



Sustainability Report 2024





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Together, we will continue to build a sustainable and responsible future – one that ensures long-term value for all.



Chairman’s Forward

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Dear Reader,

Welcome to the AAL Sustainability Report 2024, reflecting on and evaluating our ESG performance in that year.

We present this retrospective report in 2025, a milestone for AAL – our 30th anniversary. This moment provides both a chance to celebrate how far we have come and to reaffirm our commitment to the future, particularly regarding transparency and sustainability.

Over the past three decades, we have demonstrated resilience and dedication to all aspects of our environmental footprint, advancing social responsibility, and strengthening governance. From ongoing investments and achieving key carbon reduction targets to expanding our community engagement programs, AAL’s progress reflects the hard work of our team and the trust of our stakeholders. This progress would not have been possible without the invaluable partnerships we have fostered – with clients, regulators, suppliers, and communities.

2024 was particularly significant for our environmental efforts, with the first deliveries of our groundbreaking Super B-Class fleet. This investment has enhanced AAL’s cargo handling efficiencies and reflects our determination to meet sustainability goals and market demands.

Yet, sustainability is not just about looking back at achievements; it is about driving continuous improvement and meaningful impact. As we step into our fourth decade, we remain committed to integrating sustainability into every aspect of our operations and setting ambitious goals that align with global challenges and opportunities. Transparency remains at the heart of that approach, ensuring that we hold ourselves accountable while fostering trust with our stakeholders.

Over the past three decades, we have navigated turbulent waters and overcome economic downturns, geopolitical disruptions, and environmental challenges. Yet, through it all, AAL’s steadfast dedication to its values and partnerships has propelled us forward.

I would like to express my sincere gratitude to our employees, partners, and shareholders for their unwavering support and collaboration. Together, we will continue to build a sustainable and responsible future – one that ensures long-term value for all.

Thank you for joining us on this journey

Heinrich Schoeller
Chairman



Introduction

2024 marks a progressive and positive period for AAL Shipping (AAL) as we continue our journey towards sustainable growth and operational excellence. Our 2024 Sustainability Report showcases our steadfast commitment to addressing critical environmental, social, and governance (ESG) matters whilst aligning with international standards and stakeholder expectations. Building on the recognition we received at the Asia Sustainability Reporting Awards 2023, where that year’s Sustainability Report won Silver in the “Best Sustainability Report (SME)” category, we are determined to set even higher benchmarks with this year’s initiatives and progress.

As in previous years, the report is prepared with reference to the internationally recognised Global Reporting Initiative (GRI) Standards and incorporates elements of the latest European Sustainability Reporting Standards (ESRS) for enhanced alignment and transparency.

To provide full transparency for our stakeholders, this report has been made publicly available and encompasses the period from January 1 to December 31, 2024. It covers all areas of AAL’s network operations, including our headquarters in Singapore and branch offices across Australia, China, Japan, the Middle East, Europe, and the Americas - supported by a global network of agency representatives (collectively referred to as “AAL”, and/or AAL Shipping). It also harnesses performance metrics and insights related to our operating fleet, which remains at the forefront of innovation and decarbonisation efforts within the shipping industry.

2024 in numbers: Growing Global Capabilities

6 Established trade lanes, offering monthly sailings	20+ Employee nationalities	168 Voyages performed
17 Top global awards in the past 7 years	35 Languages spoken	1,006 Total port calls
12 Offices worldwide	30 Years of global experience	100+ Cargo types carried (inc. project heavy lift, breakbulk, steel, dry bulk)
27 Owned vessels (780,200 dwt) inc. 8 newbuildings (256,000 dwt)	400+ Customers served worldwide	36 Different markets served
110+ Land-based staff	65+ Global projects serviced	-3,68 Decrease in CO2 emissions to be added here into the key highlights
	2.6 Million r/t of cargo carried	



Our people remain at the heart of our success and the focus of our development strategy.



Message from the Board

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The year 2024 has been transformative for AAL as we advance our long-term investment strategy to serve a changing global market and progress towards our vision of becoming the MPP benchmark in sustainable and ethical shipping. Driven by a charter to deliver innovative and dependable multipurpose shipping solutions, we have reaffirmed our commitment to evolving and leading with integrity and sustainability. In an era marked by multiple geopolitical challenges, supply chain disruptions, and urgent calls for climate action, we remain steadfast in our ambition for sustainable growth, operational excellence, and transparency.

Amongst the important investments that we made was an exciting newbuilding programme of eight dual-fuel ready 'Super B-Class' heavy lift vessels, of which four have already been delivered, including the first, AAL Limassol, has already performed several record-breaking voyages. The 'AAL Eco-Deck' featured on these vessels as well as their modern fuel-efficient engines have played a pivotal role in our decarbonisation journey, enhancing cargo volumes, handling flexibility and CO2 emissions reductions.

These dual-fuel ready 32,000 deadweight vessels play a crucial role in our journey toward decarbonisation, embodying our commitment to collaboration across the logistics supply chain to achieve shared environmental objectives. In 2024, they joined an operating fleet, that completed over 168 voyages and nearly 1006 port calls across 36 markets, for over 400 customers representing the energy, mining and infrastructure sectors.

At AAL, our people remain at the heart of our success and the focus of our development strategy. Last year, we intensified our focus on employee well-being through stricter health and safety protocols, training programs, and a new Learning Management System (LMS) and 'AAL Academy' platform to promote continuous development and engagement. We are also committed to fostering a workplace of inclusivity, equality, and respect, where each team member feels empowered to thrive.

Through such initiatives and more, AAL continues to build a resilient and responsible business model placing our team and investment at its centre. We extend our deepest gratitude to our partners, customers, and employees for their support and trust. Together, we navigate the path ahead with resilience and strength.

Board of Directors



About AAL

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History

Founded in 1995, AAL Shipping has built a strong reputation as a leading global multipurpose shipping operator over the past 30 years. AAL specialises in project heavy lift, breakbulk, and dry bulk sectors, forging strong partnerships across industries such as renewable energy, oil & gas, mining, forestry, agriculture, leisure, and construction. Today, AAL is recognised as one of the world’s most trust premium project heavy lift carriers.

Our expanding global network includes offices and agencies in Asia, Oceania, the Middle East, Europe, Africa, and the Americas, working 24/7 to meet the dynamic demands of our customers. Our fleet of specialised multipurpose heavy lift vessels is among the youngest and largest in the sector, designed for significant cargo intake and heavy lift capabilities, enabling us to address complex shipping challenges.

Company Overview

Multiple Award-Winning Project Heavy Lift Carrier

With a proud safety record, strong reputation in the project sector and a trusted partner of industry majors, AAL has won multiple international awards for its service quality – accolades voted for and bestowed by the highest level of supply chain stakeholders.

Around the World Coverage

AAL’s fleet, trade routes, cargo expertise, and global networks were developed to provide our customers with seamless multipurpose cargo shipping services and regular sailings between the Americas, Africa, Europe, Middle East, India, Asia, and Oceania. With flexibility in mind, we offer access to these regions via a unique ‘total’ MPP multipurpose cargo solution. This solution is designed to handle diverse cargo types, including breakbulk, heavy-lift, and project cargo for a wide range of industries.

- Tramp Chartering Solutions
- Scheduled Liner Services
- Fixed Trade Routes.

Diversified Fleet Project & Cargo Carried

AAL’s operating fleet comprises premium multipurpose heavy lift vessels of multiple sizes (some with over 40,000cbm cargo intake) and is one of the multipurpose project heavy lift sector’s largest. We ‘carry it all’ for our customers - any cargo and all at the same time - offering optimised economies of scale on each sailing and for any parcel size.



24/7 Oversight & Management

Our global Chartering and Commercial Teams work locally with customers to schedule and plan each shipment and provide around the clock key account management, multilingual support and transparency during the lifecycle of every cargo we handle.

Our operations, processes and systems meet the latest ISO standards, and we employ the most qualified personnel and real-time digital maritime software. AAL's network is spread worldwide and enhanced by hand-picked port and commercial agencies that offer additional local market intelligence and support.

Sector’s Finest Engineering

We employ a team of top Marine Engineers to work alongside our commercial operations and customer service teams. They design, plan and execute even the most difficult operations, with numerous ‘firsts’ and award-winning multipurpose shipping solutions to their credit. Their extensive expertise in handling all cargo types, combined with an unparalleled knowledge of our fleet's stowage and lifting capabilities, allows them to push boundaries and explore opportunities for time and cost efficiencies within the parameters of crew and cargo safety.

Optimised Customer Returns & Performance

AAL has a long history of going the extra mile to deliver higher customer value and optimum operational performance, even in tough and challenging times. Each sailing is monitored closely by our Operations Teams and harnesses state-of-the-art digital technology. The real-time routing modelling, problem solving, weather impact scenarios fuel efficiency processes that we carry out during every voyage are essential to optimising our sailings performance and customer returns.

Vision

By 2030, AAL strives to become the MULTIPURPOSE sector's benchmark for sustainable growth, profitability, leadership and excellence at every level – an ambition realised through the talent, commitment and shared values of our employees and management and galvanised by placing customers at the core of our decision-making.

Values

- Accountability • Approachability • Leadership

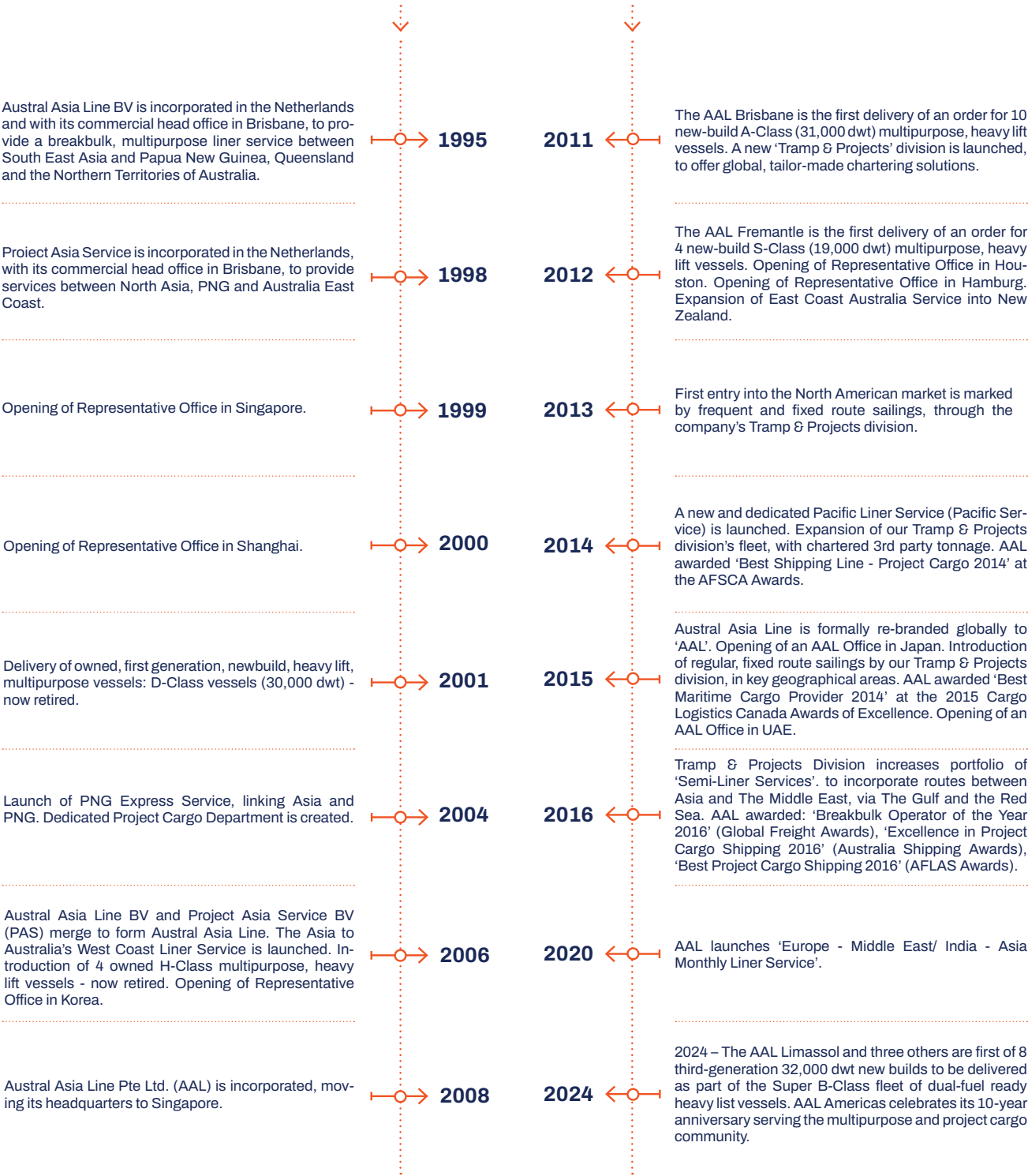
Mission

We will achieve our vision by deeply understanding the needs of our customers, building their trust, and accomplishing this through:

- Providing services of the highest quality;
- Striving for sustainable growth in our global operations that adheres to the highest ethical standards;
- Operating regular and reliable Liner and Fixed Trade Routes services;
- Providing quality, tailor-made Chartering solutions;
- Developing more added-value services and expanding our reach into new and attractive markets, whilst maintaining the integrity of our existing framework;
- Utilising technology and innovation as a competitive advantage;
- Maintaining the highest level of expertise and qualification at all levels;
- Striving for a “zero harm and zero damage” record.

