Chief Mate

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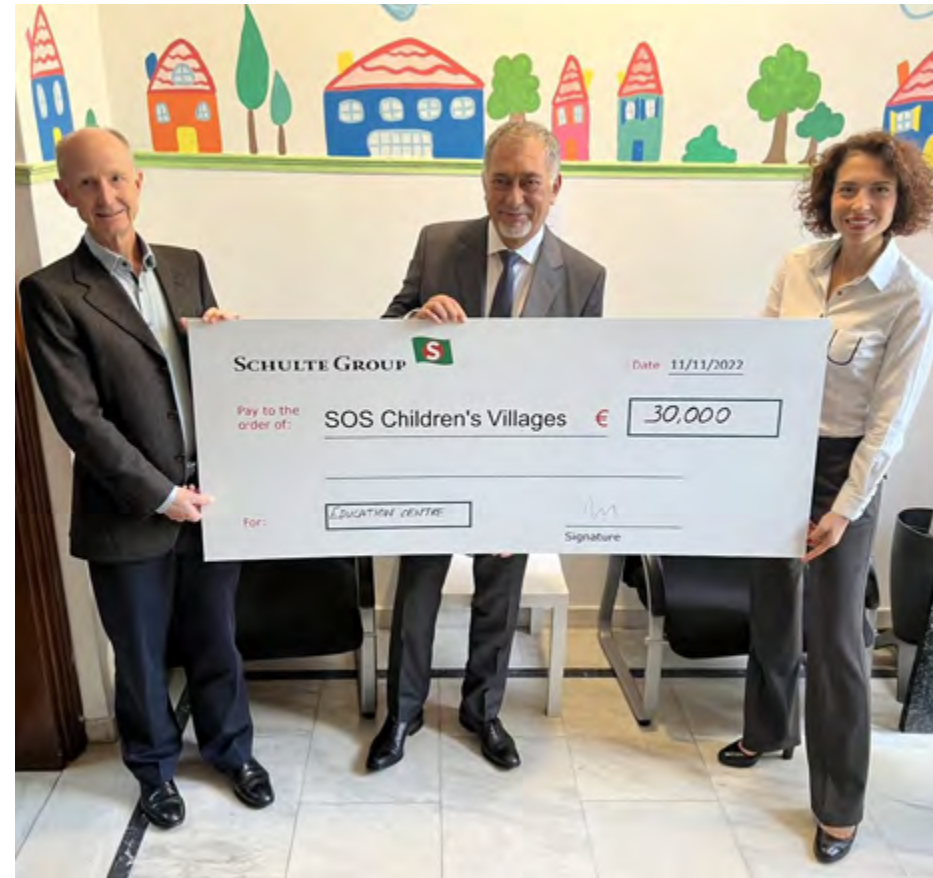
Education for Youth

In 2021, 244 million children and youth aged 6 to 18 worldwide were still out of school. At BSM, we believe that education is a basic human right and all children should have access to. Therefore, we have taken action by providing learning supplies to underprivileged communities, supporting NGOs fighting illiteracy and gender inequality, and hosting innovation camps to boost creativity and entrepreneurial skills in our local communities.

To raise awareness and funds, 70 BSM employees participated in the Athens Authentic Marathon in 2022, supporting the mission of SOS Children's Villages. These villages provide alternative care and education to children who cannot live with their families, particularly important in Greece due to economic instability and the increased risk of school exclusion for disadvantaged students following the COVID-19 pandemic. Together with our employees, clients, and partners, we collected 35,000 Euros, which will support the education of 300 students in Athens, covering 4,000 hours of educational activities, 84 hours of student counselling, and the school's utility fees and educational supplies and meals for a year.

In addition, in partnership with Junior Achievement, an NGO with the purpose to inspire and prepare young people to succeed in a global economy, we aim to positively impact local and global communities by providing learning opportunities focused on the maritime industry. In 2021, we organised an innovation camp on seafarers' mental health involving 37 students from six countries. In 2022, we grew this initiative by challenging 56 students from seven countries to propose innovative solutions for extending the lifecycle of materials in the maritime industry. Our BSM volunteers mentored the students, helping them develop their entrepreneurial and presentation skills and selecting the winners. Impressively, the team P-Flakes consisting of students from India and Poland, found a solution to extend the lifespan of storage containers by up to 100 years. Their innovative thinking reflects the potential of young talent, which we seek to attract in the shipping sector.

412 employees selected to support Education for Youth as their birthday gift from the company demonstrating their passion to positively impact quality education in their local communities and beyond. We remain committed to advocating for and improving learning opportunities for all.



Ian Beveridge, BSM's CEO, Theophanis Theophanous, BSM Hellas Managing Director, Elsa Stathopoulou, Communication and Fundraiser Director SOS Children's Villages Athens during their visit to the school in November 2022.

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2.4 HEALTH & SAFETY

At BSM, we take the safety and well-being of our employees very seriously. It is not just a legal obligation but a moral and ethical responsibility that stems from our core values of accountability and respect for our workforce. Our company's commitment to health and safety is enshrined in our corporate policies and instilled in our organisational culture.

Our Quality, Health, Safety, and Environmental (QHSE) management system covers all workers on our full-managed ships and in our Ship Management and Crew Management Centres (SMCs and CSCs). It includes all activities and services performed within the company's control or influence and can impact its QHSE performance. Our QHSE policies apply to all BSM offices globally including our Value-Added Services (VAS).

Further, all contractors and visitors need to comply with our QHSE management system and are expected to have a valid medical certificate, follow our safety procedures and be well-trained, experienced, and competent to perform the agreed activities following recognised industry standards. Before sailing with BSM vessels, contractors undergo detailed familiarisation training covering topics such as drug and alcohol, smoking regulations, safe working practices, and emergency response procedures.

Please visit our ESG Report 2020 (p. 50-52) and ESG Report 2021 (p. 40-46) to learn more about our QHSE management system, including our commitments, policies, resources, and responsibilities. Also, you can find out how we identify hazards, perform risk assessments, investigate incidents, and get our people involved through continuous training and consultation.

Measuring our Performance

Safeguarding safety across our operations is our top management goal. We evaluate the effectiveness and performance of our QHSE system through indicators identified in our Portal Active Link (smartPAL) system, safety audits, technical and third-party inspections, incident reports, onboard safety management meetings and more. We adjust our procedures, policies, and tools to prevent and eliminate any safety accidents or incidents.

All SMCs are certified and comply with the International Safety Management (ISM) Code, Maritime Labour Convention (MLC) 2006, ISO 9001:2015 (Quality), and ISO 45001:2018 (Occupational Health and Safety) standards. In 2022, our offices had zero work-related injuries, and despite the increasing number of exposure hours at sea, we managed to maintain a low number of recordable cases.



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INJURY PREVENTION AND SAFETY AT THE WORKPLACE BSM CREW

86,612,208

Exposure hours



Injury rates have been calculated based on hours worked

1,000,000

0.46 LTIF

Lost Time Injury Frequency

126 TRC

Total Recordable Cases

1.45 TRCF

Total Recordable Case Frequency



40

LTI
Lost Time Injury

39

Lost Workday Case **LWC**

1

Permanent Partial Disability **PPD**

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INJURY PREVENTION AND SAFETY AT THE WORKPLACE THIRD-PARTIES ON BSM FULL-MANAGED VESSELS



17 TRC
Total Recordable Cases

9
LTI
Lost Time Injury

8 Lost Workday Case **LWC**

1 Fatality

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Incident Investigation Process

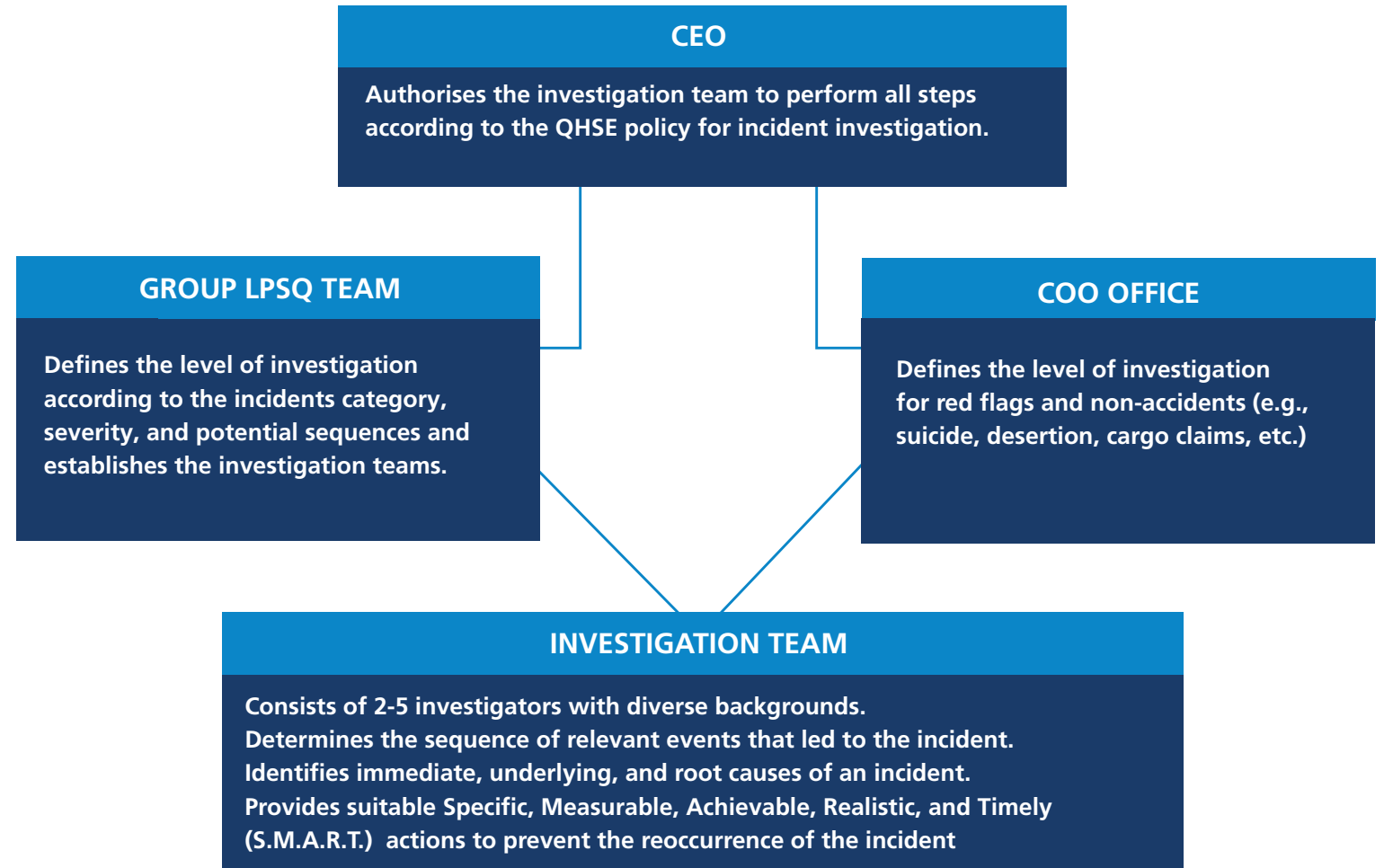
BSM's comprehensive incident investigation process safeguards our ethical culture principles by evaluating behaviours based on objective evidence and criteria. We establish investigation teams with diverse backgrounds and include independent lead investigators for critical incidents such as Fatalities or Permanent Total Disability (PTD).

Our Loss, Prevention, Safety and Quality (LPSQ) department independently investigates the systematic failures that led to a negative trend for a specific office or group of offices. We apply a holistic approach and extend the scope of an investigation based on the frequency, severity and type of incidents occurring. The additional investigation level allows us to identify the root causes of decreased safety performance and apply preventative actions to reverse the trend. All LPSQ staff is now trained on the Kelvin TopSet investigation principles and receive on-the-job training through:

- Collaboration between LPSQ teams of different SMCs
- Workshop training
- Determination of Specific, Measurable, Achievable, Realistic, and Timely (S.M.A.R.T.) actions, follow-up, and implementation.

We develop learning for our staff based on the investigation insights. Specifically, every two months, we host realistic and engaging "Learning from Incidents" exercises on all our ships at the location of the incident or the most similar site onboard. The crew must investigate and analyse the incident before the exercise leader reveals the actual causes and lessons learned. This experiential learning aims to help seafarers in creating more favourable working conditions and reduce the probability of workplace injuries. We also share all key takeaways and best practices online through the BSM Insights dedicated page to reach a wider audience and help tackle safety incidents at sea globally.

Governance of Incident Investigation Process



Updated Ship Inspection Report Programme

The Oil Companies International Marine Forum (OCIMF) has introduced SIRE 2.0, a risk-based and digitised Ship Inspection Report Programme, to enhance tanker safety and quality assessments. By the third quarter of 2023, the updated inspection questionnaire is expected to officially replace the current version.

At BSM, we always support our staff to prepare and respond to new regulatory requirements effectively. We have set up a working group to plan the changes required in our systems and processes. Our Fleet and Safety Management Manuals have been amended to provide detailed procedures and checklists for completing the inspection process successfully. We have also developed comprehensive training videos for all personnel involved. These videos cover the human factors in the inspections including how to interact with inspectors and provide an accurate overview of the vessel's condition.

Additionally, the new SIRE implementation requires ship photos, which can be challenging to obtain due to terminal restrictions or trade limitations. Mini drones can help avoid SIRE observation and benefit vessels facing such constraints while facilitating other ship operations, inspection, and maintenance. We leverage our company-wide purchasing power to offer clients competitive prices for acquiring mini drones.

Ensuring Employees Involvement

Our employees are encouraged to use our established feedback mechanisms to raise any best practices, concerns, or ideas that can help maximise the effectiveness of our safety management system.

For example, BSM's Behaviour Based Safety (BBS) approach requests each vessel to plan weekly safety observations while implementing tasks onboard. Experienced observers record how the crew performs a particular task and provide positive feedback or areas for improvement. The observation notes are submitted to the office staff to develop statistics and recommendation reports for improving the entire fleet's performance.

The safety culture survey in 2021 indicated that the crew desires a more streamlined BBS process with better feedback from the office staff. Hence, in 2023, we will introduce new feedback formats and more user-friendly means to collect observation data to minimise the administrative burden and improve crew engagement.

Employees' Participation & Consultation on QHSE Management System

- Regular discussions around safety through the monthly safety committee meetings onboard with the active involvement of all crew members
- Toolbox meetings between all workers onboard, including contractors
- Joint meetings between all department heads ashore
- Daily encounters with relevant shore staff during vessel dry-dock.

Effective communication is essential for the safe and efficient operation of maritime activities. Our organisation prioritises seamless communication between sea and shore staff through smartPAL InfoPoint - an alert system designed to transmit critical information related to safety, security, and marine policy matters. By utilising preselected criteria, we ensure that each ship receives only the information relevant to its operations, minimising the risk of information overload. We continuously invest in improving the accessibility and relevance of the tool to enable quick and informed decision-making that ultimately helps ensure the safety and security of our staff, passengers, and cargo.

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Digitalisation and Automations for Safety

Using the power of digitalisation and automation, we aim to develop new tools that simplify our procedures and positively impact our safety performance.

Our organisation has always relied on printed checklists to record the completion of processes. However, we recognised the need to modernise our approach to increase efficiency and minimise errors. Using the newly developed Checklist App, the final checklists are synchronised to the ship's ERP server and replicated to the shore server, allowing for real-time progress tracking and monitoring. Senior officers closely review the proper use of the checklists, intervening if necessary to ensure that processes are being carried out as intended. Since checklists are integral to our incident-free operation, we believe the new electronic approach will contribute to safer working conditions onboard.

We have also digitised the ship inspection by developing a new app for our superintendents and Regulatory Compliance Centre (RCC) auditors. Inspections can now be done entirely with a mobile device such as a smartphone or tablet. The app provides better guidance, lessens the administrative burden, and allows the superintendents and auditors to follow up on past inspection findings. We aim to introduce a new ship self-inspection checklist in 2023 that covers all areas of the ship. We will combine several different inspections in one format and develop a mobile app the crew can use to complete the exercise. Inspection findings will be entered directly into the app without transferring data to a computer later. This reduces the administrative burden of the crew and provides more resources for the safe operation of our ships.

An increasing number of technologies allow for partial or complete automation of ship operations with less or no direct human control or intervention. Automation offers several benefits, such as reducing human errors, enhancing situational awareness through advanced sensor systems, and enabling prompt responses to prevent maritime incidents.

BSM has established a dedicated Autonomous Shipping team to explore and evaluate emerging technologies and software advancements in this domain. In 2021, we started piloting "Eye Captain," a camera-based navigation assistant tool designed to monitor a ship's surroundings, assess risks, and direct the crew's attention towards critical situations. Eye Captain is now live on three ships, and we are working on migrating the software to BSM servers to increase accessibility and communication between sea and shore.

We also participate in the B Zero project to develop a periodically watch-free bridge that can be without crew for up to eight hours under certain conditions, allowing nautical officers to allocate their time to other essential tasks. The user interface of this technology has undergone development and rigorous testing by BSM staff in a simulator environment. Our objective is to pilot the B Zero project on one of our container vessels in 2023, eventually integrating the functionalities of Eye Captain and B Zero to revolutionise ship management and enhance safety.



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Training and Development

- Remote Work Training for all managers by 2023.
- Develop lateral and horizontal career paths with tailored learning journeys and establish accreditation requirements and a reward system in collaboration with prestigious universities in our local communities.
- Enhance our Learning Management System functionalities (e.g., gamification, interactive and hands-on assessments) for interactive and engaging learning opportunities for our employees.
- Complete the first batch of Work Experience Accelerator Programme graduates by end of 2024.
- Double the intake of female cadet in our BSM Cadet Programme and attract talent from new locations.
- Amplify our impact by supporting Education for Youth in underprivilege areas.

Diversity, Equity, and Inclusion

- 40% of women in leadership positions by 2024.
- 10% reduction in gender pay gap by 2024.
- 15% of employees under 35 in managerial roles by 2024.
- 100% of employees informed about our DEI agenda by 2024.
- 100% of employees in managerial and recruitment roles trained on DEI by 2024.
- Establish inclusive practices onboard our managed vessels.
- Review and enhance manuals to address matters impacting women at sea.

Health and Safety

- Introduce new feedback formats and more user-friendly means to collect observation data on the crew's performance to maximise the effectiveness of our safety management system.
- Develop a new digital ship self-inspection checklist that covers all areas of the ship to ensure real time monitoring and contribute to safer working conditions onboard.
- Run an employee pulse survey tool pilot to monitor the mental health of staff on a constant basis.
- Introduce 360 appraisals for superintendents by high ranked seafarers.
- Re-evaluation of operational staff per ship ratio.
- Test autonomous shipping technologies to increase safety at sea.



3

ENVIRONMENTAL STEWARDSHIP

BSM is committed to leading environmental stewardship and advancing sustainability in the shipping industry. Through our ESG Core Team and the expertise of our Fleet Performance and Monitoring Centre, we establish sustainable practices and leverage advanced digital tools to drive superior performance. With a keen awareness of the complex and demanding environmental regulations our customers face, we prioritise in-house expertise development and proactive, data-driven solutions. By offering cutting-edge technology and embracing forward-thinking policies, we promote decarbonisation and enable our clients to thrive in a rapidly evolving industry.

This section provides a comprehensive overview of our environmental performance and strategy. To gain deeper insights into our environmental policies, resource allocation, and our approach to environmental regulation compliance, visit our ESG Report 2020 (pages 58-74) and ESG Report 2021 (pages 49-71).

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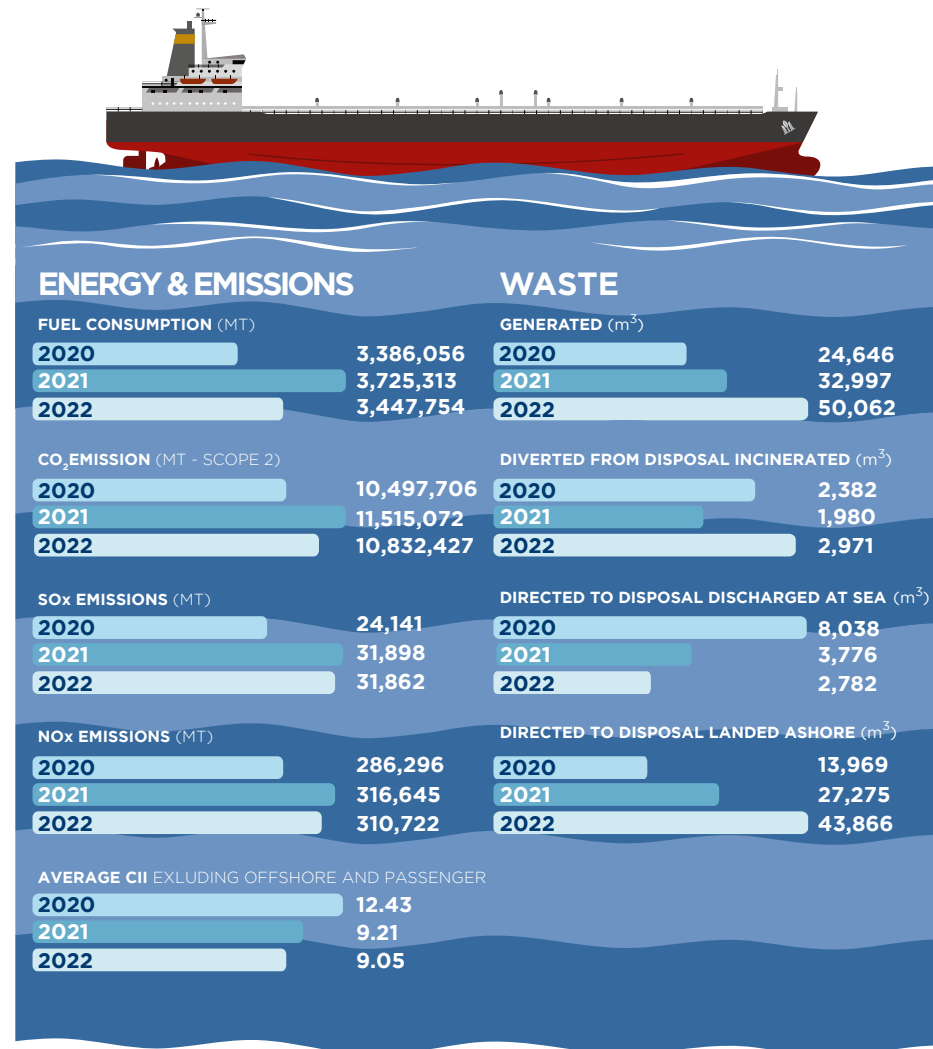
According to recent scientific reports from the Intergovernmental Panel on Climate Change (IPCC)¹, urgent and extensive transformation is necessary across all sectors to avert the most severe impacts of climate change. The shipping industry is no exception. Extreme weather events have already disrupted shipping routes, impacted port operations, and increased the likelihood of damage to cargo and vessels.

As a result, regulatory bodies, investors, and consumers demand greater transparency and accountability from companies regarding their environmental performance and strategies. For example, new regulations have come into force in 2023 to achieve energy efficiency targets across the global fleet in line with the International Maritime Organisation (IMO) 50% reduction goal in Greenhouse Gas (GHG) emissions by 2050. Hence, ship owners must act urgently to avoid operational restrictions or financial penalties.

Last year, BSM's full-managed vessels emitted approximately 11 million metric tonnes of carbon dioxide (CO2) emissions. As ship managers, we acknowledge our crucial role in enabling decarbonisation and are committed to being front-runners in delivering green operational and consulting services to clients.

In early 2022, we announced our internal decarbonisation strategy that exceeds IMO's Carbon Intensity Indicator (CII) requirements (Read more in ESG Report 2021, p. 51). The CII scheme rates ships' operational carbon intensity from A to E. Ships that score a D rating for three consecutive years or an E rating in a single year will be required to develop a corrective action plan as part of their Ship Energy Efficiency Management Plan (SEEMP). CII improvement options could include voyage optimisation, just-in-time arrival management, continuous hull performance monitoring, speed optimisation, switching to low-carbon fuels, and retrofitting vessels with energy-efficient technology.

1 [The Intergovernmental Panel on Climate Change Report 2022.](#)



As we continuously improve our data collection tools to maximise the quality and accuracy of our vessels' environmental data, we acknowledge that this year's reported information varies from the previous two reports. A breakdown of the environmental data per vessel type is provided in Appendix 8.

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Our Fleet Monitoring Centre (FMC) provides constant insights into each vessel's major fuel consumption contributors, such as the hull, machinery, route, and weather, to ensure voyage optimisation and increase vessel energy efficiency. Our clients monitor their vessels' emissions and environmental footprint in real-time from any location using our LiveFleet tool and receive recommendations tailored to their vessels' needs from our Fleet Performance Centre (FPC) experts and SMC fleet management teams. In parallel, the FPC engages vessel charterers to establish communication protocols for optimised voyage planning and execution, positively affecting CII ratings.

47% of our fleet achieved the BSM's decarbonisation targets, while the remaining complied with the minimum CII requirements. Table 4 provides an overview of all retrofitting projects that took place on our full-managed fleet to improve its energy efficiency.



Table 4: An overview of all energy efficiency measures on our full managed vessels per year.

Energy Efficiency Measures	2020	2021	2022
Anti-fouling Paints	90	84	80
Main Engine De-Rating	0	2	2
Propeller Boss-Cap with Fins	2	5	4
Low Friction Paint	2	4	10
Rudder Surf Fins	2	1	2
Bow Optimisation	2	2	3
Engine Power Limitation	0	1	0
Waste Head Recovery	4	0	7
LED Motion Sensors	1	0	0
Variable Frequency (VF) Drive	1	0	5
Hub Vortex Absorbed Fins	0	0	6
Mewis Duct	0	0	3
Rudder Surf Bulbs	0	0	2
Turbocharger (TC) Isolation	0	0	3
Air Lubrication	0	1	0
Cold Ironing	0	1	1
New Propeller (with energy saving devices fitted on propeller boss)	0	2	0
TOTAL	104	103	128

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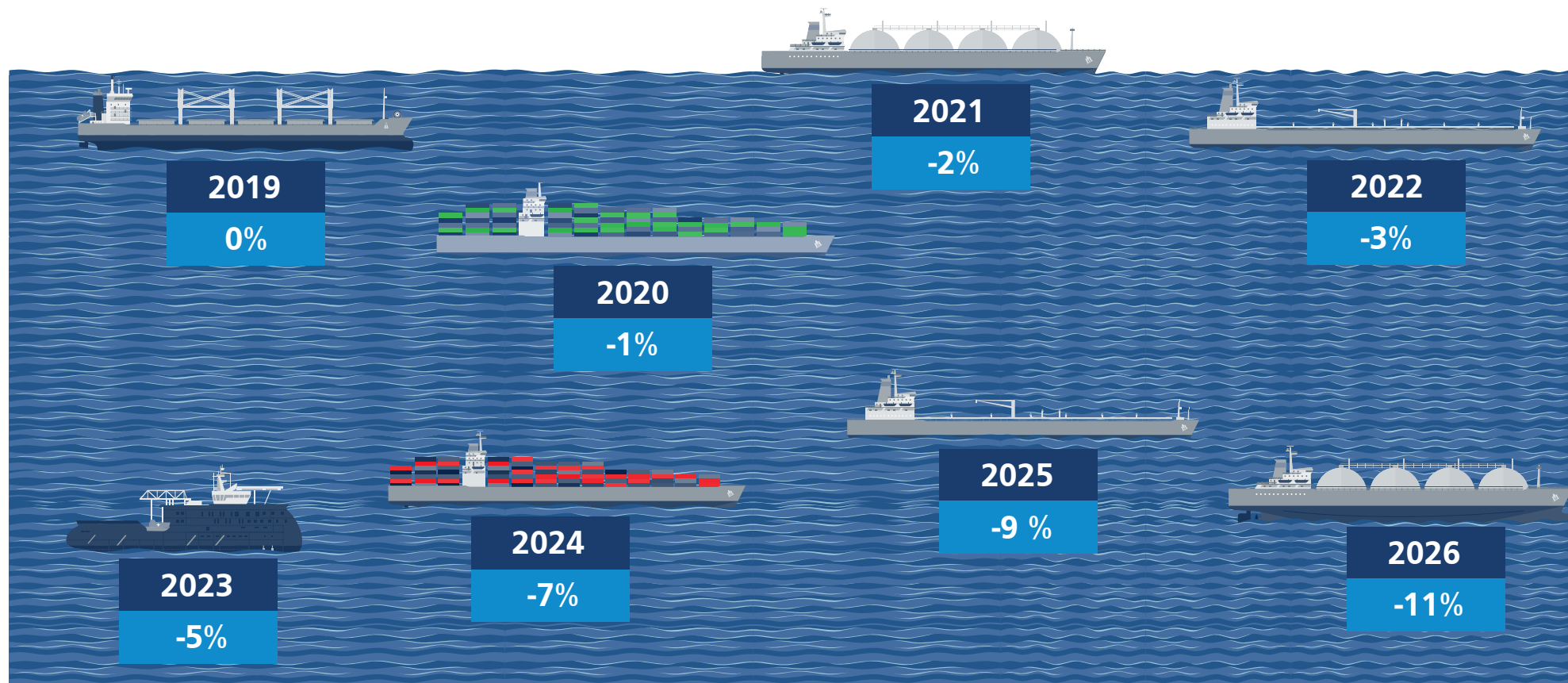
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From 2023 onwards, we decided to push toward an even more ambitious strategy, including:

- All vessels with rating E for 2022 to achieve rating D in 2023
- All vessels with rating D for 2022 to achieve rating C in 2023
- All vessels rating C, B, or A in 2022 to remain in their respective ratings and achieve at least a 2% reduction compared to 2022 and further improve each year.



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Digitalised Environmental Data Governance

BSM manages its operations through our advanced Enterprise Resource Planning (ERP) tool, smartPAL. It is a market-leading, web-based ship management software that combines all essential ship management functions, such as crewing, planned maintenance, purchasing, accounting, payroll, commercial operations, and drydock, in a single platform.

Our operations are seamlessly connected and follow optimised business processes that maximise our efficiency. We continuously enhance our customisable dashboards to minimise manual reporting, reduce the excessive use of paper, enable well-informed decision-making, and increase focus on vessel operations. Data security is guaranteed through secured access, data encryption, and record-keeping by authorised personnel.

CII and EEXI

BSM has integrated into smartPAL calculators for the new energy efficiency regulatory measures, the Carbon Intensity Indicator (CII) and Energy Efficiency Existing Ship Index (EEXI). The tools help us ensure proactive compliance and monitor our decarbonisation strategy objectives effectively.

"These new regulations call for a more proactive approach towards managing carbon intensity while encouraging data transparency. Our aim is to enable our crews onboard, shipowners, and charterers to make data-driven decisions for the most efficient vessel operations that reduce their environmental impact and comply with or even go beyond the requirements of international regulations."

– Anil Jacob, BSM's Head of Fleet Performance

The CII calculator is based on the Marine Environment Protection Committee (MEPC) guidelines and assesses the CII ratings of BSM's entire fleet to offer clients CII performance monitoring services. We also introduced a predictive analytics tool that forecasts the CII at the end of the year based on the vessel operating profile. Predictive analytics can help our experts understand the changes needed in the operating speed and draught to meet the CII requirements.

While CII monitors the vessel's actual fuel consumption per cargo carrying capacity, the EEXI provides the energy intensity of a ship per transport work purely considering its technical design. The IMO introduced it to reduce the GHG of in-service vessels over 400 gross tonnages. Our experts calculate EEXI to help our clients determine their EEXI compliance status. They compute our managed fleet required and attained EEXI values and generate the corresponding EEXI Technical Files for verification and certification by class societies.

BSM also provides consultancy services for clients who wish to improve their CII and EEXI status. We work with them to review compliance gaps and identify suitable technical and operational solutions specific to the vessel based on data collected across the fleet and our experience with other vessels.



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Internal Benchmarking Tools

The Vessel Performance Rating (VPR) is an in-house tool in smartPAL that enables our superintendents to assess the overall performance of their managed fleet and individual vessels. By consolidating multiple KPIs related to Voyage, Machinery, and Report Quality, VPR provides a holistic performance evaluation and helps identify priority areas for improvement.

In 2022, we developed the Full Management Performance Score, which considers all ranges of ship management functions, including maintenance, crewing, financial, safety, purchasing, purchasing and voyage performance.

This comprehensive internal benchmarking tool enables transparent communication between fleet team members on KPI red flags and improvement plans. Quarterly, the Managing Director of each SMC discusses with all employees the Full Management Score results to identify best practices and define actions to avoid any observed negative trends. Finally, the BSM Management Board will review the SMCs' performance during the Annual General Meetings (AGM).

Fleet Performance Score is an industry-first achievement and proof of our smartPAL tool's capabilities that can accelerate the digital transformation of shipping with multiple environmental benefits for our fleet.



QUALITY DATA IS KEY FOR CARBON FOOTPRINT IMPROVEMENTS

The FPC ran a pilot project for six vessels across four SMCs to explore viable solutions for improving our fleet's carbon footprint. The goal was to explore fuel-saving potential via route optimisation and improvements in data quality coming from telemetry equipment and fleet reports. BSM achieved 510 metric tonnes of fuel savings during the three-months pilot.

Constant monitoring via telemetry equipment is required to improve vessel performance and help optimise our resources. It enables the identification of issues such as faulty readings from the main engine flow meter, non-compliance with Original Equipment Manufacturer (OEM) guidelines for super slow steaming, and more.

Telemetry equipment helps us achieve operational excellence with real-time, high-quality data leading to constructive and timely engagement between fleet teams and crew. Currently, 58 vessels have telemetry equipment, with 80% sending data to shore. Six vessels are presently undergoing installation. Looking ahead, we will continue expanding the telemetry fleet.