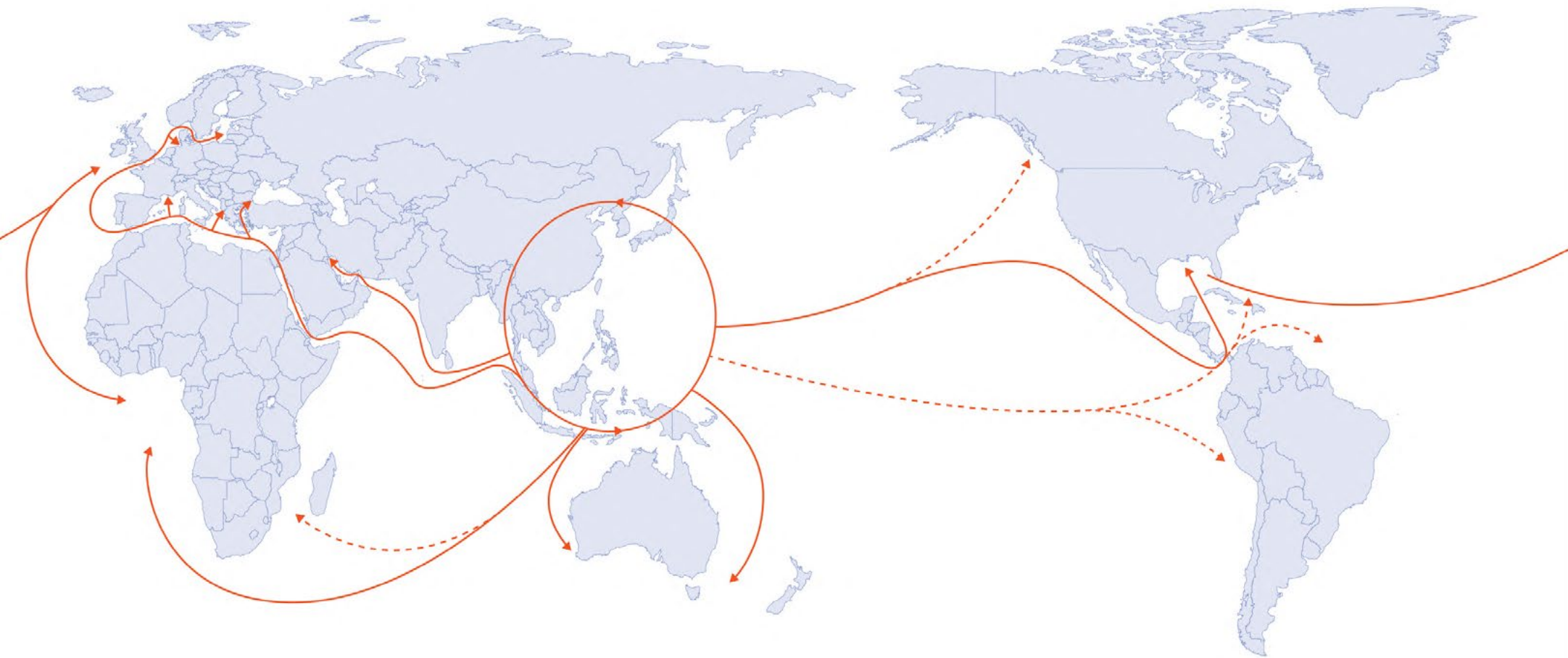


History & Milestones





Offices



Services

AAL offers its customers a unique ‘total’ multipurpose shipping solution, comprising THREE distinct service models:

- **Chartering Solutions** deliver tailor-made and competitive chartering options for any cargo type and to any compass point on a spot, or long-term engagement basis.
- **Liner Services** provide scheduled and regular sailings that connect the main ports of Asia Pacific and Oceania and Europe across to Asia.
- Our **Fixed Trade Routes** feature monthly sailings and port call flexibility on in-demand trade lanes, including Asia – Americas and Asia – EU.



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Industry Bodies & Accolades



Singapore Shipping Association (SSA)

SSA is a national trade association formed in 1985 to serve and promote the interests of its members and to enhance the competitiveness of Singapore as an International Maritime Centre.



Women's International Shipping & Trading Association (WISTA International)

WISTA is an international networking organisation whose mission is to attract and support women at management level within the maritime, trading and logistics sectors.



Maritime Anti-Corruption Network (MACN)

The Maritime Anti-Corruption Network (MACN) is a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large.



Baltic and International Maritime Council (BIMCO)

BIMCO is one of the largest international shipping associations representing shipowners. Its primary objective is to protect its global membership with information and advice, whilst promoting fair business practices and harmonisation of commercial shipping practices and contracts.



Australian Steel Association (ASA)

ASA works on behalf of its members to ensure the views, needs and concerns of all players, big and small, are heard and have a voice at the table of major discussion.



Trustworthy Repositories Audit & Certification (TRAC)

TRACTM is an online platform that enables the rapid exchange of compliance information and satisfies international baseline due diligence requirements. TRACTM collects and assesses key business and ownership information and continuously screens names against sanctions, watchlists and Politically Exposed Persons (PEP) databases, serving as an entry-level due diligence option for third parties of multinational companies.



Shipping Australia Limited (SAL)

Shipping Australia is a peak industry body. Its aim is to promote and advance the interests of ship owners and shipping agents in all matters of shipping policy and safe environmentally sustainable ship operations.



Belgian Business Council (BBC)

Belgian Business Council's main objective is to provide a platform where members can network, obtain & share information within the member community and the local authorities in Dubai & United Arab Emirates.



Our Awards



2024 Awards

- 'Ship Operator of the Year' at the Heavy Lift Awards 2024
- 'Best Shipping Line-Project Cargo 2024' AFLAS Awards 2024
- 'Innovation & Digital Award' at the EIC's WESCA APAC 2024



Best Sustainability Report Silver 2023
Asia Sustainability Reporting Awards



Shipping Line of the Year 2023
Ship Operator of the Year



Best Shipping Line Project Cargo 2023
AFLAS Awards



Shipping Operator of the Year 2022
Ship Operator of the Year



Best Shipping Line Project Cargo 2022
AFLAS Awards



Best Shipping Line Project Cargo 2021
AFLAS Awards



Bulk & Specialised Cargo Shipping 2021
Australian Shipping Awards



Best Shipping Line Project Cargo 2020
AFLAS Awards



Shipping Line of the Year 2019
Heavy Lift Awards



Best Shipping Line Project Cargo 2019
AFLAS Awards



Best Shipping Line Project Cargo 2018
AFLAS Awards



Best Shipping Line Project Cargo 2017
Ship Operator of the Year



Best Logistics 2017
Lloyd's List Asia Pacific Awards



Breakbulk Operator of the Year 2016
Global Freight Awards



Excellence in Project Cargo 2016
Australia Shipping Awards



Best Shipping Line Project Cargo 2016
AFLAS Awards



AAL's Value Chain

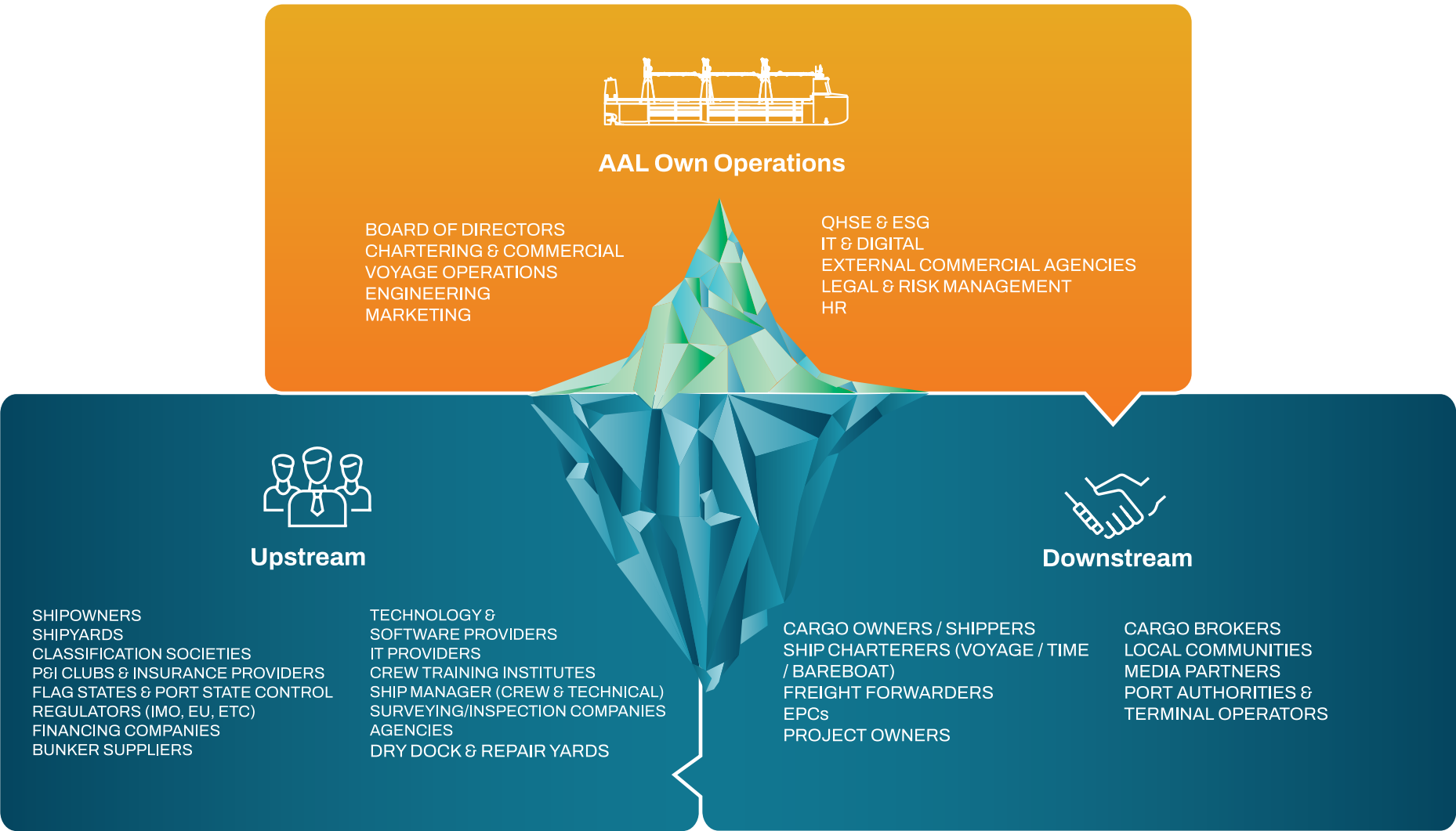
AAL's Value Chain illustrates the interconnected ecosystem of stakeholders involved in the creation of value by AAL. It represents all the activities and processes the company undertakes to deliver its services, throughout our cargo operations lifecycle. The diagram categorises the value chain into three sections:

(A) AAL Own Operations which comprise day-to-day activities that constitute the core business practices of AAL.