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Tapping into the EU Emission Trading System

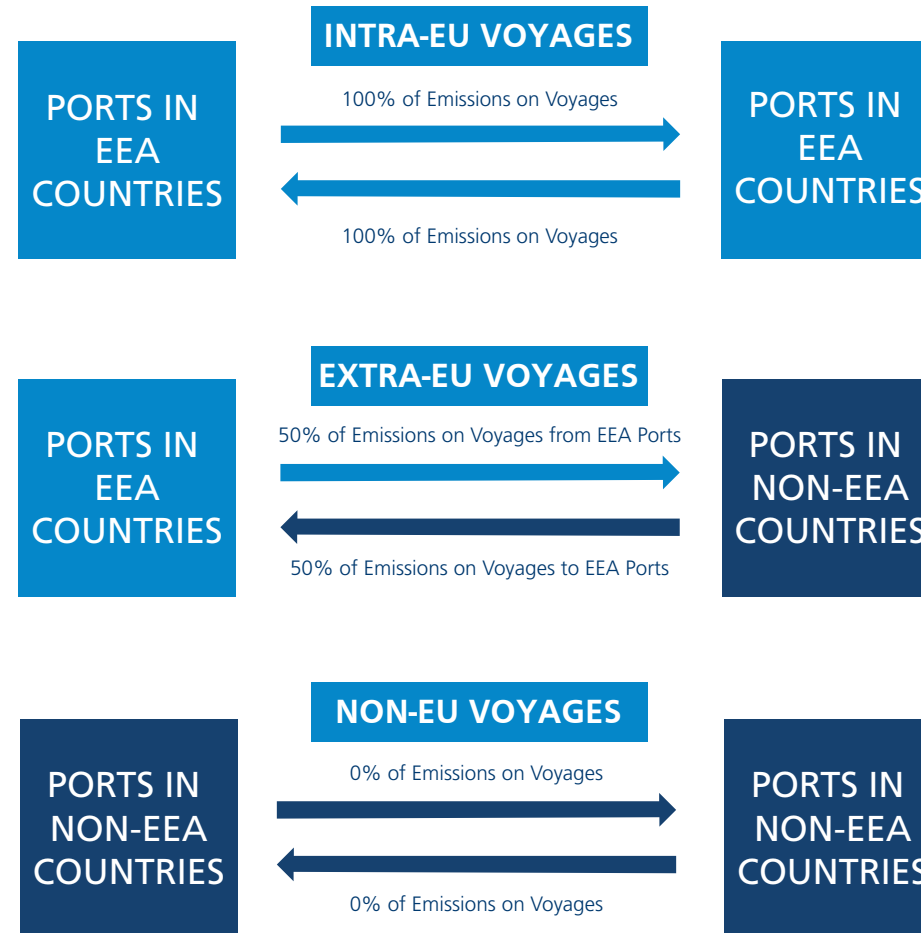
As of January 2024, the maritime sector will be included in EU Emissions Trading System (ETS). A cap is set on the total CO2 a shipping entity covered by the ETS can emit. All vessels trading between, to, or from ports in the EU and the European Economic Area (EEA) must compensate for their emissions by acquiring and submitting their CO2 allowances.

As ship managers, we build our knowledge about the EU ETS to make proactive and rational decisions on the company's carbon management strategy and practices. We hosted webinars to educate personnel in crucial departments about the EU ETS requirements and how they will affect our clients and operations. We also calculated the EU ETS exposure for our customers and evaluated risk management strategies. In close collaboration with banks, brokers, and financial service providers, we assessed possible trading channels and opened trading accounts for two of our SMCs.

BSM is currently developing a single source dashboard in our smartPAL tool to cover the entire process of EU ETS handling. The users will be able to understand the carbon allowances, including compliance, data collection and verification, emissions forecasts, registration management, and more.

"We invest in developing specialist teams and IT tools required to ensure a smooth EU ETS process and certificate administration for owners and their charterers. As ship managers, we will offer transparent live data-driven applications showing a vessel's consumption concerning geolocation and time as well as the resulting EU ETS exposure."

– **Sebastian von Hardenberg, BSM's Chief Financial Officer (CFO).**



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Smart Maintenance

BSM's experts utilise cutting-edge technologies to monitor and predict equipment maintenance, prioritising crew safety, extend overhaul intervals, and reduce operational expenses and GHG emissions.

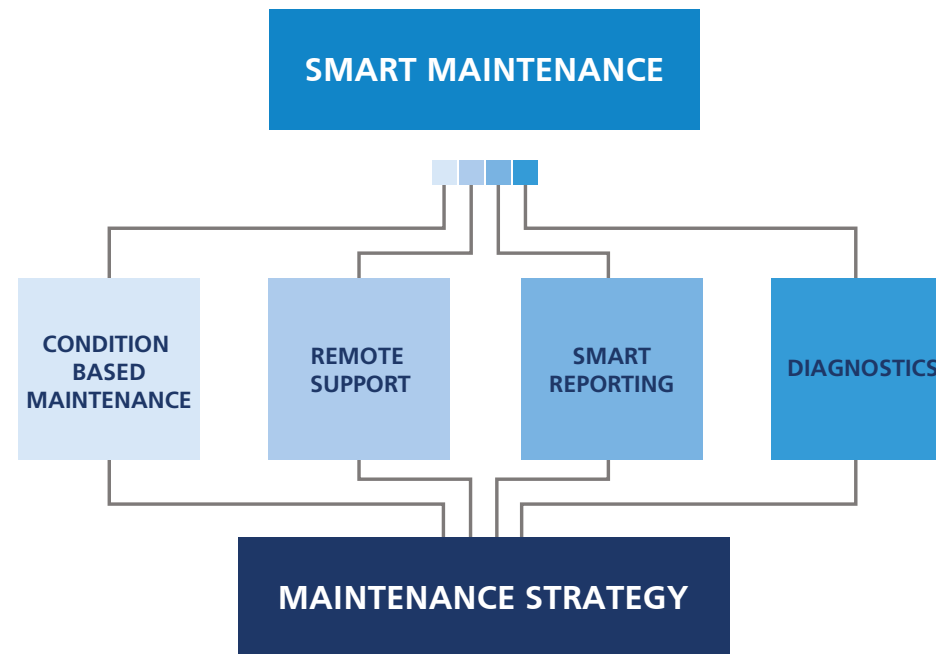
To do so, we move from preventive maintenance in planned intervals to Condition-Based Maintenance (CBM). CBM determines our vessels' machinery performance and physical state through vibration analysis, Artificial Intelligence (AI), drain oil analysis and more. Maintenance occurs only when conditions have approached or reached the lowest acceptable standard before serious deterioration, breakdown, or failure.

On the first year of CBM pilots on 14 vessels, we saved our clients on average USD 42,271 per vessel¹. Currently, 40 BSM full-managed vessels employ vibrational analysis techniques, and we aim to expand to all ships whose owners wish to use them.

We also develop remote maintenance capabilities that enables specialists onshore to connect to on-board systems in real-time remotely. It allows us to carry out overhauls on major equipment and conduct remote surveys in a cost-efficient, fast, and environmentally friendly way. The most important precondition for remote maintenance is Wi-Fi anywhere on board, a challenging task considering that vessels are thousands of nautical miles away from shore. We successfully conducted the first remote maintenance on a chemical tanker and proved its potential by saving USD 30,000 and 475 kg of CO2 emissions. By the end of 2023, we will employ WiFi anywhere on at least 92 vessels.

¹ Savings are estimated based on a) the avoidance of the high risk for machinery extended damage in case of severe condition, b) avoidance of machinery overhaul in case of marginal health condition, and c) 20% of overhaul maintenance costs in case of proactive repair.

We are continuously developing and expanding our Predictive Maintenance capabilities, utilising machine learning to identify the remaining useful life of the equipment and suggest the optimal timing for maintenance. Our Maintenance Strategy's ultimate goal is to achieve Reliability Centred Maintenance that combines all the above techniques to increase the probability that a machine or component will function in the required manner over its design life cycle with minimum maintenance.



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ENERGY TRANSITION

At BSM, we follow a two-fold decarbonisation approach; we maximise energy-efficient operations and support the transition to low-carbon fuels and renewable energy sources.

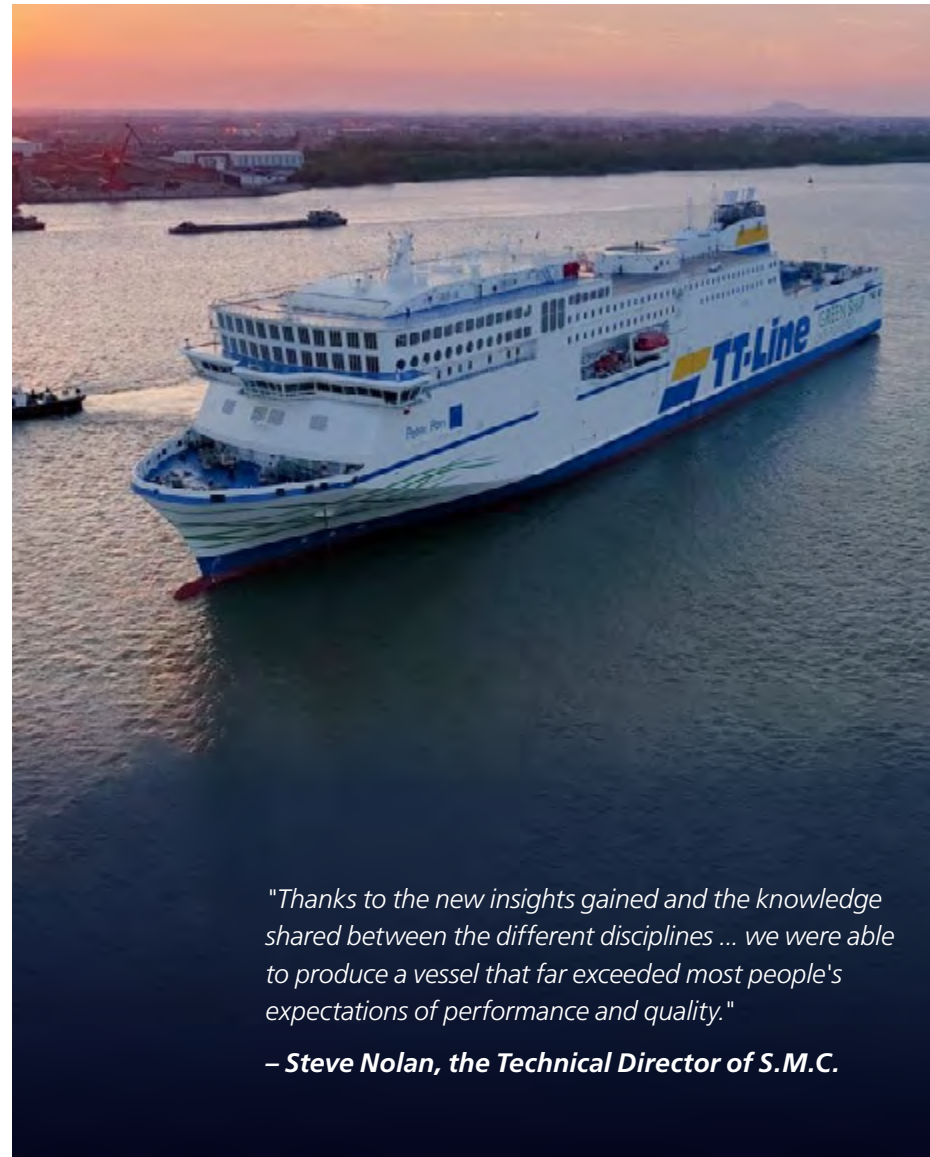
Despite the logistics and technological challenges of shifting towards alternative fuels and energy sources, we collaborate with owners, charters, and other industry experts to develop the necessary knowledge and skills to accelerate this transition.

Mid-Term Solutions

Liquefied Natural Gas (LNG) is the mid-term solution, generating 20-30% lower carbon dioxide emissions than conventional fuels and minimising SOx and NOx emissions. Pronav, our LNG specialised ship management entity, and all other BSM SMCs collaborate with the Schulte Group's LNG Competence Centre to promote new LNG projects and build long-term business relations and partnerships with clients. In 2022, we provided technical and crew services to 113 Gas Carriers and burnt 145,148 MT of LNG to propel our full-managed vessels (4% of the total fuel consumed in our fleet).

Schulte Marine Concept (S.M.C.) is BSM's newbuilding arm and an industry leader in plan approval and construction supervision for LNG carriers and LNG-fueled vessels. In 2022, S.M.C. delivered its first LNG-fueled passenger vessel newbuilding project, underlining our comprehensive capabilities, capacity, and specialised know-how in the demanding segment of passenger and LNG-fueled vessels. S.M.C. gained knowledge of the complex rules and regulations involved in designing, constructing, and commissioning modern passenger vessels and experience in the LNG propulsion and power generation systems for non-LNG carriers.

S.M.C. is currently supervising the construction of 13 LNG carriers and LNG bunkering vessels - a significant achievement considering that most ship owners in this market work with in-house supervision teams.



"Thanks to the new insights gained and the knowledge shared between the different disciplines ... we were able to produce a vessel that far exceeded most people's expectations of performance and quality."

– Steve Nolan, the Technical Director of S.M.C.

"Peter Pan" is one of the first two LNG-fuelled vessels delivered by S.M.C.

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STATE-OF-THE-ART LNG BUNKER VESSEL DESIGN

In partnership with naval architect Technog, our LNG Competence Centre has brought a next-generation design for an LNG bunker vessel to market. The design follows all safety standards and IMO's current and future decarbonisation regulations. The ship fits with all known and soon-to-come LNG-fueled vessels. A small number of crew can operate it while ensuring high safety standards and reducing capital and operating expenses for owners and operators. The basic design has even considered future retrofits for hydrogen, ammonia and methanol. Despite the ongoing fluctuation in LNG prices caused by the Russia-Ukraine conflict, the industry has received the vessel design positively. We anticipate initial investments for its construction in the upcoming year.

Biofuels are renewable fuels from organic materials, such as plants, crops, or biomass. They can be blended with or replace conventional fossil fuels, offering a lower-carbon alternative and reducing GHG.

While biofuels show significant potential in facilitating decarbonisation efforts, there are concerns regarding their scalability and infrastructure limitations, resource competition, stability, and compatibility. There is a pressing need for standardised testing protocols to address these concerns.

In 2022, we partnered with interested clients and charters to conduct tests on four container ships, utilising a 30% blend of biofuels with conventional fuels. Despite the challenges, the vessels successfully used 11,325 MT of biofuels throughout the year. We will continue supporting low-carbon fuels with the goal of shifting towards zero-carbon operations.

Zero-Carbon Fuels

Alternative fuels such as Ammonia and Hydrogen may surpass LNG and Biofuels as they emit zero carbon dioxide levels during combustion, enabling a carbon-free shipping industry. Specifically, by 2050, hydrogen could replace 5% of the world's fuel supply to freight ships as feedstock for synthetic fuel. Technological and infrastructure advancements are driving the feasibility and accessibility of these cleaner fuels, growing momentum, and interest in transitioning away from conventional fuels.

Ammonia has undeniable advantages as its chemical composition lacks carbon, resulting in carbon-free combustion. Furthermore, it can be derived from renewable sources like wind, solar, or water, ensuring a zero-carbon production process. BSM and the Norwegian ammonia specialist Amon Maritime has created a 50/50 joint venture to offer ship management services for the Norwegian market, specialising in ammonia-powered vessels but open to all ships. It is BSM's first step in growing ammonia expertise, and we look forward to increasing our ammonia-fueled fleet soon.

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Supporting the Offshore Sector

We promote the transition to renewable energy beyond the shipping sector by offering low-carbon Service Operation Vessels (SOVs) that enable offshore wind farms' activities. We improved our SOVs' carbon footprint over the past few years through hybrid-electric propulsion systems and battery storage to save fuel according to weather conditions.

In line with the renewable energy industry's commitment to minimising environmental impact, a significant development occurred at the beginning of 2022. S.M.C. was entrusted with overseeing the plan approval and construction process of a 1,600-ton crane wind turbine installation vessel in China. This impressive self-elevating platform, designed specifically for wind power installations, incorporates a diesel-electric propulsion system powered by six generators. The ship features three azimuth thrusters and two tunnel-type bow thrusters, optimising energy efficiency. With an estimated completion date set for mid-2023, this vessel can install 20 MegaWatts (MW) wind turbines in waters up to 70 meters deep.

AIR TRAVEL CARBON FOOTPRINT

Eurasia Travel Network (ETN), a travel agency entity, plays a pivotal role in facilitating efficient and secure travel for BSM's seafarers and shore employees. Recognising the environmental impact of air travel, ETN has taken proactive measures to track the carbon footprint associated with flights. BSM leverages this data to enable the prioritisation of sustainable trips. In 2022, we reduced business class tickets with a higher carbon footprint and increased direct flights due to lessening COVID-19 restrictions. As a result, our emission intensity dropped to 0.14 kgCO₂/mile, saving 14,155 tonnes of CO₂ emissions.

97% of our air travel emissions are related to crew travelling. Therefore, we are working towards integrating CO₂ emissions and estimated flight costs into BSM's crew planning tool, used extensively by Fleet Personnel Officers (FPOs).

This integration empowers FPOs to make informed decisions considering each trip's financial, social, and environmental viability. Our goal is to cultivate a sustainable mindset within the crew planning process, ensuring that all dimensions of sustainability are adequately addressed.

Table 5: BSM's corporate and marine air travel emissions.

		CO ₂ (kg)	Miles	kgCO ₂ /Mile
2021	Corporate	601,000	444,318	1.35
	Marine	63,562,030	74,593,576	0.85
	TOTAL	64,163,030	75,037,894	0.86
2022	Corporate	956,035	5,531,254	0.17
	Marine	42,403,745	306,410,720	0.14
	TOTAL	43,359,780	311,941,974	0.14



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Growing our Schulte Group Forest

Every year, we celebrate our employees' birthdays by making a meaningful impact. In 2022, 40% of our employees chose to support our Schulte Group Forest initiative. Together, we nurture and preserve our planet's forests, improve ecosystems' health, and educate farmers on sustainable agriculture globally.

At BSM, we focus on impactful projects that have a lasting effect while considering environmental conservation and the well-being of local communities. Hence, in 2020 we partnered with Treadmoo to plant 1,200 trees in Guatemala, estimated to absorb 100,000 kg of CO₂ over the first decade of their lives. This project also involved educating 287 local farmers on agroforestry systems, women's role in agriculture, soil preparation, and more.

In 2022, our attention shifted to Ghana's Daka River, a crucial water source for the local ecosystem and population, facing the threat of desertification due to its dry nature. Our choice of Ghana reflects our commitment to uplifting communities where our employees live and areas most affected by climate change. In 2022, we planted 1,300 trees including mango, cassia, kapok, and cashew species that will collectively absorb 121,051 kg of CO₂ during their first decade. Inspired by our employees' enthusiasm, we pledged to plant an additional 2,600 trees in Ghana by 2025.

At the same time, the Schulte Group Forest initiative acts in response to climate change emergencies. During the summer of 2021, we witnessed the destructive impact of climate change as wildfires devastated Greece and Cyprus, leaving behind about 1,040 km² of burned forests. The hot and dry weather made the natural habitats highly vulnerable to fires, causing a terrible ecological disaster.

BSM volunteers and the Cyprus National Forestry Department planted 500 treasure trees and shrubs in the wildfire-affected area at Eptagoneia. Since the Forestry Department in Greece did not recommend interventions in the burnt forest area, we looked for other ways to help. In 2022, BSM Hellas, Mariapps, and Hanseatic Maritime Advisory Services funded the construction of a "Pocket Park" in Athens, aiming to revive nature and bring hope to a different part of the country.

"Pocket Parks" are abandoned green spaces full of waste in densely populated city neighbourhoods that are transformed into small community parks. They become a great asset as their plants absorb emissions, boost biodiversity, and provide cooling effects. They offer a social space for people to gather and reconnect with nature, reducing isolation and increasing mental health. We hope our "Pocket Park" will increase the quality of life of the local community and serve as a place for our people to gather and relax after a day at work or during local events.

As the Schulte Group Forest initiative expands, we will keep motivating our people to become catalysts for change, driven by a profound understanding of environmental conservation. We strive to cultivate a deep sense of responsibility towards the well-being of our planet by restoring and protecting the natural habitats and ecosystems around us.



In November 2022, the first event took place in the BSM Pocket Park in Athens.

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3.2 WASTE AND POLLUTION MANAGEMENT

Beyond climate change, the ocean is threatened by other human activities, such as waste discharges, air pollution, spills, and plastic debris. As ship managers, we rely on ocean health to enable safe and efficient trade. Throughout our operations at sea, we manage diverse waste streams, prioritise pollution prevention, and actively safeguard the marine ecosystem.

Sulphur and Nitrogen Oxides

Air pollution caused by shipping's Sulphur and Nitrogen Oxide (SOx and NOx) emissions poses significant health risks and disrupts the Earth's natural balance leading to various climate change implications. Hence, BSM goes beyond CO2 emissions management by systematically monitoring and assessing SOx and NOx emissions data to implement effective mitigation actions.

According to the IMO 2020 sulphur cap, the sulphur limit of marine fuel should be 0.50% m/m (mass by mass). In addition, IMO decided to designate the Mediterranean Sea as an Emissions Control Area for SOx and particulate matter. As of May 2025, all vessels entering this area must adhere to a reduced sulphur limit of 0.10%. We support our clients to comply with the increasingly important IMO's sulphur caps using fuels with low sulphur content or Exhaust Gas Cleaning Systems (EGCS).



Refrigerant gases

As of last year, BSM initiated monitoring the supply of refrigerant gases, which can cause ozone depletion and therefore have a Global Warming Potential (GWP). The refrigerant gas type R-404A is associated with the highest CO2 equivalent emissions in the event of leakage. We strongly urge ship owners to discontinue using R-404A refrigerant gas, especially outside EU trading routes where its use is legally mandated. Multiple clients have committed to transitioning to alternative refrigerant systems starting in 2023. We anticipate a reduction in refrigerant-related emissions by the conclusion of the upcoming year.

Ballast Water Treatment

A ship's ballast water contains a variety of marine organisms. By releasing the ballast water into a new ecosystem, the "non-native species" can have a profound ecological, economic, and public health impact on the receiving environment. To combat the problem, the IMO adopted the International Convention for the Control and Management of Ships' Ballast Water and Sediments in 2004. From 2019, all ships must have a Ballast Water Management System (BWMS), which purifies and disinfects ballast water before releasing.

All BSM ships carry an approved ballast water management plan, maintain a record book, and manage ballast water on each voyage through exchange or treatment with an approved system. They also undergo a survey to obtain an International Ballast Water Management certificate. Our MTCs offer BWTS training to sea-going staff dealing with environmental protection on board BSM-managed vessels. The course focuses on building a comprehensive understanding of the BWTS process, including certification process, record-keeping, and insights into the various local requirements.

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Oil Spills

Oil spill refers to the unintentional release of oil into the marine environment due to accidents, such as collisions or grounding of vessels, equipment failure, or human errors during oil transfer operations. In some cases, the spill is successfully managed within the ship or a designated area, preventing it from spreading further into the surrounding water. At BSM, we strive for zero spill incidents.

To do so, we train our people about penalties and liabilities in case of an oil spill and have a holistic response plan with clear guidelines for all staff involved. We encourage our crew to report any loss of containment, including minor leaks, driven by our will to remain transparent and accountable. In 2022, we achieved a 26.7% reduction of oil incident frequency compared to 2020 results, with a total of 51 incidents globally.



Waste Generation

In 2022 the total waste generated onboard our full-managed vessels was 50,062 m³, up from 32,997 m³ in 2021. The main reason was the increased number of vessels in management, especially passenger vessels with a considerably high garbage intensity compared to other vessel types (4,375 m³/vessel compared to the fleet's overall performance of 107 m³/vessel).

We follow the IMO regulations for proper treatment and discharge of waste generated onboard according to the ship's Garbage Management Plan.

In 2022, 88% of our waste was collected and handled by approved ship agents ashore, while 6% was food waste discharged at sea, in accordance with regulations, and the remaining 6% was incinerated onboard during sailing:

- Ensuring high-quality data with a minor administrative burden for the crew
- Improving waste management at reception facilities worldwide
- Eliminating single-use plastic bottles across our vessels

Transitioning from traditional handwritten record books, we successfully implemented electronic record books (eRBooks) on 325, adhering to international Conventions and IMO guidelines. Our eRBooks encompass a range of requirements, including garbage, ballast water, oil, and emission records. By the end of 2023, we aim to achieve fleet-wide utilisation, with 113 vessels already obtaining official flag approval. Additionally, we developed and trialed electronic logbooks (eLogs) on 14 vessels, incorporating navigational information, weather data, port calls, and other operational activities. These electronic books streamline entries, promote transparency and accessibility by shore teams, and reduce excessive paper waste.

BSM has signed the International Marine Purchasing Association (IMPA) SAVE pledge and is committed to eliminating single-use plastic bottles onboard. Unfortunately, our consumption remains high, with more than 5 million plastic bottles purchased in 2022. Our SMCs explore ways to enhance the water filtration systems onboard by installing water dispensers, maximise the frequency of water quality tests to build crew's trust and create awareness about the importance of shifting away from single-use plastic.

The IMO mandates that port operators provide adequate waste reception facilities for environmentally friendly offloading of ships' garbage. While the EU has implemented regulations to ensure the proper handling and disposal of garbage at ports, other locations still lack such measures. BSM explores ways to connect with waste disposal companies with green policies, high environmental standards, and recycling rates, especially in Singapore and China, where we have a strong presence.

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EYESEA APP FOR OCEAN POLLUTION MAPPING AND PREVENTION

Eyesea is a non-governmental organisation that focuses on mapping and analysing marine pollution incidents to advocate for effective clean-up responses and preventive measures by regulators. The Eyesea App relies on anonymous, crowdsourced geo-tagged images of marine pollution, such as plastic waste, abandoned fishing nets, and other environmental contamination.

BSM has been a founding member since 2020 and played a significant role in the App's trial in 2021 by involving seafarers on five vessels. Our seafarers are well-positioned to observe and report pollution incidents. Their photographic evidence has allowed the App to go live, achieving more than 1000 downloads and over 35,000 images and data points logged by individuals. BSM's ship management software provider, MariApps, has improved the App's functionality and user interface by developing new features that will be introduced in early 2023. These include simplified photo uploading, options for pollution information input, filtering capabilities, and notifications for other pollution reports in the user's area. To promote the use of the App, we will also introduce an Eyesea Award function to recognise vessels with exceptional pollution prevention initiatives.

David Furnival, BSM's Chairman and Eyesea's Officer, along with Nick Topham, BSM's Managing Director in Germany and Eyesea's Ambassador, and Constantin Marius, BSM's Second Officer and Eyesea's Seagoing Ambassador, actively promote and encourage the App's use by all personnel at sea and shore.

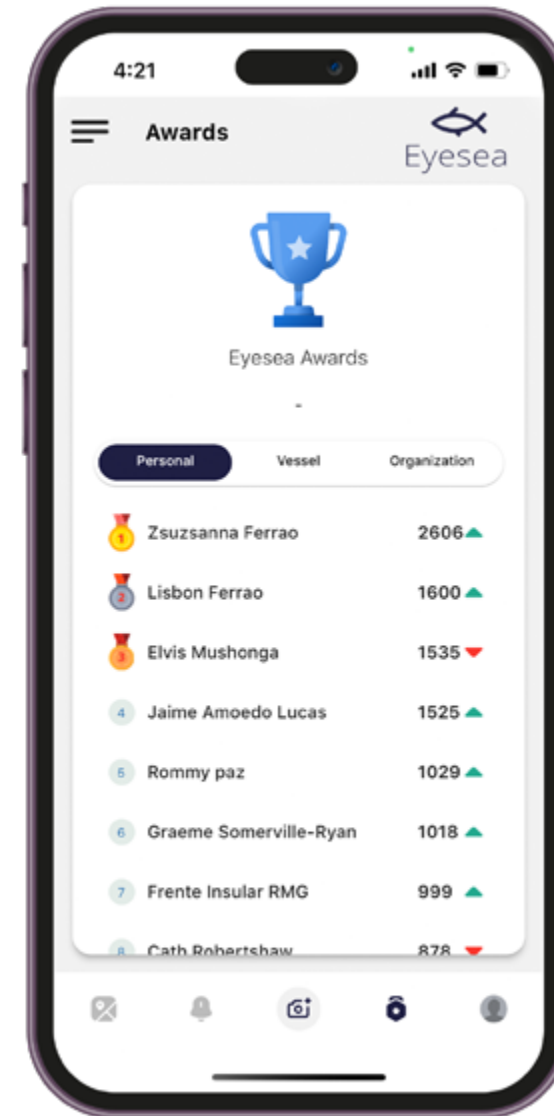
"If the maritime community can act in a coordinated way, we will be able to drive the narrative towards the true causes of marine pollution. Whilst shipping is not typically the cause of garbage pollution at sea, we are in a unique position to be part of the solution and help enhance the reputation of the shipping industry and clean up our seas for the benefit of the environment and society in general."

– David Furnival, BSM's Chairman and Eyesea's Officer

With a global team of over 20,000 seafarers and shore staff, we are fully dedicated to Eyesea's success, driven by our deep connection to the oceans and their immense importance to us all.



Be part of the solution by downloading the Eyesea application to your phone. Post photos of pollution in the ocean, coastal areas, and waterways to raise awareness for action.



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3.3 ENVIRONMENTAL PERFORMANCE AT SHORE

Our ESG Core Team, in collaboration with office environmental coordinators and Energy Management Teams, proposes and executes a wide array of measures to reduce our land-based environmental impact across 37 office locations. Annually, we gather and analyse environmental data to establish priorities and formulate action plans. Our SMCs are ISO-14001:2015 certified and have an approved Environmental Management Plan as we strive to extend certification to all CSCs.

In 2022, we implemented an ISO 50001:2018 aligned Energy Management System (EnMS) for eight major offices. The EnMS encompasses BSM's SMCs and their managed ships, including their facilities, activities, and operations. It enables us to monitor energy consumption against established baselines, set objectives with clear timelines, and develop structured policies, processes, and procedures for energy saving initiatives.

While specific action plans vary annually, we maintain consistent approaches to uphold energy efficiency. Three offices have obtained certification by installing ultraviolet (UV) films, transitioning to LED lamps, adopting paperless policies for reducing printers' use, and implementing switch-off practices for air conditioning and lighting. Our offices' energy intensity has decreased by 13% compared to 2021, and we anticipate additional improvements by the end of 2023 as we certify five more offices.

In 2022, we maintained our commitment to supporting renewable energy and achieved a 16% share of renewable energy in our electricity consumption. We seek to invest in renewable energy solutions for most offices and obtain reliable renewable energy certificates for the rest. We actively engage local renewable energy experts and government bodies to encounter challenges and limitations such as building ownership, space constraints, and unfavourable weather conditions.

In the past few years, through our dedicated BlueSeasMatter initiative, we developed various awareness campaigns and activities to get our people involved in the fight against waste pollution. We organised local beach clean-ups, reduced single-use plastic through water filtration, and ran global ideas competition on

effective waste management. Our commitment to minimising waste impact remains strong and continues to evolve.

We successfully implemented a waste segregation procedure in our office in Cyprus, resulting in the precise counting of each waste stream and increased waste quantity diverted from landfills through recycling and composting. We are currently developing a collaboration with the NGO City Friend Club to maximise our positive impact on the local community. City Friend Club aims to introduce and support efficient waste-collection infrastructure in Limassol and the surrounding areas and encourage eco-friendly habits to downsize prospective waste pollution. We will support their mission by sponsoring the purchase of a new truck that will be in use in 2023 and supporting their mission through our employees' volunteering spirit.

Ultimately, we aim to enforce the lessons learned from the office in Cyprus and ensure reliable and high-quality waste data in all critical locations by the end of 2023.



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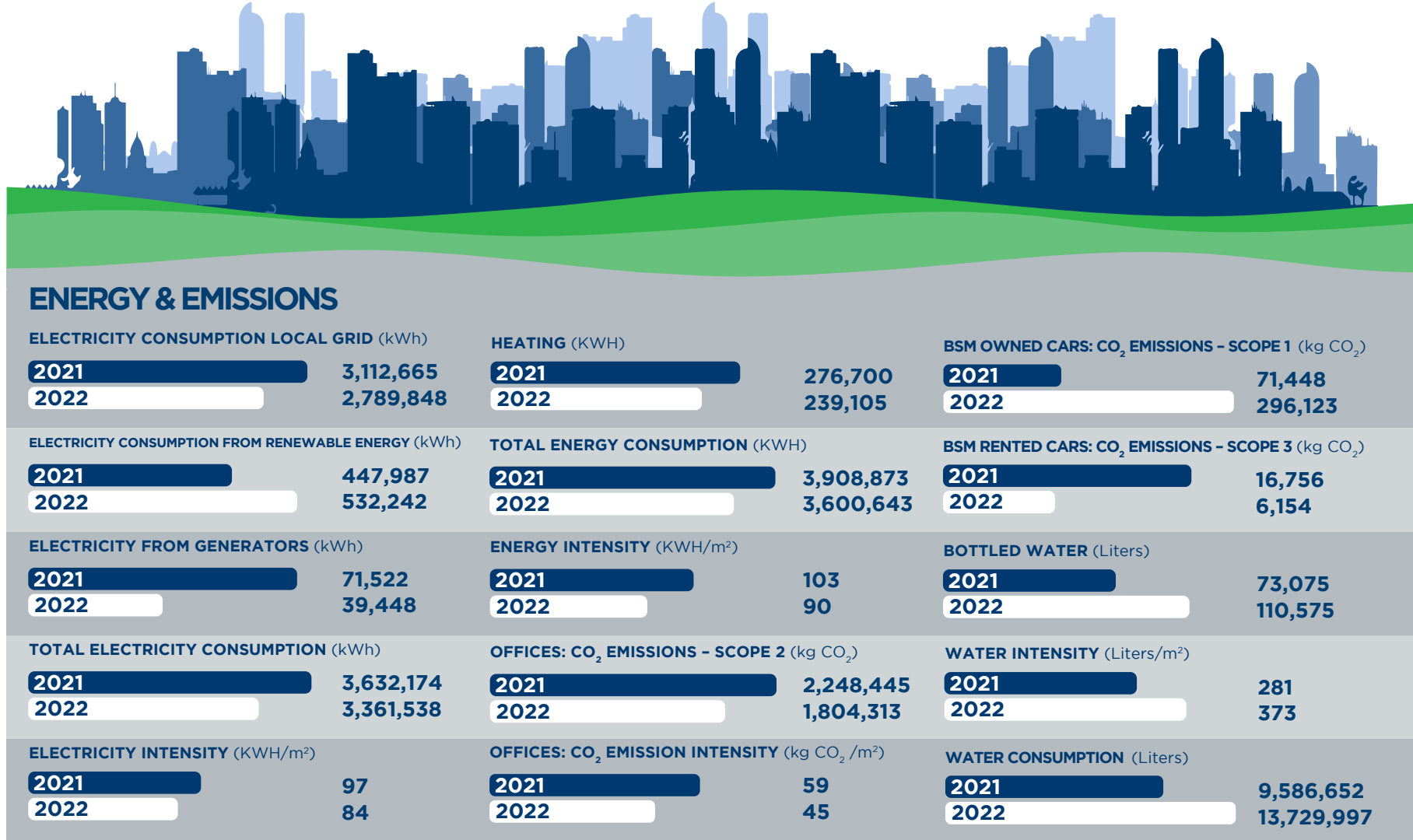
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DATA OF OUR ENVIRONMENTAL PERFORMANCE AT SHORE



* To ensure data integrity and align with the forthcoming Corporate Sustainability Reporting Directive (CSRD), our ESG Report 2022 includes data solely from offices with verified measurements or well-informed estimates. Notably, 76% of our offices provided energy-related information, while water-related information was shared by 57% of the offices. This year, waste-related information was excluded due to insufficient data availability, with only 27% of offices providing adequate information. To maintain year-on-year comparability, we adjusted the 2021 data to align with the office count for 2022. Finally, the emission factors used are provided in the Appendix 9.