(B) Upstream suppliers and partners that precede and support our own operations.

(C) Downstream immediate receivers and beneficiaries of AAL's services.

Furthermore, this value chain reflects the multifaceted and interdependent nature of our cargo supply chain relationships - emphasising how important transparency and collaboration, regulatory compliance, and sustainable practices are to ensuring an effective service delivery for our customers.



Sustainability Approach

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Materiality Assessment

As part of AAL Shipping's commitment to sustainability, in 2024 we once again teamed up with Grow Sustainability Consulting for a comprehensive materiality analysis to identify and prioritise key environmental, social, and governance (ESG) issues that are most relevant to our stakeholders and our operations. This analysis ensures that our sustainability strategy aligns with the expectations of those we impact and collaborate with, while remaining aligned with International Sustainability reporting frameworks, including Global Reporting Initiative (GRI) and European Sustainability Reporting Standards (ESRS).

Stakeholder Engagement

As part of the previous materiality assessment, we engaged four key stakeholder groups to provide valuable insights into the ESG issues most relevant to AAL's operations:

1. Board Members
2. Employees
3. Customers
4. Service Providers

To collect data, stakeholders were invited to participate in an online survey to evaluate a comprehensive list of sustainable development topics across two dimensions:

- Impact: To what extent does AAL's business impact this topic?
- Importance: How important is this topic to AAL and its stakeholders?

Each topic was rated on a scale of 1 (No Impact/Not Important) to 5 (Very Significant/Extremely Important).



From a broad list of 31 material topics provided by the GRI and ESRS standards, we shortlisted the 13 topics most relevant to both AAL and the maritime sector. These topics were grouped into three categories: Environmental, Social, and Governance (ESG), as outlined in the table below.

ENVIRONMENTAL

- Climate Change
- Direct & Indirect Emissions
- Waste generation, Disposal, and Circular Economy
- Supplier Environmental Performance
- Biodiversity and Ecosystems

SOCIAL

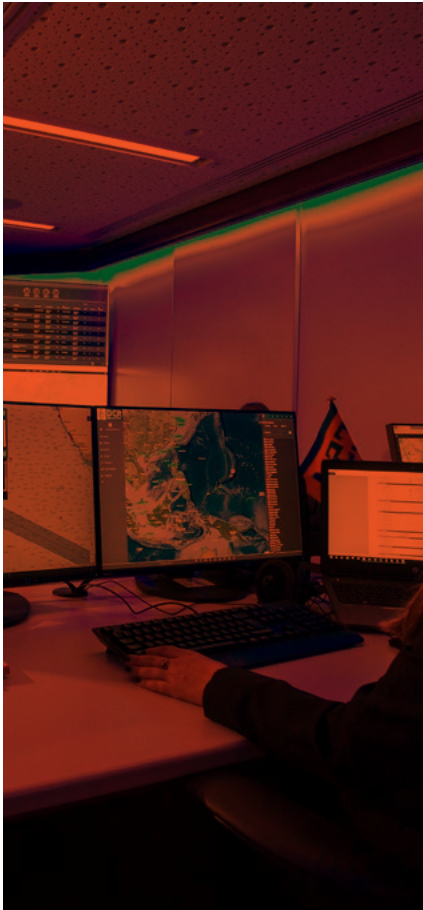
- AAL's Employee Practices
- Workforce conditions within AAL's Supply Chain
- Diversity, Equality & Inclusion
- Occupational Health & Safety
- Affected Communities

GOVERNANCE

- Anti-corruption
- Anti-competitive behaviour
- Procurement Practices



AAL Shipping



Powered by Partnerships

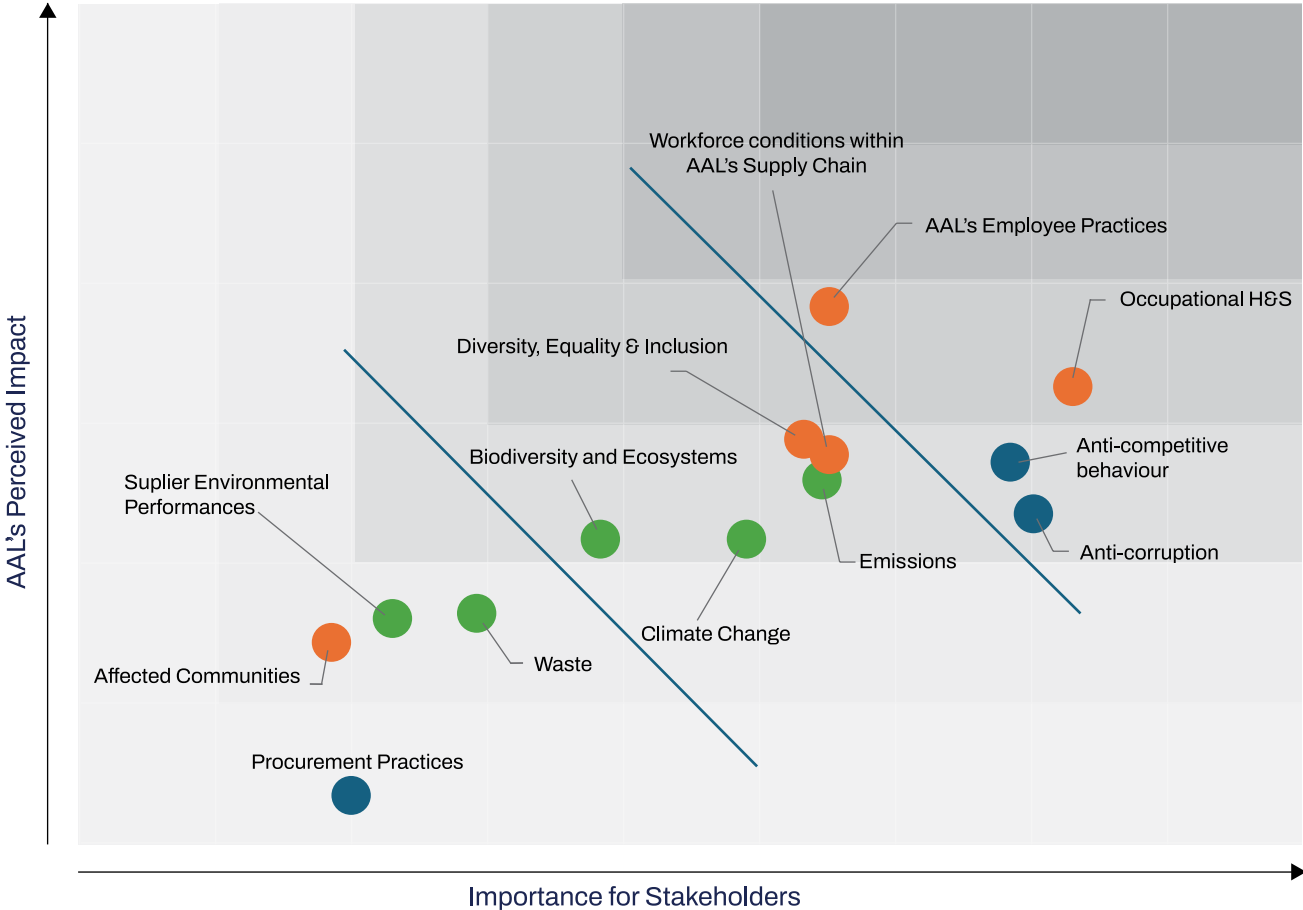


Materiality Matrix

The responses were analysed and presented to create the 2024 Materiality Matrix, which plots the importance of each topic to stakeholders on the horizontal axis and AAL's perceived impact on the vertical axis. Topics in the upper-right quadrant of the matrix—classified as Highly Critical—are of top priority, demonstrating both significant stakeholder importance and AAL's strong influence.

The 2024 Materiality Analysis reaffirmed AAL's focus on addressing the sustainability issues that are most critical to its stakeholders and where its operations are perceived to have the biggest impact. Last year's evolving landscape shaped by the geopolitical conflict in the Middle East, intensifying climate challenges, and dynamic developments within the maritime industry highlighted the need to refine AAL's ESG strategy to remain aligned with stakeholder expectations and global sustainability goals.

- Environmental
- Social
- Governance



AAL Shipping

Powered by Partnerships



Our Performance

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ESG Goals Scorecard

	2024 Targets	2024 Performance	2025 Targets
Environment	Achieve another year of “zero” environmental incidents (no hydrocarbon/chemical spills to water/illegal disposal of ballast water)	Achieved	No change to target
	Control waste management within our land-based activities, managing internal purchasing activities, minimising garbage production at source and recycling where possible	Achieved	No change to target
	Engaging our employees and other stakeholders in at least one environmental activity for each office we operate	Achieved	No change to target
	Staying abreast of green ship technology while closely monitoring with our partners opportunities in zerocarbon fuels, biofuels, CO2 free ammonia	Achieved	No change to target
	Reduce the quantity of printed marketing materials and prioritise the development of digital versions	Achieved	No change to target
	Increase the proportion of recycled materials incorporated into marketing merchandise	Achieved	No change to target
	100% compliance with applicable legislation in both ECA zones and all other “restricted” areas, as governed by local administrations in use of low-sulphur fuels	Achieved	No change to target
	Closely monitoring consumption benchmarks as updated in 2022 for each vessel in the fleet and promptly addressing any deviations	Achieved	No change to target
	Employing proactive measures in reducing or maintaining vessels’ fuel consumption	Achieved	No change to target
	Ensure that the Super B class vessel fuel consumption is as per designed	Achieved	No change to target
			Exploration of biofuel usage on EU-bound voyages, in line with the fuelEU- Maritime regulation, that was implemented on January 1, 2025
	Reduce emissions from corporate flights	Not Achieved	No change to target
Social	Achieve 10 hours or more of training per employees	Achieved	Achieve 10 hours or more of training per employees and at least two AAL Academy trainings
	Organise annual team-building-based CSR activities for each office	Achieved	No change to target
	Hold more team-building activities and offer new office amenities	Achieved	No change to target
Governance	Zero corruption case record	Achieved	No change to target
	Zero anti-competitive case record	Achieved	No change to target
	Zero breaching of international sanctions	Achieved	No change to target
	Zero cyber security incident	Achieved	No change to target
	Join MACN and contribute to fighting corruption	Achieved	Maintain MACN membership and participate actively
			Information Management Security Systems (ISO 27001)

Environmental

In 2024, the urgency of addressing climate challenges has risen significantly against a backdrop of geopolitical tensions and shifting policy priorities. The global community continues to experience the profound impacts of climate change, from intensifying weather patterns to catastrophic natural disasters affecting millions of lives and ecosystems worldwide. The shipping industry has not been immune to these disruptions, with rising sea levels, extreme weather events, and shifting ocean currents increasingly affecting global trade routes, port operations, and supply chain resilience.

At AAL, we recognise the pivotal role we play in advancing sustainable practices and the shipping industry's critical responsibility in mitigating environmental impacts. Through strategic investments in dual-fuel vessels, alternative fuels such as biofuels and ammonia, and enhanced fleet capabilities as well as our integration of digital innovations such as AI-driven fuel optimisation and predictive analytics, we have reinforced our commitment to decarbonisation and operational efficiency. As a cornerstone of global trade, the shipping industry carries nearly 90% of the world's goods, making its environmental footprint significant and unavoidable. These contributions to greenhouse gas emissions and marine pollution underscore the immense responsibility the industry bears in shaping a sustainable future. However, 2024 has brought new challenges, such as uncertainties in green transition policies driven by shifting geopolitical agendas, emphasizing the need for adaptability and innovation. Extreme weather events, from typhoons to prolonged droughts, have caused severe disruptions in maritime logistics, demonstrating the increasing necessity for climate resilience across the shipping sector.

New and evolving regulations, including the EU Corporate Sustainability Reporting Directive (CSRD) and the European Union's Emissions Trading Scheme (EU ETS) for shipping, have further heightened the demand for proactive sustainability strategies. These frameworks challenge companies to embed sustainability into their business models, requiring transparency, due diligence, and resilience in managing environmental risks, even as geopolitical tensions influence regulatory trajectories. The inclusion of shipping in the EU ETS marks a major milestone for the industry, influencing operational costs, compliance obligations, and route optimization. As the first multipurpose shipping operator to introduce EU ETS tariffs for our Liner services, AAL has taken a proactive approach in educating and guiding our customers through this transition, ensuring they can navigate the evolving regulatory landscape with confidence.

In 2025, new regulations come into effect, including those under the European Commission's Fit for 55 package. Among them is the FuelEU Maritime Regulation, designed to encourage the adoption of renewable, low-carbon fuels and clean energy technologies in the shipping industry, supporting its decarbonization efforts.

This regulation sets limits on the annual greenhouse gas (GHG) intensity—including CO₂, methane, and nitrous oxide—of the energy used by ships exceeding 5,000 gross tonnage that call at European ports, regardless of their flag. It considers the entire lifecycle emissions of the fuels used on board. With additional phases planned from 2030 onward to promote carbon-neutral vessels, the FuelEU Maritime Regulation aims to drive innovation in sustainable fuels and energy conversion technologies. It allows ship operators flexibility in choosing the fuels and technologies that best suit their operations while offering incentives for early adopters and supporting the transition of the existing fleet.



We recognise the pivotal role we play in advancing sustainable practices and the shipping industry's critical responsibility in mitigating environmental impacts.



Another regulation entering into force in 2025, is the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, which aims to comprehensively address the environmental and safety aspects of ship recycling. Its regulations cover the design, construction, operation, and preparation of ships to ensure their safe and sustainable dismantling. Additionally, the convention establishes standardized procedures, certification requirements, and reporting obligations.

These regulations apply to key stakeholders, including shipowners, shipbuilding yards, ship recycling facilities, flag States, port States, and recycling States. The convention is expected to bring significant changes to the maritime industry, particularly for shipowners, who must ensure full compliance. Failure to meet these requirements could result in legal action and severe consequences for non-compliant companies.

The path forward presents both a challenge and an opportunity. For the shipping industry, this means not only adapting to evolving expectations but also navigating the complexities introduced by geopolitical uncertainties. Together, the sector can drive transformative changes needed to secure a resilient, low-carbon future while maintaining its role as a critical enabler of global trade.

Emissions

Despite playing a crucial role in global trade and economic growth, the shipping industry, only accounts for around 3% of global greenhouse gas (GHG) emissions. As one of the world's most respected project cargo operators, AAL remains committed to reducing its carbon footprint and advocating for a global carbon pricing mechanism to accelerate industry-wide decarbonisation. Fuel efficiency continues to be our top priority, as it represents the largest share of a carrier's emissions. To support this, AAL operates a comprehensive environmental and energy management system that complies with the latest ISO 14001 and ISO 50001 standards, ensuring sustainable and energy-efficient operations.

In 2024, we took further steps to reduce emissions through fleet optimization, operational efficiency, and innovation in digital monitoring. The integration of our Performance Optimisation Control Room (POCR) with real-time data analytics allowed us to enhance voyage planning and minimize unnecessary fuel consumption.

Super B-Class vessels:

From the initial design phase, a diverse team—including energy sector clients, naval architects, and shipbuilders—collaborated to transform traditional multi-purpose heavy lift vessels.

A key innovation of the Super B-Class is the ECO-DECK, an in-house-developed retractable deck extension system that utilizes tweendeck pontoons to expand the deck surface area. When combined with the hatch cover deck, the ECO-DECK creates a total surface area of over 5,000 sq m—an 85% increase compared to the 2,690 sq m found on A-Class vessels of similar deadweight. This expansion enables greater cargo capacity per voyage, benefiting project owners and EPCs by reducing the number of sailings required, ultimately lowering costs, time, and greenhouse gas emissions.



The Super B-Class significantly minimizes environmental impact, as reflected in its fuel consumption and various sustainability measures that enhance efficiency on a per-sailing basis. The vessel's very design serves as a competitive advantage, integrating features such as:

- **Advanced Hull Coating** – Improves hydrodynamic efficiency, reducing resistance and leading to substantial fuel savings.
- **ECO-DECK Design** – Allows for increased cargo capacity, reducing reliance on ballast water.
- **ABB Ability's OCTOPUS Marine Advisory System** – Monitors and forecasts vessel responses to different wave and weather conditions, ensuring the safest and most efficient routing.
- **Methanol-Capable Engine** – Can operate on methanol, a cleaner alternative to conventional fuels, supporting AAL's transition to a low-carbon future.
- **Adaptability** – Designed for future upgrades and retrofits, ensuring ongoing compliance and efficiency.

A major milestone in AAL's decarbonisation journey and fleet sustainability efforts in 2024 was the delivery of four Super B-Class vessels, which successfully completed a record-breaking maiden voyage. Designed industry-leading cargo intake and a modern fuel-efficient engine, the Super B-Class enhances cargo efficiency emissions regulation, reinforcing our commitment to sustainable shipping. This year also marked a defining moment in AAL's history as we expanded our leadership in wind energy logistics—having long been a key player in onshore wind transportation, we successfully transported offshore wind towers on a Super B-Class vessel for the first time, supporting the global renewable energy transition and setting a new standard for low-emission project cargo shipping.

These vessels have not only strengthened our alignment with ESG goals and commitment to operational excellence but have also proven to be cost-effective and sustainable assets for our clients.

As part of our ongoing stakeholder engagement, we sought input from our clients on the Super B-Class vessels.





Specifically, we asked about their perceived impact on AAL's ESG strategy - whether the vessels met professional expectations and sustainability targets, and what potential future services AAL could offer to further support their goals.

The feedback has been overwhelmingly positive, with some highlighted quotes including:

Questions:	Feedback:
1. Do you think the addition of the Super B-Class into AAL's fleet has benefited its ESG strategy?	“Yes. We heard that the first Super B-Class, the AAL LIMASSOL, broke the performance records of AAL. The innovative design allows her to carry much more cargo than other ships at same level of DWT. More cargo, less emission, definitely benefits ESG strategy.”
2. Has the Super B-Class met your own organisation's professional expectations and sustainability targets?	“Yes. Our cargo shipped by AAL LIMASSOL was about 55m in length, we were very surprised and excited that this ship can fit them in hold. It has already been proved that the Super B-Class can take care of our cargo in a better way. As mentioned above, its high efficiency, better capability, and less emission also met our sustainability targets.”
3. What additional services could AAL offer to better support your own organisation's goals for operational and ESG excellence?	“We are looking forward to more cooperations with AAL. And we'd like to be kept updated about the performance and innovation of the new generation ships from AAL, which helps us about our ESG goals from different perspectives.”

AAL also continues to engage in collaborative initiatives aimed at accelerating the maritime sector's decarbonisation effort. Additionally, we remain a key member of the Smart Freight Centre's working group, where we partner with like-minded companies in the logistics sector to expedite emissions reductions across the global supply chain.

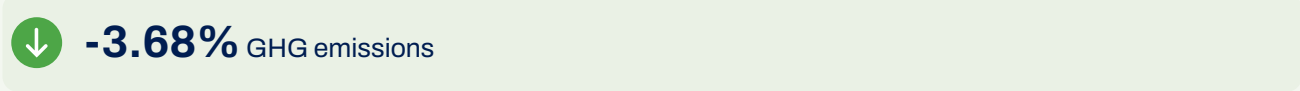
Categories	2021	2022	2023	2024
No. of ships owned and long-term operated	25	25	24	26
Short-term chartered in	7	1	0	8
Total VLSFO used during the period	120,318.76	107,728.15	108,856.13	117,556.85
Total LSMGO used during the period	17,012.23	14,313.53	13,808.75	14,760.27
Percentage VLSFO/LSMGO	88/13	88/12	89/11	89/11
GHG emission – Carbon Dioxide CO2 (Tonnes)	429,213.83	381,354.64	383,248.83	413,393.46
Other emissions – Sulphur Oxide SOx (Tonnes)	12,673.96	11,267.57	11,328.43	12,220.62
Other emissions – Nitrogen Oxide NOx (Tonnes)	22.06	19.60	19.49	21.02
Number of environmental incidents	0	0	0	0
CO2 emissions from Corporate Flights (kg)		441,000	379,046	411,909

*Emission factors - please refer to IMO documents - Fourth Greenhouse Gas Study 2020



In 2024, we continued our efforts to minimize our carbon footprint through speed reductions, hull and propeller cleaning, weather routing, and trip optimization. Over the year, our operating fleet consumed 117,556.85 metric tons of low-sulphur fuel and 14,760.27 metric tons of ultra-low-sulphur fuel.

Carbon emissions in 2024 were **7.87% higher** than in 2023, due to the expansion of our operational fleet to 26 vessels during the year along with short term Time-Charter in vessels. However, compared to 2021, where we had 25 operational fleets, GHG emissions lowered by **3.68%** even with the addition of one operational vessel.



Comparison of Average Fuel Consumption by Vessel Type

Based on 12.5 kns	2023 vs 2022	2024 vs 2022
A Class	4.5%	5.0%
S Class	-5.9%	-2.8%
G Class	0.3%	0.0%
W Class	-4.9%	-12.8%

Our vessels play a key role in our ongoing efforts to reduce fuel consumption, allowing us to analyse annual trends and implement necessary actions for further improvement.

Comparing the fuel consumption percentages of G Class and W Class vessels from 2022 to 2024, at the standard speed of 12.5 kns, we observe a consistent reduction in fuel consumption. Similarly, while S Class vessels recorded higher fuel usage in 2023 compared to 2022, their overall consumption in 2024 remained lower than in 2022. This improvement can be attributed to regular hull cleaning—ensuring vessels move more efficiently through the water by preventing marine growth accumulation—along with slow steaming, optimal route planning, and weather-optimised routing.

However, not all vessel types followed this trend. For instance, A Class vessels recorded higher fuel consumption than in previous years, highlighting areas for further improvement. Nonetheless, we recognise the progress made and remain committed to reducing our carbon footprint in alignment with the sustainability goals of the International Maritime Organization (IMO).





Environmental Management

Topic	2022	2023	2024
Singapore Office Electricity Consumption (KWh)	47,117	51,723	48,290
Dubai Office Electricity Consumption (KWh)	N/A	N/A	3,706
Shanghai Office Electricity Consumption (KWh)	12,342	13,233	12,423
Beijing Office Electricity Consumption (KWh)	1,033	1,348	1,334
Hamburg Office Electricity Consumption (KWh)	22,655	22,017	21,457
Brisbane Office Electricity Consumption (KWh)	32,625	16,701	13,082

Overall, our offices managed to reduce their electricity consumption by having more energy efficient practices. The increase in corporate flights can be attributed to higher client engagement as geopolitical tensions rose and our supply chain evolved.

2024 & Beyond

In July 2023, IMO launched a policy to reduce GHG Emissions from ships, with enhanced targets to deal with emissions to air. This revised strategy targets net-zero GHG emissions by 2025 with a target to ensure availability of “alternative or near zero” GHG fuels by 2030 (reduction of GHG by 20-30%) and 2040 (reduction of GHG by 70-80%). CO2 emissions alone are to be reduced by at least 40% by 2030. These targets are benchmarked against 2008 levels.