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LOOKING AHEAD

- Reduce the Carbon Intensity Indicator of our fleet based on our internal Decarbonisation Strategy.
- Eliminate single-use plastic onboard our full-managed vessels by 2025.
- Leverage carbon footprint data in the travel booking process to enable the prioritisation of sustainable trips.
- All full-managed vessels use eRBooks for reporting waste generation and disposal by the end of 2023.
- Connect with waste disposal companies in Singapore and China to proper handling and disposal of garbage at ports.
- All full-managed vessels to use electronic logbooks (eLogs) for reporting operational practices to eliminate the use of paper logbooks by end of 2023.
- Phase out 404A refrigerants which have a very high global warming potential.
- Provide a single source dashboard in our smartPAL tool to cover the entire process of EU Emission Trading System handling.
- Increase the percentage of renewable energy and establish a waste management policy in our offices globally.



4

GOVERNANCE

At BSM, we conduct business with a high-level of integrity which allows us to deliver services to our customers that are built on trust and accountability. Respecting human rights and following national and international regulations is how our organisation demonstrates our values and principles in the communities we belong to.

As a ship management company, we prioritise ethical operations and the fight against cybercrime, and work towards the establishment of sustainable supply chains. We have 69 specialised experts focused on compliance and internal audit facilitation and a dedicated team of 21 experts supporting suppliers in their sustainability journey.

Our goal is to continuously improve BSM's Ways of Working to prevent, monitor and correct any behaviours that do not align with our core values. We gauge and assess our performance against ISO standards, match clients' and charterers' strict guidelines and conduct internal audits within BSM.

This section provides an overview of how we enable ethical operations and sustainable supply chains. To learn more about how we screen new business operations and verify our performance through a robust auditing structure, read the ESG Report 2020 (p. 76-89) and ESG Report 2021 (p.73 - 80).

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ETHICAL OPERATIONS

Governance of business practices

To keep up with the ever-changing maritime industry, we regularly update our policies and procedures to ensure ethical and accountable behaviour from every BSM employee.

A major shift in policy occurred during the forty-sixth session (May 2022) of the IMO Facilitation Committee, where it approved guidelines for adopting and implementing procedures against maritime corruption. This is the first time that anti-corruption has formally become a part of maritime regulation. It builds on the United Nations Convention Against Corruption which came into force in 2005, a legally binding international anti-corruption multilateral treaty signed by over 180 countries.

At BSM, we have a dedicated department responsible for maintaining our policy and procedure documents. Each year, our team of 28 functional experts is tasked with reviewing and updating the manuals and policies under their respective responsibilities. During this review, we prevent, detect and correct the misuse of procedures.

The functional experts ensure our procedures are in line with ESG elements, outline best practices based on model behaviours observed in our organisation and provide clear steps for complying with international standards. Further, the annual review helps us keep our procedures manageable for employees and helps us identify new areas that need to be supplemented with training. All manuals and policies are accessible to both onshore and offshore staff through our smartPAL Quality Document Management System (QDMS).

Raising our voice against corruption

During our Fleet Leader Meetings (FLMs), we focused on gaining insights into the post-COVID experiences of our shore and sea personnel regarding corruption. Out of the participants, 60% expressed that they want to see a change in the maritime industry related to corruption and are willing to actively combat it.

Additionally, 36% emphasised the need for increased collaboration among seafarers, office staff, and clients to effectively address this issue.

BSM has been working with MACN (Maritime Anti-Corruption Network) to document incidents around the world for many years. We utilise an internal system, the smartPAL LPSQ Facilitation Demands module, to gather feedback and experiences in real-time. We share these reports with MACN so they can develop new training for seafarers around the world and work with the port authorities to carry out Collective Action efforts to strengthen a culture of integrity.

During the FLM, we highlighted the resources available to our seafarers for support including reaching out to their Marine and Technical Superintendents, using our anonymous speak-up tool NAVEX EthicsPoint, and the smartPAL LPSQ Facilitation Demands module to report cases. We also delivered awareness training on significant business ethics topics, such as, reasons to fight corruption, stopping corruption during vessel clearance, and how to practice due diligence.

Tracking training coverage is a prioritised KPI, as we work towards the goal of having all employees complete Ethical Operations & Anti-Corruption training. For example, in 2022, a total of 314 employees, both at sea and ashore, completed digital training on anti-bribery and corruption.

We support MACN's mission to eliminate all forms of maritime corruption in our industry. Beyond sharing reports, we also participated in their 2022 Maritime Anti-Corruption Survey to identify corruption risks across various stages of vessel operations, the seafarer cycle, and specific regions.

Multiple organisations participated in this survey and MACN will release the results by the end of 2023. The results help us identify new risk areas and create intervention mechanisms throughout our operations as well as deliver new training to our seafarers.

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Table 6: An overview of all BSM policies.

BSM Policies	Brief Explanation
Business Policy	Our commitment to acting responsibly towards our clients and employees on our managed ships and within the company premises. It prohibits child/forced labour, human trafficking and enforces human rights.
Data Protection Policy	Our approach of protecting the privacy of our employees, customers, and business partners, in accordance with global data protection laws and regulations.
Diversity, Equity, and Inclusion (DEI) Policy	Our approach of respecting human rights in all aspects of doing business by focusing on equal opportunities, mutual respect, fair treatment, and safety.
Energy Policy	Our commitment to efficient use and management of energy within our business operations at sea and shore.
Environmental Policy	Our commitment to remain in compliance with all relevant environmental regulations and set targets towards the reduction of identified environmental impacts on the marine environment as well as the atmosphere.
Environmental, Social, and Governance Policy	Our committed to deliver our services with great attention to ESG related topics based on our guiding principles of stakeholder inclusiveness, responsibility, respect, reliability, entrepreneurship, and sustainability.
Ethical Ship Operations Policy	Our zero-tolerance approach to bribery and corruption. We promote ethical decision-making at all levels of our organisation to combat corrupt practices. Every BSM employee, is held accountable for acting in line with our ethical behaviour standards.
IT and Cyber Security Policy	Our cyber security management systems and controls adopted in all offices and full managed vessels to protecting information and systems from cyber threats
Mental Health Policy	Our commitment and available services to support our employees through any challenges, that can influence their happiness, collaboration, and productivity.
Occupational Health, Safety and Environmental (OHSE) Policy	Our commitment to prevent any injuries and ill health at sea and shore and continuously update our OHSE management system to enhance our performance.
Quality Policy	Our commitment to manage and adhere to our quality systems to provide a quality services to our clients.
Sanctions Policy	Our commitment to due diligence and transparency in connection with all sanctions applicable to our company and its activities.
Security Policy	Our commitment to providing a secure working environment through the required security measures which prevent unlawful acts against ships and endanger the safety and security of person
Shipboard Drug and Alcohol Policy	Our standards for drugs and alcohol onboard ships, including regular checks, reporting and disciplinary actions to ensure crew's safety, vessels, and operations.
Speaking Up Policy	Our approach to encourage and empower employees, to report any business, personal or other misconducts or malpractices without any fear, pressure, or duress.

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Cyber and Data Security

For shipping, digitalisation has created unique opportunities for fighting corruption. The IMO Facilitation Committee, for instance, has placed great importance on standardising and harmonising electronic communication between ships and shore. By seamlessly integrating administrative, nautical, and operational data during port visits, these initiatives can effectively reduce corruption risks.

Motivated by the increasing number of such endeavours, we constantly enhance our digital solutions to foster ethical practices in shipping operations. One such initiative by BSM was the digitalisation of crew payments through the release of a new mobile application called BSMPay. This app has been adopted by over 90 vessels and 4,000 seafarers, and feeds all transactions into BSM's ERP tool, smartPAL, where shore employees can monitor and process payments.

Further, new features allow for increased payment options and online spending and provide several ways seafarers can send money back home. Online financial transactions serve to fight corruption by allowing more transparency, efficient record-keeping supporting early detection of suspicious activities, and reducing the potential for bribery and under-the-table deals in cash.

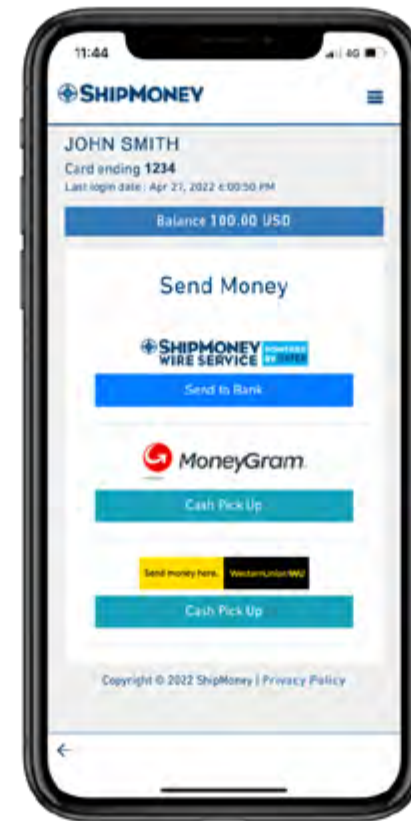
We also developed a user-friendly and convenient digital solution to submit expense claims for reimbursement by shore employees. It provides a transparent and traceable record of the entire claims process. All relevant information, including documentation, communications, and updates, is stored electronically, leaving a clear audit trail. The lack of manual intervention minimises the potential for human error and manipulation and decreases the chances of corrupt activities such as dishonest claims or kickbacks.

By strengthening controls, promoting compliance, and improving oversight, these solutions significantly contribute to the fight against corruption.

On the other hand, with further digitalisation of processes there is also an increased risk for cyber-attacks and data security risks. We have seen a significant increase in cyber-attacks that are unpredictable, sophisticated, and surpass traditional security measures.

BSM takes cybersecurity governance seriously, implementing various methods to safeguard our computer systems, networks, devices, and data. Central to our approach is enforcing a comprehensive Cyber Security Policy that provides clear guidelines for our employees to protect our digital assets.

Further, we have developed dedicated manuals such as the IT and Cyber Security manual and the Shipboard and User Responsibility Cyber Security and Response manuals. These resources offer detailed guidance, measures, and response protocols, empowering our workforce to actively contribute to our overall security posture.



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With the introduction of the General Data Protection Regulation (GDPR), we have taken proactive steps to comply with its requirements. Our GDPR policy and manual outline our processes for data storage, retention, and for conducting GDPR audits. It enables us to effectively protect the sensitive data of our customers, suppliers, employees, and other stakeholders.

Further, we have established a Group IT risk assessment procedure to evaluate all third-party solutions for GDPR and cybersecurity compliance. This procedure plays a crucial role in mitigating the risk of data loss by ensuring that agreements with third-party providers are only entered into after thoroughly evaluating their cybersecurity protocols and GDPR certification.

To demonstrate our commitment to the highest levels of information security, we aim to obtain the ISO 27001 certification for all our Ship Management Centres (SMCs) by mid-2023. BSM Cyprus, including the group IT functions, became our first office certified for ISO 27001 placing us in a good position to ensure cyber resilience and meet existing and upcoming compliance requirements of international class and the IMO.

Recognising the critical role of employee education and awareness, we invest in comprehensive training programmes and campaigns. For example, we delivered Cyber Security digital training to 483 shore employees in 2022, and addressed threats such as phishing, social media impersonation, and vishing attacks through internal articles and posters.

As cyberattacks have been rated the fifth-highest risk across private and public sectors, we plan to launch a dedicated cybersecurity awareness and training platform in 2023. This will enable us to continually assess our cybersecurity resilience and conduct regular tests and assessments. Our goal is to identify vulnerabilities early on, evaluate the effectiveness of our defence mechanisms, and provide targeted training. This iterative process ensures we maintain a robust security posture and remain agile in the face of evolving cyber risks.



"Our comprehensive IT and Cyber Security manual outlines clear protocols that empower our workforce to contribute to our overall security posture."

- Ian Beveridge, BSM CEO

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4.2 SUSTAINABLE SUPPLY CHAIN MANAGEMENT

BSM has a vast network of over 5,000 suppliers that provide services to our offices and vessels. Consequently, we are mindful of how our purchasing power can influence environmental and social responsibility upstream and downstream our value chain.

As part of our ESG strategy we have established a rigorous evaluation process for monitoring our suppliers' adherence to our internal standards, and a dedicated manual with comprehensive procedures that enable us to govern our supply chain effectively.

We have designed a vendor approval process that targets suppliers aligning with our financial performance, environmental practices, social policy criteria and shipping regulations. All vendors are re-evaluated every six months to ensure our accountability to the communities we impact. Our central Supply Chain Management team, which is responsible for the growth of our vendor pool, compiles feedback from and about our approved suppliers to drive industry performance, efficiency, and greater collaboration.

For example, in 2021 we established the Smart Procurement project which continues to enhance our procurement processes with automation. The project aims to consolidate all procurement processes in one platform, enabling us to make data-driven, cost-effective purchases that increase our clients' profitability and mitigate our environmental impact from over-supplying vessels with goods in line with SDG 12: Responsible Production and Consumption.

This year we saw significant progress in this project. Our crew now actively participates in reviewing, amending, and approving purchase orders, before the shore teams finalise them. They have access to information such as their orders' expected delivery dates and locations and the vessel's available budget and cash position. We have received positive feedback that this solution is helping our crew make well-informed purchasing decisions. As we continue to enhance this solution, we are using elements from industry-leading solutions and incorporating trends such as demand forecasting, auto-transactions, and guided buying.

GenPro's Sustainability Scorecard

GenPro, a joint venture between BSM and Columbia Shipmanagement, was established in 2018 to improve sustainability in the shipping industry and create a network of suppliers that prioritise environmental and social responsibility. With a focus on transparency and efficiency, GenPro helps its members make better procurement decisions.

GenPro is known for its expertise in negotiating supply contracts for ship owners, managers, and operators. One of the targets during negotiations is incorporating training programmes related to product familiarity and application into vendor contracts. This offers its members discounted training opportunities that help maximise the lifespan and use of goods purchased.

GenPro's goal is to establish a fully sustainable supplier network by 2025, staying ahead of upcoming regulatory constraints that will shape the purchasing decisions of its members.

GenPro has developed an audit toolkit, the Sustainability Balanced Scorecard, to measure the suppliers' environmental, social, and governance impact. In 2022, GenPro conducted 29 audits based on specific objectives and targets outlined in their scorecard (refer to Appendix 10). These assessments revealed that suppliers reached a sustainability readiness level of 41%¹ by the end of the year. Notably, laboratory service providers demonstrated the highest readiness at 53%, while Ballast Water Management System (BWMS) suppliers had the lowest readiness at 26%.

Through the auditing, suppliers better understand their current ranking and areas for improvement, such as reducing single-use plastics in packaging and adopting renewable energy sources.

¹ Suppliers are audited in a binary approach indicating if they meet (1) or not (0) a specific requirement listed in the Sustainability Scorecard. The percentage indicates the score gained by the supplier compared to the maximum achievable score if all requirements in the Sustainability Scorecard were met.

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To support suppliers with their ESG journey, GenPro engages them through meetings, seminars, and events. For instance, events like their Blue Day and Green Day bring together experts from over 70 organisations and 20 countries to discuss challenges such as the lack of a global regulatory framework and limited infrastructure and technologies needed to facilitate the transition to a sustainable maritime supply chain. They also discuss strategies and best practices for upholding human rights and environmental conservation.



Following its Green Day Sustainability Seminar, GenPro organised a tree-planting activity in Limassol, Cyprus. 250 trees were planted by employees and partners.

3D Printing

BSM has partnered with Wilhelmsen and Thyssen Krupp's 3D printing joint venture (JV) for over two years. The JV aims to establish itself as the leading platform for 3D printing marine spare parts by bringing together shipping companies, Original Equipment Manufacturers (OEMs), 3D printing providers, and class societies.

3D printing, or additive manufacturing, is a computer-controlled process that uses digital models to create three-dimensional objects. It will revolutionise traditional supply chains by enabling innovative product designs and decentralised, on-site production with faster and greener transportation, cost savings, and improved quality.

We can apply the technology to a wide range of metals and polymers used in shipping. To support the growth of the JV and its innovative projects, we procured various 3D-printed spare parts, including an impeller and butterfly valve handles. Also, we ordered a wiper motor housing for Windea Leibniz, an offshore supply vessel managed by BSM.

We eliminated the coating requirements by opting for a 3D-printed motor housing using a seawater-resistant alloy and extended its replacement intervals. Although the cost of the 3D-printed part was higher than its OEM counterpart, the lower operational costs indicate promising commercial viability for 3D-printed spare parts.

While there are challenges associated with 3D printing, such as the need to physically send a used part from the ship to a 3D-scanning facility to create a digital model, the future availability of digital files could eliminate this step. The vast potential of 3D printing for our vessels inspires our team of experts to continuously explore opportunities tailored to our clients' vessels.

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- Obtain the ISO 27001 certification for all our SMCs by mid-2023.
- Launch a dedicated cybersecurity awareness and training platform in 2023.
- Develop further the Smart Procurement project dedicated to automating our procurement processes using our database and state-of-the-art technologies. The project will help us gain valuable insights into the state and needs of our inventory by incorporating trends such as demand forecasting, auto-transactions, and guided buying.
- Select and evaluate all GenPro's contracted suppliers based on ESG Criteria by 2025 and continuously support them in accelerating their sustainability journey.
- Expand the Suppliers Sustainability Scorecards to cover all supplier categories managed by the BSM's Supply Chain Management Team.
- Invest in Research and Development (R&D) and form partnerships with suppliers with the common goal of finding the most beneficial ways we can reduce our carbon footprint and become more circular.