Keeping the forecasted growth of global trade volume in mind, the absolute emissions reduction targets for 2030 and 2040 can be translated as:

↓ **2030:**
20-30% absolute reduction target is equivalent to 55-61% reduction in GHG intensity for an average ship.

↓ **2040:**
70-80% absolute reduction target is equivalent to 86-91% reduction in GHG intensity for an average ship.

There is no doubt that the revised IMO strategy will impact the global shipping community where collaboration between players and use of technology are key aspects of the journey to achieve these ambitious targets.



2023 Maritime Decarbonization

From 2023 the new IMO regulations will be applied to all ships.

TARGET: Reduce carbon intensity of all ships by 40% by 2030, compare to 2008.

What will be the impact on shipping?

Equip vessels with power limiters

Establish your annual carbon intensity indicator below D and E

Optimize the energy efficiency of each vessel

What are the options of the shipping lines?

Extension of the transit time

Perturbation of charters due to speed reduction

IMO Emission Reduction Strategy

The International Maritime Organization (IMO) is at the forefront of the global shipping industry’s transition to a sustainable future, driving bold climate action through its Greenhouse Gas (GHG) Strategy. With climate change intensifying, the IMO updated its emissions reduction roadmap in July 2023, reinforcing its commitment to decarbonisation with ambitious new targets, regulatory frameworks, and innovative market-based measures. These initiatives aim to accelerate the adoption of cleaner energy solutions, enhance operational efficiency, and transform global shipping into a net-zero industry by mid-century.

Key Targets of the IMO GHG Strategy
The IMO’s strategy outlines an ambitious timeline for emissions reductions, ensuring a progressive and structured approach to tackling maritime emissions:

- ↓ **2030:**
40% reduction in carbon intensity (CO₂ emissions per transport work), compared to 2008 levels.
Ensure at least 5-10% of global energy use in shipping comes from zero or near-zero GHG fuels

↓ **2040:**
70% absolute reduction in total GHG emissions, driving large-scale adoption of alternative fuels.

↓ **2050:**
Achieve **net-zero GHG** emissions from international shipping, making climate neutrality a reality.

Strategic Pillars of the IMO’s Emissions Reduction Approach

To achieve these ambitious targets, the IMO’s revised decarbonisation framework is based on three key pillars:

1. Regulatory Measures & Carbon Pricing
 - Strengthening EEXI & CII standards to reduce emissions.
 - Implementing carbon pricing, emission levies, and global fuel standards.
 - Expanding compliance under EU ETS & FuelEU Maritime (2025).
1. Technology & Innovation
 - Advancing R&D in alternative fuels (ammonia, methanol, hydrogen, biofuels).
 - Scaling up low-emission vessel technologies (hybrid propulsion, wind-assisted, carbon capture).
 - Ensuring zero-emission fuels are widely available by 2030.
2. Operational & Market-Based Measures
 - Promoting slow steaming, smart voyage planning, and route optimization.
 - Enhancing AI-driven energy management for real-time fuel tracking.
 - Strengthening industry collaboration to accelerate the green transition.

AAL’s Alignment with the IMO’s decarbonisation strategy

AAL Shipping is fully committed to supporting the IMO’s emissions reduction strategy, integrating advanced sustainability initiatives across its fleet, and ensuring compliance with evolving global regulations.

1. Optimising Fleet Efficiency & Compliance
 - Implementing power limitation technologies and energy management systems
 - Maintaining compliance with Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) standards
2. Advancing Alternative Fuels & Low-Carbon Operations
 - Implementing fuel-efficient voyage planning and AI-driven performance monitoring to reduce emissions
 - Exploring biofuels for the fleet.
3. Ensuring Regulatory Transparency & ESG Integration
 - Strengthening our ESG reporting and climate risk disclosures to align with IMO guidelines.





Environmental Goals for 2025

In 2025, AAL will continue to focus on minimising the environmental impact of its operations, with no major changes in overall sustainability goals. While closely monitoring developments in alternative fuels and environmental protection technologies, our concentrated efforts will focus on the following areas:

- 1. Fleet Expansion** – Four Super B-Class vessels were delivered in 2024, advancing AAL's fleet modernization with dual-fuel-ready engines that support IMO 2030 and 2040 goals. Their increased capacity and fuel efficiency set new multipurpose shipping sector standards. In 2025, two more Super B-Class will be delivered and AAL will focus on fully integrating these vessels, optimizing performance through real-time data monitoring, voyage planning, and energy efficiency tracking, while assessing their impact on emissions and exploring further fleet enhancements for long-term sustainability.
- 2. Existing Fleet Optimisation** – AAL will continue its fuel consumption reduction efforts through smart deployment, optimized voyage planning, real-time fuel efficiency monitoring, and AI-driven analytics to improve operational sustainability.
- 3. Advancing Green Ship Technology** – While actively monitoring opportunities for zero-carbon fuels, biofuels, and CO₂-free ammonia, AAL will continue participation in innovation projects aimed at advancing decarbonisation in shipping. Emissions: As part of its commitment to reduce GHG emissions, AAL is planning a trial within 2025 on its vessels to burn biofuels. Although the use of biofuels can offer positive outcomes through decreased emissions, AAL is also taking into account any negative impacts incurred by the heavy use of crop-based biofuels that are considered unsustainable because they can lead to deforestation as well as land use with palm and soy which are considered much worse for the climate than traditional fuels, according to research.
- 4. Environmental Protection Beyond Decarbonisation** – While decarbonisation remains a top industry priority, AAL will continue to uphold traditional environmental risk management, aiming for another year of zero environmental incidents (no hydrocarbon/chemical spills, illegal disposal of ballast water, or marine pollution).
- 5. Office Sustainability & Waste Reduction** – AAL will prioritise waste reduction by minimising garbage production at the source, increasing recycling efforts, and implementing sustainable purchasing policies across all offices.
- 6. Employee & Stakeholder Engagement** – Each AAL office will participate in at least one environmental initiative annually, reinforcing corporate sustainability awareness among employees and stakeholders.
- 7. Sustainable Marketing Practices** – AAL will continue to reduce printed marketing materials and prioritise digital formats, while also increasing the proportion of recycled materials in corporate merchandise.



Regarding energy conservation, we will continue to investigate the following options to lower air emissions from our operational fleet:

1. Ensuring 100% compliance with low-sulphur fuel regulations in ECA zones and all other restricted areas as mandated by local authorities.
2. Proactively monitoring fuel consumption benchmarks as updated in 2024 for each vessel, identifying and addressing any deviations immediately. Here, a sum of resources to be employed include:
 - a. Real-time fuel efficiency monitoring, using AI-driven alerts and POCR services to proactively address deviations.
 - b. Ongoing training for both sea-going and onshore personnel in energy conservation and environmental protection.
 - c. Company-wide bunker-saving campaign, with digital guides and best practices shared fleet-wide.
 - d. Enhanced fuel consumption transparency, with technical managers ensuring accuracy in bunker consumption reporting.
 - e. Fuel-saving collaborations with third-party technical managers, identifying new energy efficiency opportunities.
 - f. Exploration of biofuel usage on EU-bound voyages, in line with the FuelEU Maritime regulation that was implemented on January 1, 2025.
 - g. Fleet-wide hull cleaning and propeller polishing, conducted at six-month intervals to maintain optimal fuel efficiency.
 - h. Replacement of outdated flowmeters on main and auxiliary engines, improving fuel consumption accuracy.
 - i. Fleet-wide speed reduction, where commercially feasible, to promote just-in-time arrival planning and lower fuel consumption.
 - j. Application of high-performance hull coatings on all ships undergoing dry-docking in 2025, with new efficiency benchmarks established within one month of exiting the shipyard.



Social

Corporate Social Responsibility (CSR) continues to be a cornerstone of our business ethics and particularly in 2024, as geopolitical tensions and economic uncertainty tested the resilience of global communities. For the shipping industry, this responsibility carries unique significance. We are proud to say that our teams embraced this activity and in 2024 we undertook a number of CSR projects on both a global and regional level that helped to raise funds and awareness of deserving charities around the world.

At AAL, we recognise that people are the foundation of our success. This year, we strengthened our commitment to empowering a company culture of inclusivity, respect, and continuous learning. Initiatives such as the launch of the 'AAL Academy' and the implementation of enhanced safety protocols highlight our dedication to building a resilient and empowered workforce, ready to navigate the challenges of an evolving global landscape.

The industry's pivotal role in bridging cultures and enabling development also brings significant challenges. In 2024, economic pressures and political instability in various regions have highlighted the importance of ensuring safe working conditions, equitable labour practices, and meaningful community engagement. AAL is addressing these realities, fostering resilience within the workforce and supporting communities that form the backbone of global trade.

Stakeholders increasingly demand transparency and accountability, pushing businesses to embed social responsibility across operations and supply chains. AAL is rising to these challenges by prioritising the people behind its operations, strengthening social protection, and addressing inequalities exacerbated by external pressures.



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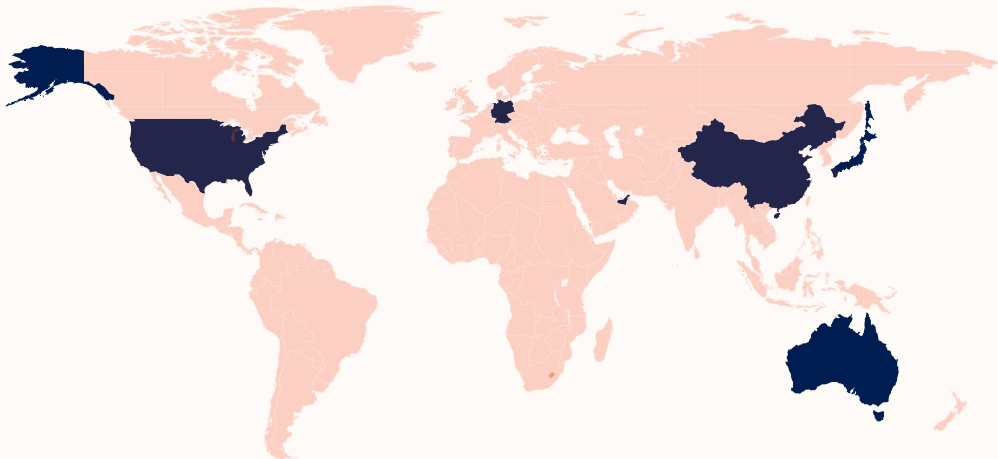
Our People

At AAL, we are driven by a “Powered by People” principle. Our team is vital to the successful delivery of our services and fostering sustainable development. This is guided by clear and transparent policies that exceed compliance standards, reflects our commitment in addressing employee needs while maintaining high ethical and operational standards.

We continuously invest in our people and provide them with the support they need throughout their professional journey in a nurturing environment that fosters growth.

Headcount per office		
Singapore, HQ	49	
China, SHA, PEK, TAO	21	
Germany, Hamburg	20	
Australia, Brisbane	17	
USA, Houston	6	
UAE, Dubai	5	
Japan, Tokyo	1	
TOTAL	119	

Nationalities across the team	Headcount	
Belgium, Colombia, Croatia, Greece, Italy, Myanmar, Netherlands, Philippines, Romania, Russia, New Zealand	1 each	
Cyprus, India, Ukraine	2 each	
Japan	3	
USA	4	
Malaysia	8	
Australia	14	
Germany	23	
China	23	
Singapore	26	



People Development

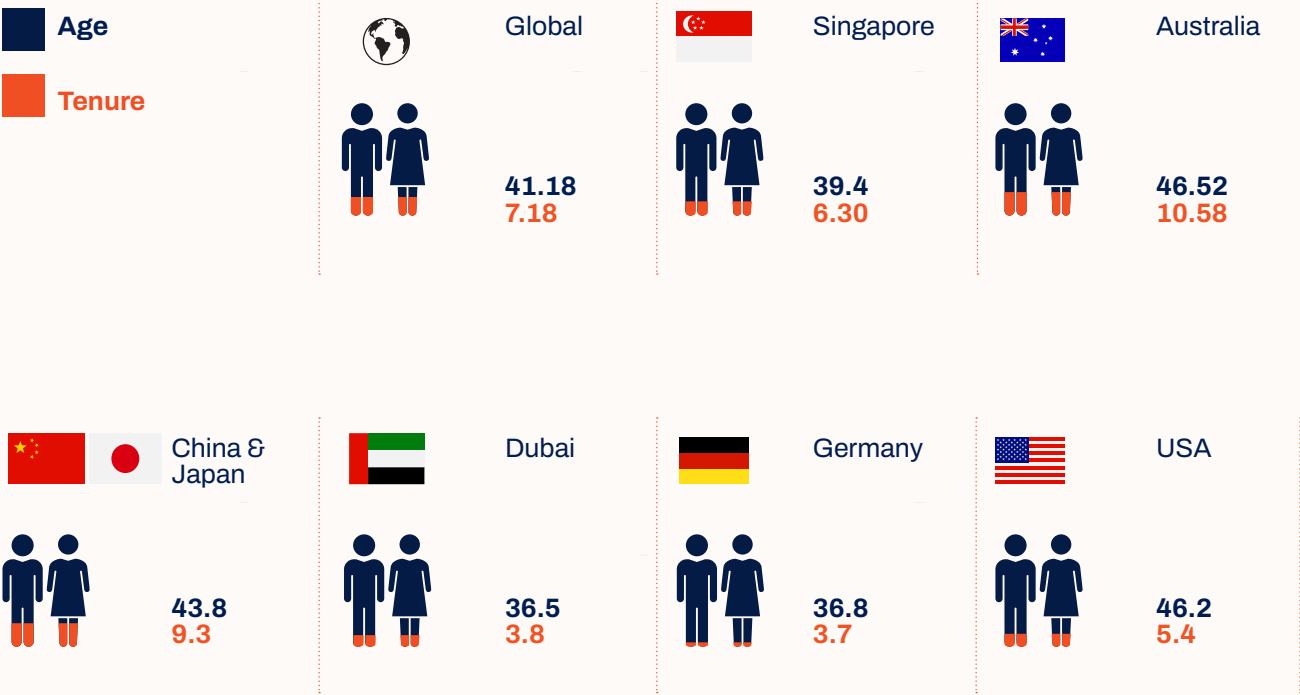
AAL is committed to fostering a secure, dynamic, and empowering environment where its global team can thrive and adapt. Guided by our Purpose, we strive to align business strategies with our employees’ growth and well-being.

We aim to enable our staff to make meaningful contributions, pursue continuous learning, and feel supported by strong and compassionate leadership. This commitment holds steady during prosperous times and challenging periods of uncertainty or change, emphasising the resilience and adaptability of our workforce.

AAL’s top management actively collaborates across departments to ensure that individual efforts are seamlessly integrated into achieving organisational success. By recognising accomplishments and valuing contributions, we build a culture of trust and resilience, empowering our team to overcome challenges and sustain excellence in the face of adversity.

As we continue to expand, we remain committed to retaining our talent, as reflected in the high average tenure of our People. Currently, our global headcount has an average tenure of 7.18 years, with an average employee age of 41.18 years.

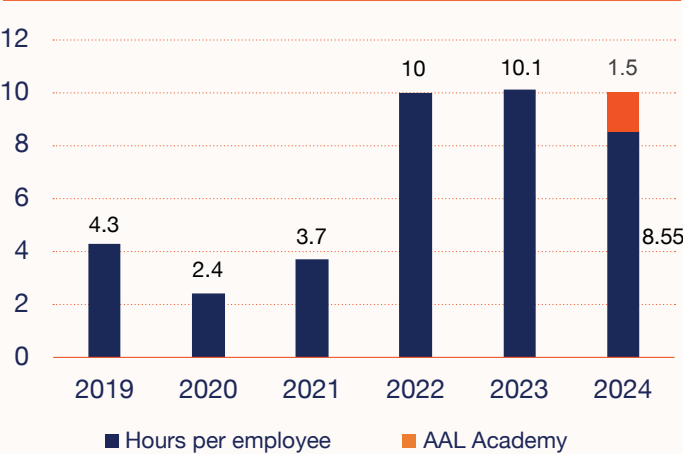
Average tenure and age of AAL workforce in years





While our tenure rates have remained consistently strong, we recognise the opportunity to further enhance them. As a company that deeply values continuous learning, we actively engage our people in training programs designed to keep pace with the rapid advancements in the shipping industry and equip them with new skills to navigate the evolving market landscape. This commitment is evident in the consistently high training hours per employee—this year, each team member has dedicated an average of 10.05 hours to training. Of these, 8.5 hours come from AAL-provided training, while 1.5 hours stem from internal learning resources, available on our AAL Academy platform.

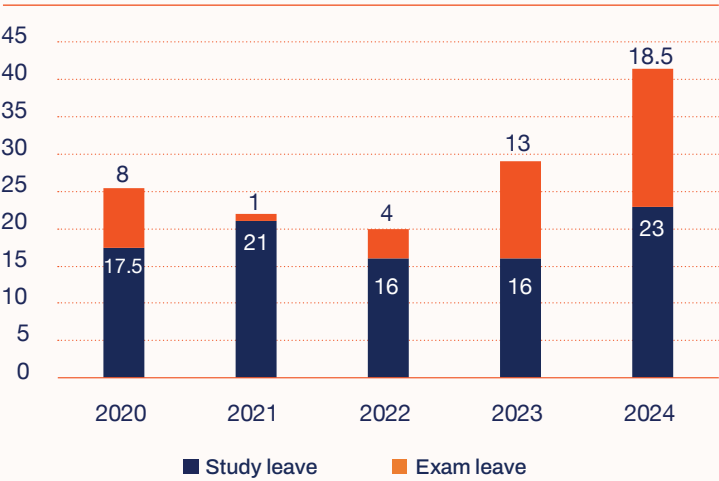
Training hours provided



Average training hours per employee for trainings organized by AAL.

Further reinforcing our dedication to learning and development, we support our employees through **study leaves** and **exam leaves**, which has significantly increased, rising to 42.30% and 43.75%, respectively.

Use of educational leave



An employee who undertakes an educational activity independently, is entitled to 3 days of study leave per calendar year
1 day of examination leave entitlement per examination/test.



These findings highlight our people's strong commitment to learning and expanding their skill sets. To further cultivate this culture of knowledge acquisition, we have added three hours of new internal training material to our Academy. Covering topics such as finance, updates to our Due Diligence and Sanctions Policy, and a comprehensive training catalogue, these resources are readily available both in person and online via our HR BRIO platform. Our people now also have the option to provide training feedback, ensuring continuous improvement and relevance.

Furthermore, through the BRIO platform, we have integrated **Learning & Development goals**, allowing all employees to access and track development objectives specific to each department. This alignment between goals and performance objectives facilitates the continuous refinement of training programs to better meet departmental needs.



Diversity, Equality and Inclusion

At AAL, we are extremely proud of our unique and diverse workforce, and actively support it based on our Diversity, Equity, and Inclusion (DE&I) principles. Upholding these principles is not just a core value but a fundamental responsibility in fostering a workplace free from discrimination. Discrimination hinders individuals from achieving their potential, perpetuates inequality and introduces significant risks to our organisational success by limiting innovation, disrupting team cohesion, and potentially damaging our reputation. At AAL, we recognise that eliminating discrimination is essential not only for individual and collective growth but also for mitigating these risks and ensuring a resilient and thriving workplace.

As we strive to cultivate a sustainable working environment, achieving a gender-balanced workforce—where women's participation is integrated into every aspect of our operations—is essential. Currently, women make up 38% of our global workforce, compared to 62% male representation, with some countries having an all-male workforce.

We recognise the need to further bridge this gap and are committed to fostering a more equitable workplace. By actively promoting gender diversity, we aim to set an example for the maritime industry, where women have historically been underrepresented.



Workplace Culture & People Engagement

The well-being of our employees is fundamental to our organisation’s success. As we continue to navigate challenges in the aftermath of the COVID-19 pandemic, we recognise the critical role of both physical and mental well-being in sustaining engagement. When well-being is compromised, engagement levels can decline, impacting overall performance. Moreover, employee engagement is vital to AAL’s corporate success—when our People are engaged, they are more productive, aligned with our values, and dedicated to achieving company goals.

The dissemination of Company information and activity amongst our team is a cornerstone of our engagement policy. In this respect, we launched two newsletters that provide our people with regular updates on the global operations of AAL and the marketplace in which we work:

1. ‘Bulletin Board’ – is a monthly newsletter sent internally to everyone working in AAL that is straight from the desks of our Board of Directors. It details the monthly work of the Company – its successes, milestones and challenges – in a clear and concise reporting manner.
2. ‘Uplifting Times’ - is a detailed quarterly newsletter penned by departmental and regional managers across all operations of AAL. With factual and comprehensive news reporting about the progress our work and teams at a grass roots level it invests our people with information that helps to build understanding and appreciation of the complexities of our operations and the qualities of the teams involved in delivering on their work objectives.

This year, as part of our commitment to employee well-being and engagement, we have also launched two new HR Newsletters. The first newsletter focuses on mental health, providing tips, training, resources, and strategies for managing stress and maintaining balance, and the second covers general HR topics, keeping employees informed about policies, development opportunities, and other important updates.

These newsletters are designed to foster open communication, demonstrate our commitment to employee well-being, and provide valuable resources to keep everyone connected and informed. We look forward to expanding these efforts to further support a healthier, more engaged workplace.



Occupational Health & Safety

Ensuring workplace safety and security is a core commitment for AAL, as it is a fundamental human right and as we continue to prioritise the well-being of all individuals involved in our operations. Guided by a culture of accountability and trust, we uphold our responsibility to foster a safe working environment for our crew, employees, and all stakeholders.

In 2024, our vessels recorded 4.13 million onboard manhours, reflecting a continued high level of operational activity. A total of 1,322 near miss incidents were reported, underscoring our crew’s vigilance and commitment to recognising and addressing potential hazards before they escalate. These efforts demonstrate a strong culture of safety consciousness across our fleet.

While the number of Lost Time Injuries (LTIs) increased to seven compared to previous years, it is important to note that the majority of these incidents were minor in nature and swiftly managed onboard. These cases included non-critical injuries such as sprains and minor hand injuries. Consequently, our Lost Time Injury Frequency (LTIF) and Total Recordable Case Frequency (TRCF) stood at 1.7 and 2.18, respectively.

To strengthen our safety performance, we have taken proactive measures, including enhanced training programs, the adoption of advanced reporting systems, and targeted improvements in high-risk operational areas. These initiatives reflect our commitment to continuous improvement and ensuring the well-being of our crew.

The learnings from these incidents are helping shape our future safety strategies, ensuring that AAL remains at the forefront of operational safety and risk mitigation. By focusing on prevention and fostering a culture of safety, we continue to demonstrate our dedication to the welfare of our workforce and the integrity of our operations.

Key Safety Records

Year	2021	2022	2023	2024
LTI = Lost Time Injury	3	3	3	7
LTIF = Lost Time Injury Frequency	0.97	0.62	0.85	1.7
TRCF = Total Recordable Case Frequency	2.27	1.24	1.99	2.18
Year	2021	2022	2023	2024
Total Onboard Manhours	3,081,240	3,633,331	4,119,921	4,128,600
Near Miss Incidents (RHS)	976	1,139	1,200	1,322



CSR Activities

AAL Shipping remains steadfast in its commitment to contributing to the communities in which it operates, recognising the critical role it plays in driving meaningful change. In 2024, our CSR initiatives focused on addressing societal challenges, fostering inclusivity, and promoting sustainability through impactful donations, sponsorships and events. These efforts align with our core values and our vision of building a resilient and equitable future for all our stakeholders. In line with this commitment, AAL Shipping has not identified any operations in 2024 with significant actual or potential negative impacts on local communities.