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APPENDIX 1 OVERVIEW OF OUR SERVICES

Services	Brief Explanation
Eurasia Travel Network (ETN)	Offers simplified and cost-effective travel planning while ensuring a smooth journey for business travellers and multinational crews.
Schulte Marine Concept (S.M.C.)	Offers end-to-end solutions for newbuilding, conversion and retrofit projects coupled with technical consultancy and support for fleets in service.
Seachef	Offers hospitality services along the entire value chain. This includes catering management, housekeeping, training and crewing of hospitality professionals, catering and housekeeping audits, consulting, and procurement services.
Hanseatic Chartering (HC)	Offers highly specialised chartering, sale, and purchase services by leveraging our in-house network and strong relationship with various shipyards, brokers, and charterers worldwide.
Hanseatic Connect	Specialises in global recruitment solutions including the sourcing, selection and integration of qualified staff and specialised personnel for the healthcare and medical sector as well as the hospitality and leisure industry.
Hanseatic Maritime Health (HMH)	A subsidiary of Hanseatic Connect, provides health care support, hospital management, telemedicine and medical consultancy services to Crew, Shipowners and Ship managers.
Hanseatic Maritime Advisory Services (HMAS)	Offers ship inspections, audits, maintenance and repair, remote services and consultancy, covering various aspects of maritime operations.
GP General Procurement (GenPro)	Offers the most competitive terms and conditions for procuring a wide range of marine products, consumables, and services. This Joint Venture (JV) negotiates framework supply agreements with international ship suppliers on behalf of its members.
YPI CREW	Offers recruitment services in the yacht sector through its vast industry network and builds united, high-performing crews to deliver the ultimate guest experience.
Pronav	Offers specialised technical LNG ship management services and experienced, highly qualified LNG crewing services.
BSM Cruise	Offers maritime solutions to the cruise industry, including technical and crew management, superyacht crew recruitment, newbuilding supervision, fleet maintenance and repair, software solutions, LNG consultancy and travel services.
Rawabi Schulte	Offers ship management services focused on the Saudi Arabia offshore market.
Hurtigruten Technical Services	Caters for the specific needs of Hurtigruten's growing fleet of small-size expedition cruise ships.
ULA Shipmanagement	A JV between BSM and Amon Maritime that offers ship management services for the Norwegian market, specialising in ammonia-powered vessels but open to all types of vessels.

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APPENDIX 2 BSM PRESENCE AND TYPE OF CUSTOMERS

Country	Services
Germany	SMC, Pronav, BSM Cruise Services, Hurtigruten Technical Services
UK	SMC
Isle of Man	SMC
Cyprus	SMC, MTC, GenPro, ETN, Seachef
Greece	SMC, HMAS
India	SMC, MTC, CSC (x6), S.M.C., Seachef, ETN, GSC, GenPro
Singapore	SMC, GenPro
China	SMC, MTC, CSC, S.M.C.
Hong Kong	SMC, S.M.C., HMAS
Mexico	SMC, CSC
Norway	ULA Ship Management
Philippines	CSC (x3), MTC, ETN
Russia	CSC (x4)
Romania	CSC
Croatia	CSC
Poland	CSC
Latvia	CSC
Myanmar	CSC
Indonesia	CSC, Representative Office
Ukraine	CSC
Ghana	CSC

Country	Services
Venezuela	CSC
Japan	Representative Office
Abu Dhabi	Representative Office
Miami	BSM Cruise
Saudi Arabia	Rawabi Schulte
Bermuda	Representative Office
South Korea	Representative Office, SMC, S.M.C.
Spain	Representative Office
Dubai	Representative Office
France	YPI Crew

TYPE OF CUSTOMERS OR BENEFICIARIES

Shipowners & Shipowner Related Companies

Charterers & Oil Majors

Suppliers/Vendors

Insurance Brokers and P&I club

Audit and Law Firms

External Crewing Agency

Port and Travel Agent

Shipyards

Leasing Companies

Banks & Financial Institutions

Warehouse Owners

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APPENDIX 3 MEMBERSHIPS AND SUBSCRIPTIONS

- ACCA
- ADCI (Association of Diving Contractors International)
- Ad-Hoc Seafarers Vaccination group of the Cyprus Shipping Chambers
- AMMITEC
- ANACR, the national association of crewing agencies in Romania.
- ARHIP (Mexican Association of Human Resources for the Oil Industry)
- ASPRI (Association of Process Industry)
- Association of Croatian Captains & Engineers
- Association of Polish Manning Agents and Recruiters
- Association of Trade and Commerce Singapore
- Authorization of MRM course delivery
- AutoCAD- autodesk technical plans/drawings annual fee
- BIMCO
- B-Zero Project, Fraunhofer-Center Maritime Logistik und Dienstleistungen
- CDAS Commercial Diving Association of Singapore
- Chartered Secretaries
- China Association of Plant Engineering Consultants
- CIMA Indonesian Manning Agency Association
- G-Map - Distance Calculator
- Commercial Operations and Trade Facilitation Committee
- Container Ship Safety Forum (CSSF)
- CROSMA - Croatian Ship Manning Association
- Cyprus Employers and Industrialist Federation (OEB)
- Cyprus International Business Association
- Cyprus Marine Club
- Cyprus Marine Environment Protection Association
- Cyprus Marine Environment Protection Association (CYMEPA)
- Cyprus Shipowners Employers Association- CBA Committee
- Cyprus Shipping Chambers (CSC) - Membership
- CYSEA
- Dataloy Sstems A/S Distance Tables
- DNV Cyprus Committee
- DNV Maritime Systems
- Educational Activities working group of the Cyprus Shipping Chambers
- Environmental Workgroup Phoenix & Seachef
- EthicsPoint
- European Chamber of Commerce of the Philippines (ECCP)
- Export Promotion Council for EOU & SEZ Units
- Federation of India Export Organisation
- Filipino Association for Mariners Employment (FAME)
- Foreign Owners and Ship Managers Association
- FOSMA - Foreign Owners Representatives and Ship Managers Association
- German-Philippine Chamber of Commerce and Industry, Inc. (GPCCI)
- Global Maritime Forum
- Halal Certification
- Handelskammer Hamburg / Chamber of Commerce Hamburg annual fee
- Hansa International Maritime Journal
- Haufe Service Center
- HK Institute of Human Resources Management Ltd
- Hong Kong General Chamber of Commerce
- Hong Kong Shipowners Association
- HR21 Ltd
- IADC
- IHS Markit Database
- IMarEST
- IMCA (International Marine Contractors Organisation)
- IMEC India Rep
- IMPA
- Indian Maritime University Court
- Indo German Chamber of Commerce
- Intercargo
- InterManager
- International Maritime Employers Council (IMEC)
- International Council on Combustion Engines (CIMAC)
- International ship management membership (Shanghai local industry association)
- Intertanko
- IRATA (Industrial Rope Access Association)
- ISDA International Swaps and Derivatives Association
- Isle of Man Shipping Association
- Jobships
- Korean Register of Shipping
- Krunch
- LexisNexis, Risk Solutions (World Compliance)

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- Liberia Ship Owner Council
- Lloyd's List
- LR Technical Committee
- MACN
- Manning and Training Committee of the Cyprus Shipping Chambers
- Marex Media- Advt in Matrix Magazine
- Marine Engineers review India
- Marine Opportunity- Advert in MO magazine
- Marine Preservation Association
- Marinetraffic
- Maritime Awareness Program Society
- Maritime Floating Staff Welfare Trust
- Maritimes.gr.
- Marketing Club Hamburg
- Martechma (Marine Technical Managers' Association)
- Martecma - technical manager association
- Nah- und Mittelost-Verein
- Nautical Institute, London
- NP "Association of Companies for the Selection, Training, Hiring and Employment of Seafarers"
- NUSI ITF Trustee
- Philippine-Japan Manning Consultative Council, Inc. (PJMCC)
- PRAMARIN - Indonesian Maritime Practitioner Association
- Propeller Club
- PurplTrac Polestar
- Q88 - Commercial Shipping Management Software
- REGS4SHIPS
- RightShip
- Safety at Sea (IHS)
- Sailor Today
- Sealine Group- Advt in Sealine Magazine
- SEA-WEB
- SGMF
- Shanghai International Ship Management Association
- SHELL Partners in Safety
- Shipping International (Greek publication)
- SIGTTO
- SIGTTO General Purposes Committee
- Singapore Institute of Arbitrators (SIARB)
- Singapore Recreation Club
- Singapore Shipping Association
- STCW Review Working Group of the Cyprus Shipping Chambers
- Taxation, Finance and Legal Committee of the Cyprus Shipping Chambers
- The India CEO Forum
- The Mission to Seafarers
- The Motorship
- The Nautical Institute
- Tinig ng Marino
- TMSA
- Trade Maker
- Tradewinds
- Ukrainian Maritime Union
- Umweltpartnerschaft Hamburg
- VDR (German Shipowner Association) Nautical/ Technical Committee
- VDR-Kommission für Betriebswirtschaft
- Videotel - Master Edition

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APPENDIX 4 EMPLOYEE CLASSIFICATION

The table¹ provides information on the number of shore employees by gender and region based on their employment type (permanent, temporary, full-time or part-time).

Shore Employees Data	2020	2021	2022
Total number of shore employees	1,446	1,693	2,225
PERMANENT EMPLOYEES BY GENDER			
Females	670	760	973
Males	745	870	1,156
PERMANENT EMPLOYEES BY REGION			
Asia Pacific	NA	1,043	1,387
Europe and Russia	NA	557	700
America	NA	21	29
Africa	NA	11	14
TEMPORARY EMPLOYEES BY GENDER			
Female	10	17	28
Males	14	25	26
TEMPORARY EMPLOYEES BY REGION			
Asia Pacific	NA	29	36
Europe and Russia	NA	13	18
FULL-TIME EMPLOYEES BY GENDER			
Females	661	748	960
Males	754	889	1,176
FULL-TIME EMPLOYEES BY REGION			
Asia Pacific	NA	1,070	1,421
Europe and Russia	NA	537	673
America	NA	21	29
Africa	NA	11	14
PART-TIME EMPLOYEES BY GENDER			
Females	25	29	41
Males	6	6	6
PART-TIME EMPLOYEES BY REGION			
Asia Pacific	NA	2	2
Europe and Russia	NA	33	45

¹ In the ESG Report 2020, the employees were grouped in regions based on their nationalities. For more accurate reporting, in 2021 and 2022, the employees were grouped in regions based on the area where they operate. Hence, the breakdown by region is not provided in the above table for 2020.

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The table provides information on the number of seafarers by region of employment. Seafarers are contracted for fixed periods.

Seafarer Data	2020	2021	2022
Total number of seafarers	21,008	23,719	25,705
NUMBER OF SEAFARERS BY ENTITY			
BSM China	1	128	15
BSM Cruise	60	88	115
BSM Cyprus	17	13	20
BSM Cruise Germany	124	123	55
BSM Greece	132	203	199
BSM India	3	14	28
BSM Isle of Man	22	32	27
BSM Mexico	0	0	1
BSM Singapore	69	85	100
CSC China	2,264	1,661	1,023
CSC Croatia	254	288	298
CSC Ghana	340	459	549
CSC India	3,540	4,061	5,718
CSC Indonesia	746	923	1,195
CSC Latvia	403	401	338
CSC Mexico	227	258	314
CSC Myanmar	746	641	605
CSC Philippines	6,832	7,714	8,233
CSC Poland	595	670	596
CSC Romania	443	706	698
CSC Russia	1,322	1,580	1,834
CSC Ukraine	1,143	1,337	1,302
CSC Venezuela	92	148	215
Pronav Germany	19	13	11
Third Party Agencies	1,614	2,173	2,216

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APPENDIX 5 NEW EMPLOYEE HIRES AND TURNOVER

The table indicates the number of new employees at shore by gender and age and as a percentage of the total number of new shore employees. It also indicates the percentage of new employees as per the total number of shore employees.

New Shore Employee Hires	2020		2021		2022	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
BY GENDER						
Female	124	18%	157	20%	275	27%
Male	149	20%	197	22%	338	28%
Others	0	0%	1	100%	0	0%
BY AGE						
Under 30	113	39%	154	41%	267	48%
Between 30-50	143	16%	176	17%	312	23%
Above 50	17	6%	25	9%	34	10%
TOTALS						
New Shore Employee Hires (A)	273		355		613	
New Shore Employee Turnover (B)	3		67		81	
All Shore Employees (C)	1,446		1,693		2,225	
New Employee Hire Rate [(A-B)/C]	19%		17%		24%	

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APPENDIX 5 NEW EMPLOYEE HIRES AND TURNOVER

The table shares information on the number of shore employees' turnover by gender and age as and as a percentage of the total number of shore employees' turnover. It also provides the percentage of employees' turnover as per the total number of shore employees.

Shore Employee Turnover	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
BY GENDER						
Female	76	11%	131	17%	132	13%
Male	77	10%	148	16%	193	16%
Other	0	0%	0	0%	0	0%
BY AGE						
Under 30	36	12%	79	21%	101	18%
Below 30-50	84	9%	159	15%	195	15%
Above 50	33	22%	41	15%	29	9%
TOTALS						
Employee Turnover (A)	153		279		325	
All Shore Employees (B)	1,446		1,693		2,225	
Employee Turnover Rate (A/B)	11%		16%		15%	

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APPENDIX 5 NEW EMPLOYEE HIRES AND TURNOVER

The table indicates the number of new seafarers by region and as a percentage of the total number of new seafarers. It also indicates the percentage of new seafarers as per the total number of seafarers.

New Seafarer Hires	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
BY REGION						
Africa	81	1.84%	190	3.15%	180	3%
Americas	97	2.21%	100	1.66%	200	3%
Asia-Pacific	3061	69.65%	3833	63.51%	4881	71%
Europe and Russia	1128	25.67%	1845	30.57%	1566	23%
Middle East	28	0.64%	67	1.11%	92	1%
TOTALS						
New seafarer hires (A)	4,395	/	6,035	/	6,919	/
All seafarers (B)	21,008	/	23,719	/	25,705	/
New seafarer hire rate (A/B)	/	21%	/	25%	/	27%

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APPENDIX 5 NEW EMPLOYEE HIRES AND TURNOVER

The table shares information on the number of seafarers turnover by region and as a percentage of the total number of seafarers turnover. It also provides the percentage of seafarers' turnover as per the total number of seafarers.

New Seafarer Hires	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
BY REGION						
Africa	60	2.09%	38	1.22%	79	2.79%
Americas	61	2.13%	57	1.83%	86	3.04%
Asia-Pacific	2213	77.16%	2288	73.59%	1787	63.08%
Europe and Russia	495	17.26%	699	22.48%	853	30.11%
Middle East	39	1.36%	27	0.87%	28	0.99%
TOTALS						
New seafarer hires (A)	2,868	/	3,109	/	2,833	/
All seafarers (B)	21,008	/	23,719	/	25,705	/
New seafarer hire rate (A/B)	/	14%	/	13%	/	11%

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The table indicates the gender diversity by employee category at shore.

Gender	2020	2021	2022
OVERALL			
Female	48%	47%	46%
Male	52%	53%	54%
C-SUITE			
Female	0%	0%	0%
Male	100%	100%	100%
HEAD OF DEPARTMENT / DIRECTOR			
Female	12%	13%	12%
Male	88%	87%	88%
JUNIOR / TRAINEE / ASSISTANT			
Female	67%	56%	57%
Male	33%	44%	43%
MANAGER/SENIOR MANAGER			
Female	24%	24%	26%
Male	76%	76%	74%
MID LEVEL (WORKING LARGELY AUTONOMOUSLY BUT WITHOUT TEAM LEADERSHIP OR RESPONSIBILITIES FOR OTHERS)			
Female	50%	51%	48%
Male	50%	49%	52%
SENIOR /TEAM LEADER			
Female	48%	49%	48%
Male	52%	51%	52%

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APPENDIX 6 DIVERSITY BREAKDOWN BY POSITION - SHORE

The table indicates the age diversity by employee category at shore.

Age Group	2020	2021	2022
OVERALL			
Below 30	20%	22%	25%
Between 30-50	62%	62%	60%
Above 50	18%	16%	15%
C-SUITE			
Below 30	0%	0%	0%
Between 30-50	50%	50%	50%
Above 50	50%	50%	50%
HEAD OF DEPARTMENT / DIRECTOR			
Below 30	0%	0%	0%
Between 30-50	44%	46%	46%
Above 50	56%	54%	54%
JUNIOR / TRAINEE			
Below 30	45%	47%	57%
Between 30-50	47%	47%	37%
Above 50	8%	6%	6%
MANAGER/SENIOR MANAGER			
Below 30	2%	3%	2%
Between 30-50	62%	66%	68%
Above 50	37%	31%	30%
MID LEVEL (WORKING LARGELY AUTONOMOUSLY BUT WITHOUT TEAM LEADERSHIP OR RESPONSIBILITIES FOR OTHERS)			
Below 30	23%	26%	25%
Between 30-50	64%	63%	65%
Above 50	13%	11%	10%
SENIOR /TEAM LEADER			
Below 30	7%	7%	8%
Between 30-50	73%	72%	71%
Above 50	20%	20%	20%

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APPENDIX 6 DIVERSITY BREAKDOWN BY POSITION - SHORE

The table indicates the national diversity by employee category at shore.

Nationality	2020	2021	2022
Number of Nationalities	46	52	54
C-SUITE			
Number of Nationalities	5	5	5
HEAD OF DEPARTMENT / DIRECTOR			
Number of Nationalities	17	18	20
JUNIOR / TRAINEE			
Number of Nationalities	23	27	28
MANAGER/SENIOR MANAGER			
Number of Nationalities	24	28	28
MID LEVEL (WORKING LARGELY AUTONOMOUSLY BUT WITHOUT TEAM LEADERSHIP OR RESPONSIBILITIES FOR OTHERS)			
Number of Nationalities	38	43	38
SENIOR /TEAM LEADER			
Number of Nationalities	24	27	29

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APPENDIX 7 DIVERSITY BREAKDOWN BY POSITION - SEA

The table indicates the gender diversity by employee category at sea.