Donations

- **Michael J. Fox Foundation**

Supporting advancements in research and treatment for Parkinson's disease.

- **Cerebral Palsy Alliance**

Contributing to the care and support of individuals living with cerebral palsy.

- **Transaid**

Transforming lives with safe and sustainable transport solutions for communities across Sub-Saharan Africa.

- **Steel Association of Victoria Luncheon for Rule Prostate Cancer**

Supporting prostate cancer awareness and research.

- **Blood Cancer Donation (BPLG Initiative)**

Contributing to initiatives focused on blood cancer treatment and research.

- **Youngcare**

Assisting young Australians with high-care needs to live with dignity and independence.

- **Dunkelziffer E.V. and Kinder-Hospiz Sternenbruecke**

Contributed to organisations providing assistance to children and young people who are victims of sexual violence, as well as hospice care for terminally ill children and their families.

- **Family Support for Cancer Treatment**

Provided financial aid to a family whose young son was diagnosed with leukemia.

- **Children's Wishing Well**

Supported underprivileged children in Singapore through education, healthcare, and developmental programs to enhance their opportunities for a better future.

- **The Mission to Seafarers Brisbane**

Sponsored welfare programs for seafarers, offering them critical support services and improving their well-being during their time at sea.



Events

- **Beach Cleaning in Singapore**

Organised a beach cleaning initiative to raise awareness about environmental conservation, marine pollution and sustainability.

- **Bone Marrow Donation Program in Singapore**

Organised an awareness session in Singapore to highlight the importance of registering for the bone marrow donor database. This program encouraged participants aged 18 to 49 to take part in a life-saving cause, emphasising the collective power of small actions in making a significant impact.

- **International Transaid Charity Bike Ride 2024**

AAL teamed up with other sister companies to raise money for underprivileged communities in Africa, through a sponsored cycle ride from Newcastle to Edinburgh.

Social Goals for 2025

For our social sustainability goals in 2025, we aim to build upon the strides we made in 2024.

1. **Achieve 10+ hours of training per employee** – In 2024, we collaborated with department heads and top management to map out career training for employees. This year, we will continue investing in employee development, as we believe that fostering skills and growth enhances engagement, motivation, and retention.
2. **Organise annual CSR activities** – In 2025, we plan to expand our CSR initiatives, ensuring that each office participates in community service activities. This will not only support charitable causes but also offer our employees valuable insights into the local communities they serve.
3. **Increase team-building exercises** – Next year, we will focus on further cultivating a work environment that boosts job satisfaction, encourages enthusiasm for work, and promotes a sense of security and comfort.





Governance

Effective governance and corporate accountability have never been more crucial, as geopolitical tensions, economic volatility, and rapid regulatory developments present new challenges to all industries worldwide. At AAL, we maintain core values of accountability, approachability and leadership. Ethical business conduct remains foundational to the value we create for clients, communities, and stakeholders globally. For the wider shipping industry, governance is particularly vital in ensuring resilience and stability in an increasingly uncertain environment.

In 2024, rising political instability and diverging regulatory directions have emphasised the importance of strong governance frameworks to ensure safe, efficient, and transparent operations. Over the 12 months of this year, AAL implemented a more robust Due Diligence and Sanctions Policy. This has been highly beneficial, as we were able to detect numerous possibly sanctioned cargoes/entities. This demonstrated our firm commitment to upholding international sanctions and ethical norms. Starting in 2026, AAL will use the future European Sustainability Reporting Standards (ESRS) in its ESG reporting for more comparable and reliable information on all material sustainability-related topics.

Governance also plays a key role in addressing challenges such as environmental compliance, human rights, and ethical labour practices across international waters. At AAL, we view governance as more than compliance; it is about cultivating accountability and integrity across our operations and value chain, even in the face of geopolitical and economic disruptions. By setting high standards for strategic decision-making and embracing transparency, the shipping industry can navigate these challenges while maintaining its role as a global trade enabler.

As regulatory landscapes evolve in response to global challenges, robust governance will remain essential for adapting to new requirements and safeguarding stakeholder trust. By embedding governance as a core principle, AAL and the broader shipping industry can create lasting value while contributing to a more equitable and sustainable global community.

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Corporate Governance Structure

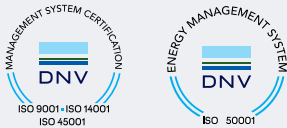
Our company structure and policies are reviewed and approved by the Board of Directors before implementation, and periodic compliance and business ethics risk assessments are conducted across all operational entities. These assessments are complemented by ongoing risk mitigation, the implementation of corrective measures, and regular policy revisions.

AAL’s Board of Directors is composed of the CEO, Managing Director, Commercial Director, Finance Director, and Chairman. Each board member brings over 15 years of dedicated service to the organisation and extensive expertise in the maritime industry. Reporting directly to the company’s ownership entity, the Board is supported by a robust Top Management team, which includes the heads of Chartering, Commercial, Operations and Engineering, Regional General Managers (representing Australia, the Americas, Europe, Asia, and the Middle East), and department heads for Marketing & Communications, QHSE, HR, IT, Accounts, and Legal & Claims. Together, this team is responsible for implementing corporate policies, maintaining standards, and overseeing the Company’s overall performance.



Management Systems

Acknowledging the importance of responsible business conduct and being aware of societal and environmental impacts, AAL maintains an “integrated” management system. Policies and procedures currently implemented are aligned with the most recent development of the ISO standards. Namely, these standards include ISO 14001:2015 (Environmental Management), ISO 45001:2018 (Occupational Health and Safety) and finally, ISO 50001:2018 (Energy Management).



In cases of unforeseen circumstances that are excluded from the aforementioned management systems, legal assistance is readily available and can mitigate adverse effects through the adherence to ISO guidelines, such as ISO 9001/14001 standard for “addressing non-conformities”, “auditing” and “management review”.

Audit findings and compliance status

Number of nonconformities identified during this audit	0
Number of category 1 (major) nonconformities	0
Number of category 2 (minor) nonconformities	0
Number of observations identified during this audit	0
Number of opportunities for improvement identified during this audit	1
The status of corrective actions for nonconformities from previous audit was reviewed.	
Number of nonconformities still not closed from previous audits	0

Our 2024 audit report found no nonconformities. The auditors positively recognized AAL’s efforts to enhance employee working conditions and maintain continuous communication with customers despite challenges. This reflects AAL’s high standards in establishing and improving its management systems, reinforcing our commitment to ongoing excellence.





Sustainability Governance

The AAL Sustainability Committee, develops, implements, and evaluates AAL's sustainability strategy and facilitates the alignment of our ESG goals with our corporate strategy and stakeholders.

The Sustainability Committee is responsible for:

- Overseeing and implementing AAL's sustainability strategy.
- Evaluating the annual ESG Impact, Risk & Opportunity (IRO) Assessment and Materiality Analysis.
- Reviewing internal processes and systems to ensure of accurate, consistent, and reliable KPI data.
- Regularly reporting sustainability performance to the Board.
- Providing recommendations to enhance sustainability plans and practices.

Members of this Committee are up to date with the ever-evolving landscape of ESG regulations and frameworks globally, and to do so, constantly attend workshops, trainings and forums. This ensures that the responsibilities of this Committee are being effectively undertaken and highlights our commitment to sustainable development.



Anti-Corruption & Anti-Bribery

AAL maintains a strict zero-tolerance policy toward bribery and corruption, reaffirming our commitment to conducting business professionally, fairly, and with integrity in every operation and interaction. This policy extends beyond our internal activities to include the selection of partners and suppliers, ensuring compliance with the highest legal and ethical standards. Corruption poses a significant compliance risk, destabilising business environments, hindering ethical development, and inflating costs associated with international trade and supply chain management. In recognition of these risks, AAL has implemented a comprehensive Anti-Corruption and Anti-Bribery Policy, overseen by Top Management and departmental heads, who are responsible for its enforcement, monitoring its effectiveness, and addressing any questions regarding its interpretation.

Key provisions of this policy include a strict prohibition on offering, accepting, or soliciting bribes or corrupt incentives, regardless of their magnitude, and the rejection of unethical advantages for the Company, its assets, or individuals. Employees are required to promptly report any instances of bribery, requests for bribery, or suspicions of unlawful activities. To support this, AAL fosters a safe and open reporting environment and provides ongoing training to help employees identify and manage corruption risks. Guidelines also allow for reasonable and good-faith gifts, entertainment, and hospitality, as well as lawful and ethical charitable contributions, subject to Top Management approval.

As member of the Maritime Anti-Corruption Network (MACN), AAL acknowledges the significant corruption risks within the shipping and logistics industry—such as facilitation payments involving port and border authorities. This commitment underscores our active role in combating corruption in the sector. Failure to uphold anti-bribery regulations could lead to severe consequences, including legal and reputational damage, financial penalties, operational inefficiencies, and market exclusion. By maintaining robust anti-bribery mechanisms, AAL strives to uphold internal morale, build external trust, and ensure sustainable, ethical business practices globally.

Key guidelines include:

- Prohibiting the offering, giving, soliciting, or accepting of any bribe or corrupt enticement, in cash or in any other form, regardless of magnitude.
- To decline any unethical commercial, contractual, or regulatory advantage for the Company or its assets, or to acquire any personal advantage, monetary or otherwise, for the individual or anyone affiliated with the individual.
- Report as quickly as possible if any employee is offered a bribe by a third party, or fears that this will occur in the future, or that he or she is a victim of any unlawful activity.
- Conducting ongoing training that can inform and guide employees on how to deal with bribery and corruption situations.
- Establishing a practice that permits gifts, entertainment, and hospitality if they are reasonable, proportionate, and made in good faith and in accordance with Company's Entertainment and Gifts Policy.
- Ensuring that any charitable gifts made by the Company are lawful and ethical, and no donation made on the Company's behalf is made without the prior written consent of Top Management.
- Enabling a safe "open door policy" internally, for the reporting of any perceived corruption or bribery incident.

Corruption Cases in 2024

0
ZERO

Number of corruption cases brought against AAL in 2024.



Anti-Competitive Behaviour

Antitrust legislation is designed to prevent collaborations that undermine fair competition or distort markets. Additionally, considering the escalating climate crisis and other pressing environmental and social issues, many organisations are coming together to achieve common sustainability goals. With the absence of effective international regulation, these collaborations help navigate complex regulations and emerging challenges. In partnership with Smart Freight Centre, we are sharing specific data with other logistics providers who align with our anti-competition objectives to reduce the environmental impact of the global logistics sector. By implementing a strong and ethical anti-competition policy, we aim to ensure fair practices, foster healthy competition, and support a more sustainable and equitable industry.

AAL has implemented a comprehensive “Code of Conduct” that defines the principles guiding business operations, interactions with clients and suppliers, and the professional standards expected of all employees. Complementing this, AAL’s in-house legal department oversees a wide range of business transactions to ensure compliance with legal and ethical requirements. Additionally, the Company’s freight carriage contracts are designed as standardised agreements that uphold regulations against anti-competitive practices, reinforcing AAL’s commitment to ethical and lawful conduct in all areas of operation.

Moreover, the global mutipurpose shipping sector consists of various price-makers, including carriers, forwarders, agents, and exchanges, and operates as a competitive, responsive market that adapts quickly to shifts in supply and demand. To ensure the effectiveness of these processes, we conduct both internal and external audits, alongside legal and financial screenings, to assess and monitor the success of our business activities.