Gender	2020	2021	2022
OFFICERS			
Female	0%	0%	1%
Male	100%	100%	99%
RATINGS			
Female	0%	0%	0%
Male	100%	100%	100%
CADETS			
Female	2%	6%	6%
Male	98%	94%	94%
OTHER			
Female	NA	15%	17%
Male	NA	85%	83%

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APPENDIX 7 DIVERSITY BREAKDOWN BY POSITION - SEA

The table indicates the age diversity by employee category at sea.

Age Group	2020	2021	2022
OFFICERS			
Below 30	22%	23%	22%
Between 30-50	63%	63%	64%
Above 50	15%	14%	15%
RATINGS			
Below 30	27%	28%	28%
Between 30-50	61%	59%	59%
Above 50	12%	13%	13%
CADETS			
Below 30	96%	96%	94%
Between 30-50	4%	4%	6%
Above 50	0%	0%	0%
OTHER			
Below 30	NA	15%	30%
Between 30-50	NA	75%	61%
Above 50	NA	21%	8%

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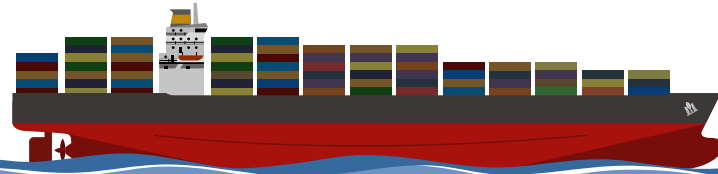
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CONTAINER VESSELS



ENERGY & EMISSIONS

FUEL CONSUMPTION (MT)

2020	1,401,621
2021	1,572,177
2022	1,595,510

CO₂ EMISSION (MT - SCOPE 2)

2020	4,392,276
2021	4,921,192
2022	4,989,978

SO_x EMISSIONS (MT)

2020	8,886
2021	14,364
2022	14,516

NO_x EMISSIONS (MT)

2020	128,864
2021	142,763
2022	146,065

AVERAGE CII EXCLUDING OFFSHORE AND PASSENGER

2020	9.03
2021	9.30
2022	9.15

WASTE

GENERATED (m³)

2020	5,680
2021	5,508
2022	5,665

DIVERTED FROM DISPOSAL INCINERATED (m³)

2020	531
2021	446
2022	522

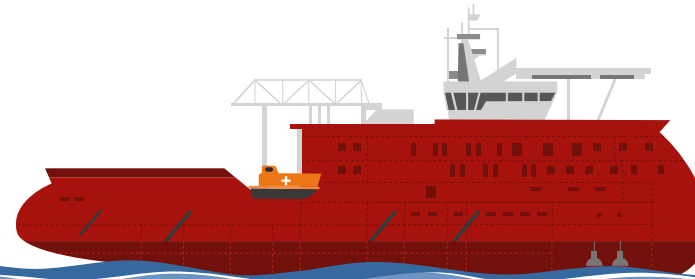
DIRECTED TO DISPOSAL DISCHARGED AT SEA (m³)

2020	1,950
2021	371
2022	393

DIRECTED TO DISPOSAL LANDED ASHORE (m³)

2020	3,076
2021	4,667
2022	4,506

OFFSHORE VESSELS



ENERGY & EMISSIONS

FUEL CONSUMPTION (MT)

2020	3,944
2021	13,205
2022	18,199

CO₂ EMISSION (MT - SCOPE 2)

2020	12,667
2021	42,377
2022	56,383

SO_x EMISSIONS (MT)

2020	4.45
2021	113.80
2022	15.60

NO_x EMISSIONS (MT)

2020	217
2021	865
2022	483

WASTE

GENERATED (m³)

2020	851
2021	1,941
2022	2,822

DIVERTED FROM DISPOSAL INCINERATED (m³)

2020	0
2021	0
2022	43

DIRECTED TO DISPOSAL DISCHARGED AT SEA (m³)

2020	333
2021	315
2022	337

DIRECTED TO DISPOSAL LANDED ASHORE (m³)

2020	519
2021	1,655
2022	2,422

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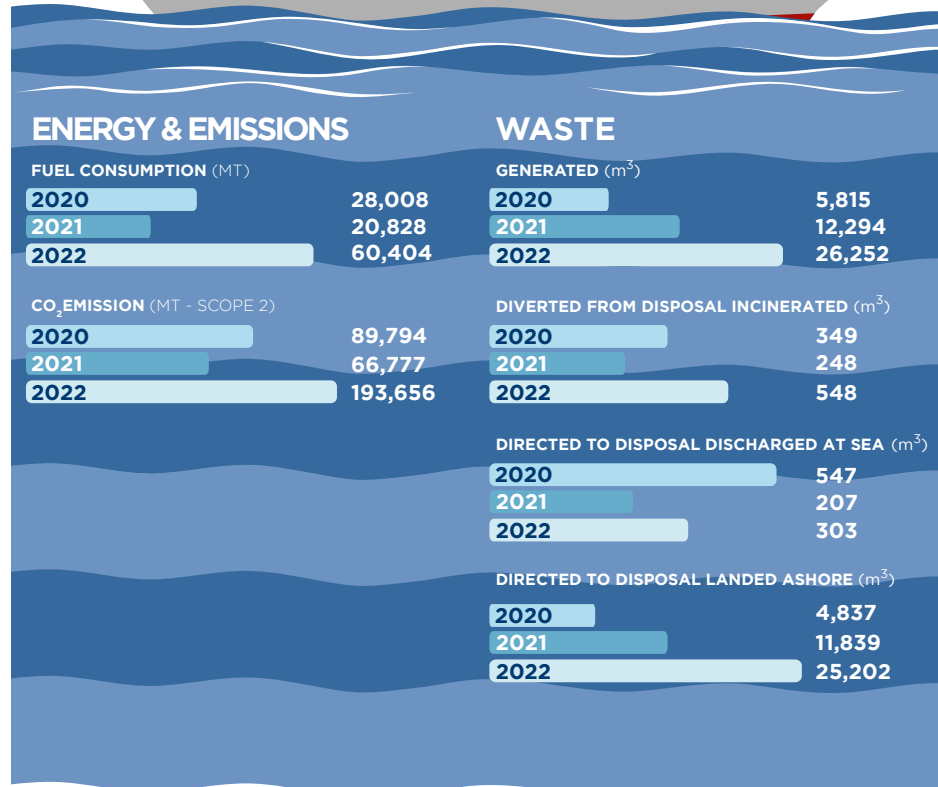
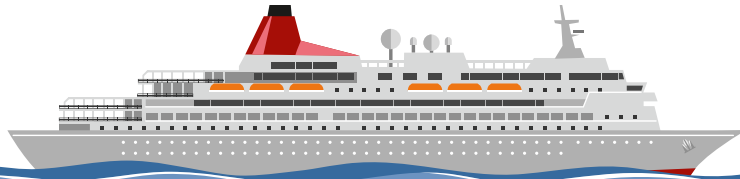
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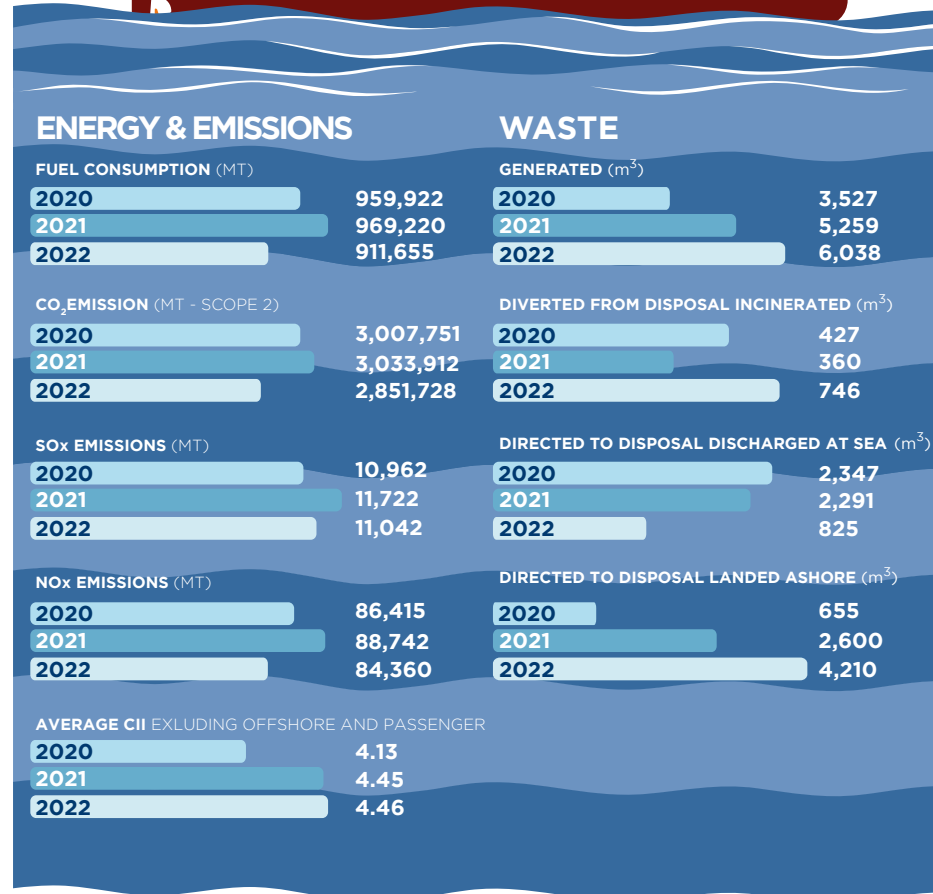
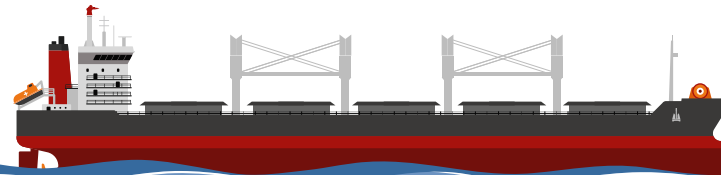
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PASSENGER VESSELS



BULKER VESSELS

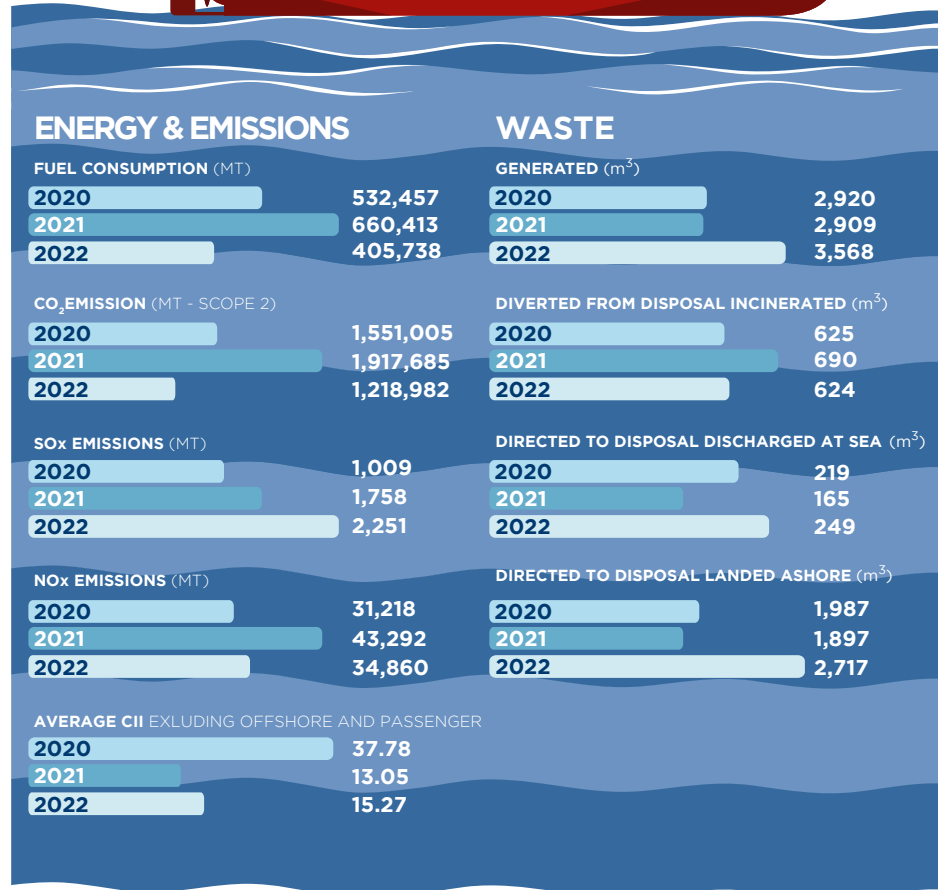
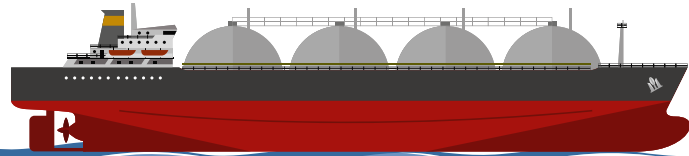


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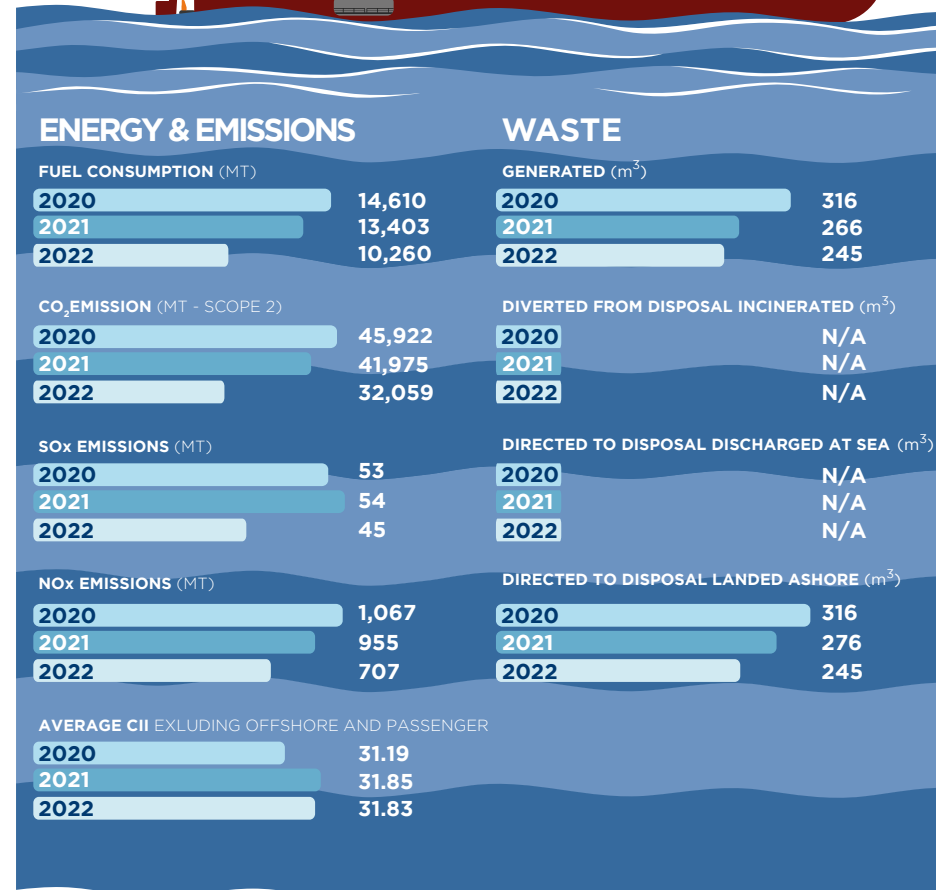
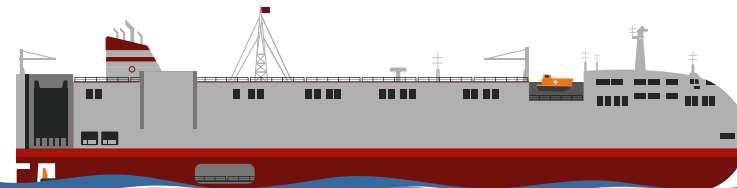
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GAS TANKER VESSELS