Anti-Competitive Cases Records 2024

0
ZERO
Number of legal actions of anti-competitive behaviour, anti-trust and monopoly practises



Sanctions Adherence and Legal Framework

- 1. Revised Due Diligence and Sanctions Policy**
 - We implemented an enhanced Due Diligence and Sanctions Policy, incorporating a robust screening system to vet all clients before booking cargo.
 - This system has enabled the identification of several potentially sanctioned cargoes/entities, ensuring full compliance with international sanctions regimes.
 - AAL now maintains a comprehensive database of vetted clients, with over 600 clients screened over the past two years, securely stored in SharePoint.
 - These measures align our policies with the latest governmental and legislative recommendations, reinforcing our position as a responsible global operator.
- 2. Training and Risk Awareness**
 - AAL’s legal team conducted targeted workshops in Hamburg, Brisbane, and Singapore, focusing on risk management and loss prevention.
 - These sessions equipped employees with critical skills and enhanced their understanding of regulatory compliance. All training materials were uploaded to the AAL Academy for continuous learning.
- 3. Future Policy Enhancements**
 - We are actively updating key policies, including Anti-Bribery and Data Protection, with a targeted KPI for 2025 to further strengthen our Data Protection Policy and enhance Cybersecurity measures.





Cybersecurity and IT Governance

1. Enhanced Cybersecurity Measures

- Collaborated across departments to identify potential cyber threats, including reporting fake brokers and charterers to international anti-fraud organisations.
- Implemented mandatory cybersecurity training to reinforce employee awareness and prevent phishing attacks, building upon the lessons learned from previous campaigns.

2. Innovative IT Solutions

- Deployed new PowerApps and automation tools to streamline workflows and improve efficiency across multiple processes, including:
 - IT Team App: For onboarding/offboarding, internal purchase requests, user management, and asset & contract management.
 - Client ShortName Checklist: This app serves as a centralised tool to verify and standardise client names across various platforms used by AAL. Its primary objective is to streamline and ensure consistency in client short names across systems such as IMOS, CargoWise, and others.
 - Operators' Vessel Allocation Tracker
 - Operator's Checklist App
- Revamped AAL's Internal SharePoint to enhance user experience, segregate departmental data, and improve data governance while preventing oversharing of sensitive information.
- Successfully implemented PasswordState (CorpSafe), a password management system, for the IT, Operations, and Admin/HR teams, enhancing credential security, accessibility, and overall data protection.



Governance Goals for 2025

At AAL, ESG reporting is a key strategic pillar, helping us demonstrate our commitment to ethical and sustainable business practices. Our focus on responsible business conduct and ethics extends beyond mere compliance and is embedded in our company culture. Moving forward, we aim to continuously refine and expand our compliance programs to prevent, detect, and address any misconduct that goes against our core values and business ethics policy. Our goal is to maintain a year free of compromised practices or cybersecurity incidents while actively contributing to the Maritime Anti-Corruption Network (MACN).

As part of our commitment to ethical operations, we have implemented a revised Due Diligence and Sanctions Policy, which includes a robust screening system to thoroughly vet all clients before booking cargo. This has enabled us to identify potentially sanctioned entities and ensure full compliance with international sanctions. Over the last two years, we've screened over 600 clients, securely storing the data in SharePoint. Our training initiatives, such as workshops focused on risk management and loss prevention held in Hamburg, Brisbane, and Singapore, equip employees with essential skills to navigate regulatory compliance effectively. Additionally, we are actively updating our policies, including Anti-Bribery and Data Protection, with a focus on enhancing data protection and cybersecurity by 2025.

On the cybersecurity front, we've collaborated across departments to identify potential threats, reporting fraudulent brokers and charterers to anti-fraud organisations. We've also implemented mandatory cybersecurity training to mitigate risks such as phishing attacks. We've rolled out new PowerApps and automation tools to streamline processes, including systems for onboarding, offboarding, internal purchase requests, and standardising client names across platforms. Furthermore, we've revamped our internal SharePoint to enhance user experience, improve data governance, and prevent the oversharing of sensitive information. To bolster security, we've introduced PasswordState (CorpSafe), a password management system for key departments, ensuring better credential security and data protection.





Conclusion

As regulatory frameworks such as the CSRD ensure greater transparency in how companies impact the environment and society, alongside evolving stakeholder expectations, businesses are increasingly being held accountable and placed under closer scrutiny.

At AAL, we are proud to share our 2024 Sustainability efforts with our valued stakeholders. Over the past year, we have demonstrated our commitment to decarbonisation through fuel-efficient vessels, fostered a nurturing workplace culture to prioritise employee well-being, and upheld our adherence to ethical business practices. While we celebrate our achievements and progress, we recognise there is always room for growth and remain committed to ensuring a fair and green transition to a more sustainable economic model.

This transition is no easy feat, as it requires cross-sector, multi-stakeholder collaboration, involving our own operations, clients, NGOs, local communities, and more. We believe businesses hold the power and responsibility to lead the way toward a better, more sustainable, and just future. On this note, we at AAL are committed to foster this multi-faceted approach to tackle industry-specific, as well as broader, societal and environmental challenges, and contribute to a resilient and sustainable future.

Finally, we extend our heartfelt gratitude to all those involved in the research and production of this report—our people, clients, partners, and our Sustainability Committee. Their invaluable insights have been instrumental in making the publication of this report possible.





GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	GRI	"Introduction" p.5 , "About AAL" p.9-15
	2-2 Entities included in the organization's sustainability reporting	"Introduction" p.5
	2-3 Reporting period, frequency and contact point	"Introduction" p.5
	2-4 Restatements of information	N/A
	2-5 External assurance	N/A
	2-6 Activities, value chain and other business relationships	"About AAL" p.9-15
	2-7 Employees	"Our Performance / Social / Our People" p. 38
	2-8 Workers who are not employees	N/A
	2-9 Governance structure and composition	"Our Performance / Governance / Corporate Governance Structure" p.48
	2-10 Nomination and selection of the highest governance body	N/A
	2-11 Chair of the highest governance body	"Chairman's Forward" p.3
	2-12 Role of the highest governance body in overseeing the management of impacts	"Our Performance / Governance / Corporate Governance Structure" p.48 , "Our Performance / Governance / Sustainability Governance" p.50
	2-13 Delegation of responsibility for managing impacts	"Our Performance / Governance / Sustainability Governance" p.50
	2-14 Role of the highest governance body in sustainability reporting	"Our Performance / Governance / Sustainability Governance" p.50
	2-15 Conflicts of interest	N/A
	2-16 Communication of critical concerns	"Our Performance / Governance / Anti-Corruption & Anti-Bribery" p.51 , "Our Performance / Governance / Anti Competitive Behaviour" p.52
	2-17 Collective knowledge of the highest governance body	"Our Performance / Governance / Sustainability Governance" p.50
	2-18 Evaluation of the performance of the highest governance body	N/A
	2-19 Remuneration policies	N/A
	2-20 Process to determine remuneration	N/A
	2-21 Annual total compensation ratio	N/A
	2-22 Statement on sustainable development strategy	"Message from the Board" p.7
	2-23 Policy commitments	"Our Performance / Environmental / Emissions" p. 26 , "Our Performance / Social / People Development" p. 39 , "Our Performance / Social / Workplace Culture & People Engagement" p. 42 , "Our Performance / Governance" p.47 , "Our Performance / Governance / Anti-Corruption & Anti-Bribery" p.51 , "Our Performance / Governance / Sanctions Adherence and Legal Framework" p.53
	2-24 Embedding policy commitments	"Our Performance / Environmental / Emissions" p. 26 , "Our Performance / Social / People Development" p. 39 , "Our Performance / Social / Workplace Culture & People Engagement" p. 42 , "Our Performance / Governance" p. 47 , "Our Performance / Governance / Anti-Corruption & Anti-Bribery" p.51 , "Our Performance / Governance / Sanctions Adherence and Legal Framework" p.53
	2-25 Processes to remediate negative impacts	"Our Performance" p. 23
	2-26 Mechanisms for seeking advice and raising concerns	"Our Performance / Governance / Anti-Corruption & Anti-Bribery" p.51 , "Our Performance / Governance / Anti Competitive Behaviour" p.52
	2-27 Compliance with laws and regulations	"Our Performance / Governance / Anti-Corruption & Anti-Bribery" p.51 , "Our Performance / Governance / Anti Competitive Behaviour" p.52
	2-28 Membership associations	"About AAL / Industry Bodies & Accolades" p.14
	2-29 Approach to stakeholder engagement	"Sustainability Approach / Materiality Assessment / Stakeholder Engagement" p. 19
	2-30 Collective bargaining agreements	N/A

Statement of use

AAL Shipping has reported the information cited in this GRI content index for the period January 2024 - December 2024 with reference to the GRI Standards.



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GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	"Sustainability Approach / Materiality Assessment" p. 19-21
	3-2 List of material topics	"Sustainability Approach / Materiality Assessment" p. 19-21
	3-3 Management of material topics	"Our Performance" p. 23
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Our Performance / Governance / Anti-Corruption & Anti-Bribery p.51
	205-2 Communication and training about anti-corruption policies and procedures	Our Performance / Governance / Anti-Corruption & Anti-Bribery p.51
	205-3 Confirmed incidents of corruption and actions taken	Our Performance / Governance / Anti-Corruption & Anti-Bribery p.51
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	"Our Performance / Governance / Anti Competitive Behaviour" p.52
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Our Performance / Environmental / Emissions p. 28-20
	302-2 Energy consumption outside of the organization	N/A
	302-3 Energy intensity	N/A
	302-4 Reduction of energy consumption	Our Performance / Environmental / Emissions p. 28-30
	302-5 Reductions in energy requirements of products and services	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our Performance / Environmental / Emissions p. 26-29
	305-2 Energy indirect (Scope 2) GHG emissions	Our Performance / Environmental / Emissions p. 26-29
	305-3 Other indirect (Scope 3) GHG emissions	Our Performance / Environmental / Emissions p. 26-29
	305-4 GHG emissions intensity	N/A
	305-5 Reduction of GHG emissions	Our Performance / Environmental / Emissions p. 26-29
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Our Performance / Environmental / Emissions p. 26-29
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	"Our Performance / Social / Occupational Health & Safety" p.43 , "Our Performance / Governance / Management Systems" p.49
	403-2 Hazard identification, risk assessment, and incident investigation	"Our Performance / Social / Occupational Health & Safety" p.43
	403-3 Occupational health services	"Our Performance / Social / Occupational Health & Safety" p.43
	403-4 Worker participation, consultation, and communication on occupational health and safety	"Our Performance / Social / Occupational Health & Safety" p.43
	403-5 Worker training on occupational health and safety	"Our Performance / Social / Occupational Health & Safety" p.43
	403-6 Promotion of worker health	"Our Performance / Social / Occupational Health & Safety" p.43
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	"Our Performance / Social / Occupational Health & Safety" p.43
	403-8 Workers covered by an occupational health and safety management system	"Our Performance / Social / Occupational Health & Safety" p.43
	403-9 Work-related injuries	"Our Performance / Social / Occupational Health & Safety" p.43
	403-10 Work-related ill health	N/A
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	"Our Performance / Social / People Development" p.39-41
	404-2 Programs for upgrading employee skills and transition assistance programs	"Our Performance / Social / People Development" p.39-41
	404-3 Percentage of employees receiving regular performance and career development reviews	"Our Performance / Social / People Development" p.39-41
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	"Our Performance / Social / Diversity, Equality and Inclusion" p.41
	405-2 Ratio of basic salary and remuneration of women to men	N/A
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	"Our Performance / Social / CSR Activities" p.44
	413-2 Operations with significant actual and potential negative impacts on local communities	"Our Performance / Social / CSR Activities" p.44

GRI 1 used

GRI 1: Foundation 2021



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AAL Shipping

At AAL, we deeply value the input of our stakeholders. Your feedback is critical to shaping our sustainability journey going forward, and we invite you to share your insights with us at sustainability@aalshipping.com

This report has been prepared in collaboration with **Grow Sustainability Consulting**

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