RO-RO VESSELS

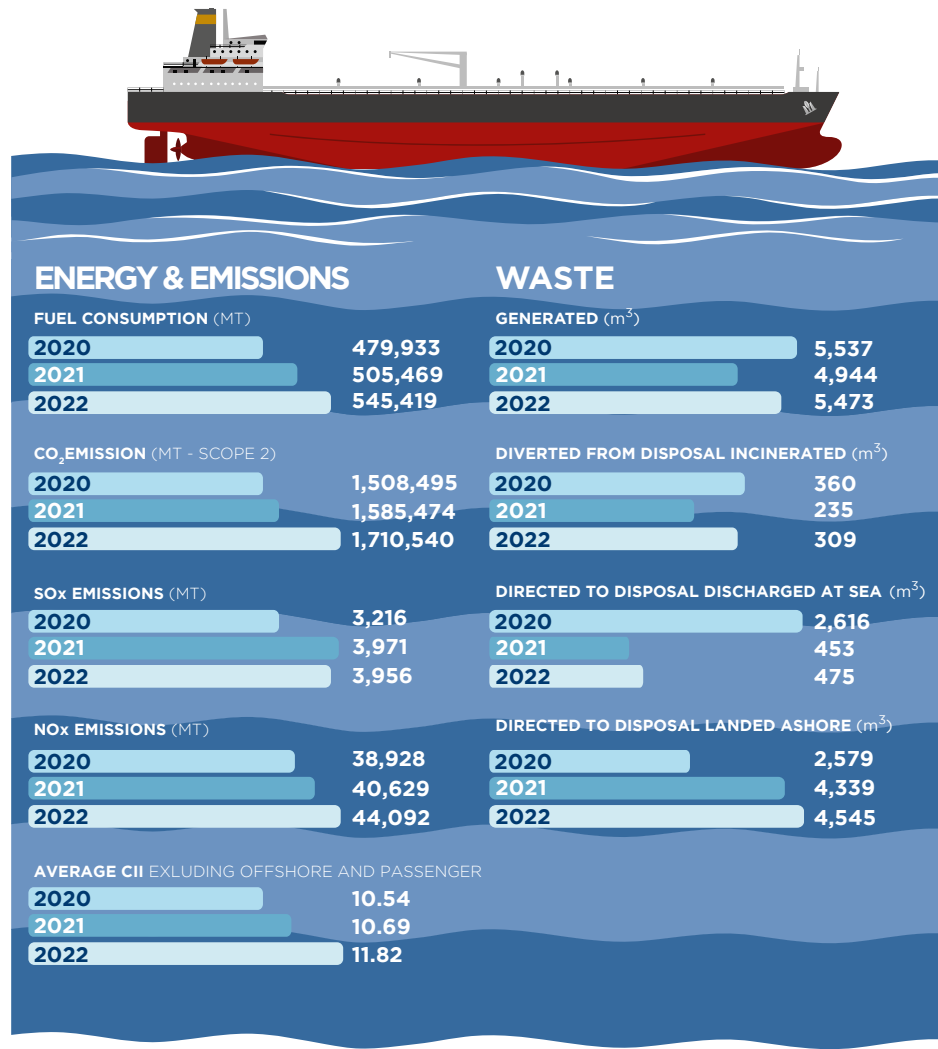


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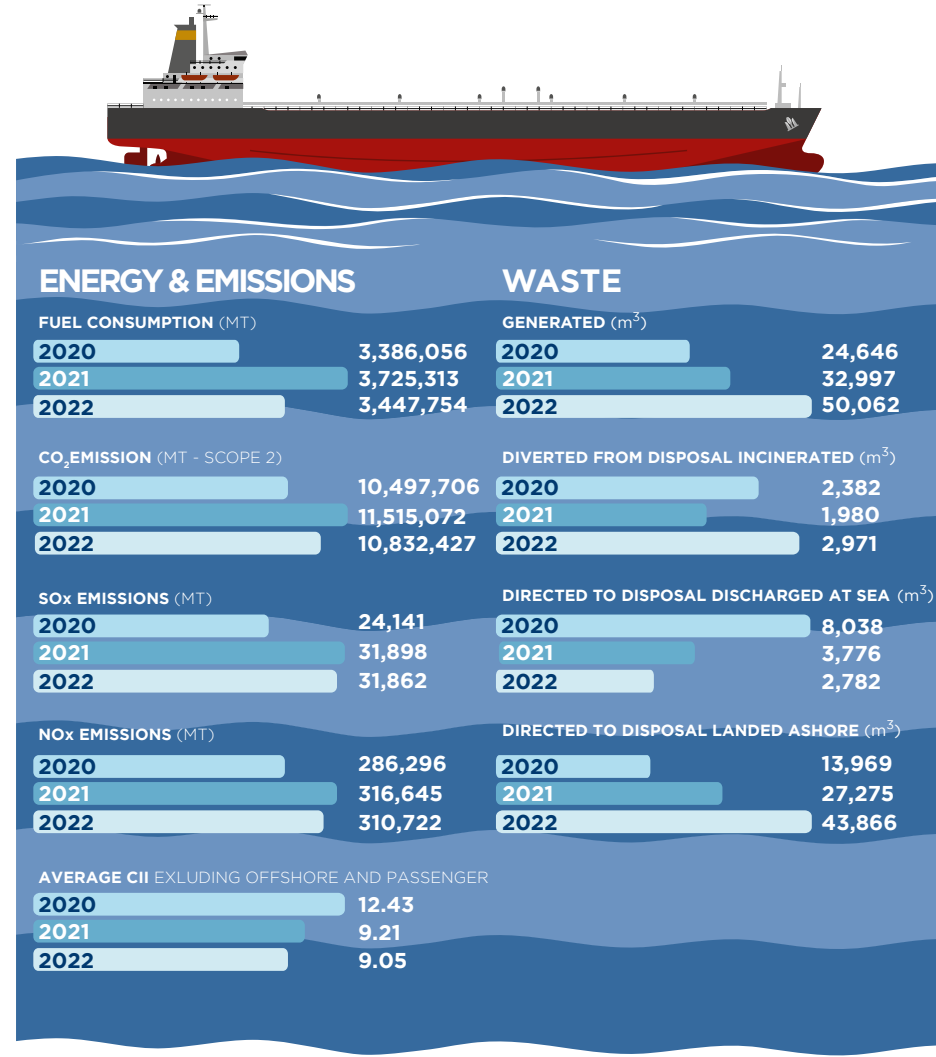
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CHEMICAL/OIL TANKER VESSELS



ALL VESSELS



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APPENDIX 9 EMISSION FACTORS

The table provides the emission factors for all office locations.

Country	Emission Factor (grCO ₂ /kWh)	Source
EUROPE		
Germany	402	European Environment Agency, 2021 Statistics
Cyprus	646	European Environment Agency, 2021 Statistics
Greece	604	European Environment Agency, 2021 Statistics
Croatia	138	European Environment Agency, 2021 Statistics
Romania	323	European Environment Agency, 2021 Statistics
Poland	750	European Environment Agency, 2021 Statistics
Ukraine	548	Data and Statistics IEA, 2020
Latvia	155	European Environment Agency, 2021 Statistics
United Kingdom	194	UK Government GHG Conversion Factors 2022
AFRICA		
Ghana	228	Data and Statistics IEA, 2020
ASIA		
Myanmar	113	Data and Statistics IEA, 2020
Indonesia	717.7	Carbon Footprint, 2022
Philippines	729	Data and Statistics IEA, 2020
India	708.2	Carbon Footprint, 2022
Hong Kong	710	Carbon Footprint, 2022
Singapore	408	Carbon Footprint, 2022
China	537.4	Carbon Footprint, 2022
Japan	465.8	Carbon Footprint, 2022
RUSSIA	310.2	Carbon Footprint, 2022
LATIN AMERICA		
Venezuela	314	Data and Statistics IEA, 2020
Mexico	431.4	Carbon Footprint, 2022
Abu Dhabi	471.6	Statista, 2020

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APPENDIX 9 EMISSION FACTORS

This table indicates the emission factors used to calculate the Scope 1 GHG emissions caused by the consumption of specific fuel type for generating electricity and heat in our offices (using generators and boilers respectively).

They have also been used to calculate the Scope 1 GHG emissions related to employees travelling using BSM owned cars and Scope 3 GHG emissions related to employees travelling using BSM rented cars.

The energy content indicators have been used to calculate the total amount of energy produced by burning fuel in generators and boilers at shore.

Fuel	kWh/litre	kgCO2-e/litre
Diesel	10.96	2.64
Gasoline	9.61	2.3
Natural Gas	10.72 (kWh/m3)	0.18 (kgCO2/kWh)

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APPENDIX 10 GENPRO SUSTAINABILITY SCORECARD

	STRATEGIC OBJECTIVES	KPIs	TARGET
Regulatory	Adherence to Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on Ship Recycling (EU SRR)" and "Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 SR/CONF/45 (HKC).	% of supply deliveries accompanied by the necessary declarations of conformity and material declarations on all applicable supplied items.	100%
Mandatory	Collection of wrapping material post supply.	% of deliveries where wrapping material was collected post supply.	100%
	Onboarding of Supplier onto GenPro's sustainability programme.	Attendance at dedicated GenPro webinar 'GenPro Sustainability Onboarding Webinar'.	Attendance.
	Adherence to GenPro General Terms & Conditions including the Annexes (where applicable) with a focus on items' product specifications comprising GenPro's key product assortment.	Number of Non-Conformity (NCR) cases reported by the GenPro Members.	0 Cases.
	Implementation of ISO 22000:2018/HACCP (Food Safety Management System).	Certification of ISO 22000:2018/HACCP (Food Safety Management System).	Confirmation via remote verification, physical audit, or business review.
	No involvement in any form of modern slavery (Notice S0622).	Written confirmation of notice implementation.	Notice implementation.
	Promotion of equal employment, gender equality and diversity (Notice S0722).	Written confirmation of notice implementation.	Notice implementation.

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APPENDIX 10 GENPRO SUSTAINABILITY SCORECARD

Mandatory	Implementation of ISO 9001:2015 (Quality Management System).	Quality Management System in place.	Certification of ISO 9001:2015 (Quality Management System).
	Maintenance of IMPA/ISSA Membership.	Valid membership.	Membership Certificate.
	Reduction of risk of Covid-19 cross contamination onboard Members' Fleets (Notice S0121).	Written confirmation of notice implementation.	Notice implementation.
	Inclusion of reusable-recyclable products in supplier's portfolio (Notice S0421).	Written confirmation of notice implementation.	Notice implementation.
	Ban of Single Use Plastic Products (Notice S0522).	Written confirmation of notice implementation.	Notice implementation.
	Provision of certificate and articles of incorporation (Notice S1122).	Supplier's Articles of Incorporation issued by an official government body.	Notice implementation.
	Provision of sustainably produced food supplies and embracing of "Farm to Fork" concept (Notice S1022).	Written confirmation of notice implementation.	Notice implementation.

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Preferred	Use and application of environmentally friendly wrapping material and consolidation and packing techniques (Notice S0221).	Written confirmation of notice implementation.	Notice implementation.
	Reduction of virgin material in products and elimination of product toxicity (Notice S0321).	Written confirmation of notice implementation.	Notice implementation.
	Familiarisation with Notices S0121, S0221, S0321.	Attendance at dedicated GenPro webinar '2.1 Sustainability & Compliance Notices S01221 – S0221 – S0321'.	Attendance.
	Familiarisation with Notices S0422, S0522.	Attendance at dedicated GenPro webinar '2.2 GenPro 2021 & 2022. Notices (S0421, S0522)'.	Attendance.
	Familiarisation with the topic of Green Supply Chain - Best Practices.	Attendance at dedicated GenPro webinar '2.3 GenPro Green supply Chain – Best Practices'.	Attendance.
	Familiarisation with the topic of Suppliers' and Service Providers' sustainability maturity and responsiveness assessment.	Attendance at dedicated GenPro webinar '2.4 Sustainability Maturity and Responsiveness Assessment'.	Attendance.
	Familiarisation with the Farm to Fork Strategy.	Attendance at dedicated GenPro webinar '2.5 GenPro Farm to Fork Webinar'.	Attendance.
	Familiarisation with the topic of Sustainability Balanced Scorecard.	Attendance at dedicated GenPro webinar '2.6 GenPro Sustainability Balanced Scorecard'.	Attendance.
	Implementation of ISO 37001:2016 (Anti-Bribery & Anti-Corruption Management System).	Management System in place.	Certification of ISO 37001:2016 (Anti-Bribery & Anti-Corruption Management System).

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Promoted	Reduction of energy and water consumption (Notice S0822).	Written confirmation of notice implementation.	Notice implementation.
	Maintain open dialogue with all stakeholders and develop sustainable partnerships.	Attendance at GenPro's Green Day and Blue Day.	Attendance.
	Adoption of energy and fuel saving equipment and machinery (Notice S0922).	Written confirmation of notice implementation.	Notice implementation.
	Implementation of ISO 14001:2015 (Environmental Management System).	Environmental Management System in place.	Certification of ISO 14001:2015 (Environmental Management System)
	Implementation of ISO 26000:2010 (Social Responsibility Guidance).	Proposed best practices adopted.	Verification of ISO 26000:2010 (Social Responsibility Guidance).
	Implementation of ISO 45001:2018 or OHSAS 18001:2007 (Health & Safety Management System).	Health and Safety Management System in place.	Certification of ISO 45001:2018 or OHSAS 18001:2007 (Health & Safety Management System).

Important Notes

Sustainability Balanced Scorecard	Quantifiable measures listed. Where not applicable, defined initiatives are included. Some of the strategic objectives listed in the above table apply to specific supplier categories.
Regulatory	Enforced by National or Global Legislation – Unable to deviate from.
Mandatory	Enforced by GenPro – Full and inelastic adherence expected. Minimal exceptions to apply only where National / Local Regulations cancel the Requirement (ex. Australia Ports).
Preferred	Preferred by GenPro – Supplier to embrace and support the initiative.
Promoted	Promoted by GenPro – Supplier to consider and support the initiative.

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Abbreviation	Definition
AGM	Annual General Meetings
AI	Artificial Intelligence
AMA	Ask Me Anything
BBS	Behaviour Based Safety
BSM	Bernhard Schulte Shipmanagement
BWMS	Ballast Water Management System
CBA	Collective Bargaining Agreement
CBM	Condition Based Maintenance
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMS	Competence Management System
CO2	Carbon Dioxide
CSC	Crew Service Centre
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equity, and Inclusion
DSG	Diversity Study Group
EEA	European Economic Area
EEXI	Energy Efficiency Existing Ship Index
Efi	Employees for Inclusion
EGCS	Exhaust Gas Cleaning Systems
eLogs	Electronic Logbooks
EnMS	Energy Management System
eRBooks	Electronic Record Books
ERP	Enterprise Resource Planning
ESG	Environmental, Social, and Governance

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Abbreviation	Definition
ESS	Employee Satisfaction Survey
ETN	Eurasia Travel Network
ETS	Emission Trading System
EU	European Union
FLM	Fleet Leaders Meeting
FMC	Fleet Monitoring Centre
FPC	Fleet Performance Centre
FPO	Fleet Personnel Officer
GDPR	General Data Protection Regulation
GenPro	GP General Procurement
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSC	Global Service Centre
GWP	Global Warming Potential
HiPo	High Potential Accelerator Programme
HKC	Hong Kong International Convention
HMAS	Hanseatic Maritime Advisory Services
HR	Human Resources
IMO	International Maritime Organisation
IMPA	International Marine Purchasing Association
IPCC	Intergovernmental Panel on Climate Change
ISM	International Safety Management code
ISO	International Standardisation Organisation
IT	Information Technology
JV	Joint Venture

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Abbreviation	Definition
KIMFT	Korea Institute of Maritime and Fisheries Technologies
KPI	Key Performance Indicators
LED	Light Emitting Diode
LLM	Learning Language Models
LMS	Learning Management System
LNG	Liquified Natural Gas
LPSQ	Loss, Prevention, Safety and Quality
LTI	Loss Time Injury
LTIF	Loss Time Injury Frequency
LWC	Lost Workday Case
MACN	Maritime Anti-Corruption Network
MDA	Management Discussion and Analysis
MEPC	Marine Environment Protection Committee
MLC	Maritime Labour Convention
MOC	Management of Change
MoU	Memorandum of Understanding
MS	Microsoft
MT	Metric Tonnes
MTCs	Maritime Training Centres
NCR	Non-Conformity
NGO	Non-Governmental Organisation
NOx	Nitrogen Oxides
OCIMF	Oil Companies International Marine Forum
OEM	Original Equipment Manufacturer

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Abbreviation	Definition
OHSE	Occupational Health, Safety and Environmental
smartPAL	Smart Portal Active Link - a proprietary fully web-based enterprise resource planning software for ship managers and owners.
PTD	Permanent Total Disability
Q&A	Question & Answer
QDMS	Quality Document Management System
QHSE	Quality, Health, Safety, and Environmental
R&D	Research & Development
RCC	Regulatory Compliance Centre
RMU	Regional Maritime University
S.M.A.R.T	Specific, Measurable, Achievable, Realistic, and Timely
S.M.C.	Schulte Marine Concept
SDG	Sustainable Development Goal
SEA	Seafarers' Engagement Agreements
SEEMP	Ship Energy Efficiency Management Plan
SIRE	Ship Inspection Report Programme
SMC	Ship Management Centre
SOV	Service Operation Vessel
SOx	Sulphur Oxides
STCW	Standards of Training, Certification and Watchkeeping
TC	Turbocharger Isolation
TRC	Total Recordable Cases
TRCF	Total Recordable Cases Frequency
UK	United Kingdom
UN	United Nations
US	United States

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Abbreviation	Definition
USD	United States Dollar
UV	Ultraviolet
VAS	Value-Added Services
VF	Variable Frequency
VPR	Vessel Performance Rating
WEA	Work Experience Accelerator

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ABOUT THIS REPORT

This is the third external ESG Report published by Bernhard Schulte Shipmanagement (BSM). The report aims to transparently disclose information of BSM's social and environmental performance, and the corresponding actions needed to improve both negative and positive impacts. This ESG Report covers the period from 1 January 2022 to 31 December 2022 and will be published on an annual basis.

The next Sustainability Report for 2023 is scheduled for June 2024. This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards. We also use the UN Sustainability Development Goals framework to inform the content of this report.

Our ESG Report and GRI Content Index are available on our website, with a downloadable PDF version.

Report Scope

The information presented in this report was collected from our various subsidiaries and entities, in all locations where we operate. While we have made reasonable efforts to provide and include information based on accurate data, some of the information may be based on estimations.

While this report has been prepared in good faith, no representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted by BSM, by any of their respective officers, employees, or agents in relation to the adequacy, accuracy, or completeness of this report. All and any such responsibility and liability are expressly disclaimed.

Actual future results and trends may differ materially from historical results or those reflected in any forward-looking statements made herein, depending on a variety of factors and circumstances, some of which are outside the control of BSM. BSM assumes no obligation to update any forward-looking statements contained in this report as a result of new information or future events or developments.

STAY UP TO DATE

We value your questions, comments, or suggestions. For any information regarding the report or our progress please contact the ESG Team.

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