



ESG Report  
2023

ENVIRONMENTAL, SOCIAL & CORPORATE GOVERNANCE



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## Message from our CEO

As we reflect on 2023, it's clear that the global landscape, including geopolitical events and evolving regulations, continues to reshape the maritime industry. This year has been marked by significant shifts in the geopolitical arena, including global economic realignments like the cooling of the Chinese economy and the rise of India as a driver of global growth, increased tensions in the Middle East, energy market disruptions, and a renewed focus on sustainability. Amidst this complex backdrop, our company has remained resolute in its commitment to responsible growth.

Key global events, such as the ongoing energy transition and the implications of regional conflicts, have reinforced the importance of energy security and efficiency. At the same time, we are witnessing the rapid advancement of regulations that shape the future of our industry. The International Maritime Organization (IMO) has further strengthened its GHG reduction targets, setting more ambitious benchmarks for reducing the carbon intensity of international shipping. In response, we have been proactive in aligning our fleet renewal strategies with these global efforts to reduce emissions.

Our company's dedication to sustainability is evident through our extensive newbuilding program, which includes tankers, dual-fuel LPG carriers, and dry bulk vessels. This investment underscores our dedication to making our fleet resilient by incorporating advanced, energy-efficient technologies and designs that align with regulatory demands and exceed market expectations. These steps are critical as we navigate the introduction of the EU's new FuelEU Maritime regulation, which will be introduced in January 2025, promoting the uptake and production of low-carbon fuels and underscoring the importance of accelerating the transition to cleaner energy sources. To this end, we are committed to exploring and adopting these lower-carbon alternatives, starting with biodiesel, ensuring our fleet remains competitive and adaptive in the evolving energy landscape.

Beyond our environmental responsibilities, we understand the vital role we play in contributing to the communities we operate in. Social contribution remains a core pillar of Latsco. We are immensely proud to have been awarded the prestigious Gold ESG award for social contribution this year. This recognition is a testament to our continuous commitment to creating value for society, whether through support for local communities, targeted donations for specific needs or through our extensive initiatives aimed at inspiring and educating the next generation for the maritime industry.

In closing, 2023 has been a year of progress, challenges and opportunities. We are confident that, through our continued focus on environmental sustainability, fleet innovation, and social responsibility, we will not only meet the challenges ahead but also contribute positively to the future of global shipping.

**George I. Margaronis**

*CEO, Latsco Shipping Limited*



## About this Report

### Scope

This is our fourth stand-alone Environmental, Social, and Governance (ESG) report. It provides our internal and external stakeholders with an overview of our annual ESG performance, demonstrates the progress we have made in key ESG areas, and reflects our ongoing commitment to sustainability. In addition, the report outlines the efforts to meet the United Nations Sustainable Development Goals (UN SDGs), as well as the targets set by the International Maritime Organization (IMO). Our 2023 ESG report is prepared with reference to the Global Reporting Initiatives (GRI) Standards and the Sustainability Accounting Standards Board (SASB) for Marine Transportation.

Latsco Shipping Limited has earned a long-standing reputation for excellence, performance, reliability, and safety. Through its ESG reports, the company seeks to transparently communicate its unwavering dedication to creating sustainable long-term value for all stakeholders.

### Reporting Period

The report covers the initiatives and accomplishments of Latsco Shipping Limited with regard to its environmental, social and governance aspects from January 1st, 2023, to December 31st, 2023. Relevant information from the preceding year is also provided for comparison and context. The data presented in the report encompass the vessels of Latsco Marine Management Inc. (LMM), and Latsco LNG Marine Management Inc. (LLNGMM).

### Reporting Frameworks

#### Global Reporting Initiative (GRI Standards)

Applying the GRI Standards to our reporting process guarantees that the content and issues covered are relevant, coherent, and consistently comparable with other companies and sectors.

#### Sustainability Accounting Standards Board (SASB) for Marine Transportation

Report information is based on maritime industry-specific metrics as outlined in the Sustainability Accounting Standards Board (SASB) guidelines.



**This is our fourth  
ESG report,**

prepared with reference to  
**GRI 2021 Standards, SASB's  
Marine Transportation** material  
topics and the guidance of  
**PwC Greece**



# Key Highlights

**Offices**  
in Athens, London,  
Monaco, Dubai

**MORE THAN 80 YEARS**  
of experience  
in the shipping industry

**148**  
employees ashore


**1,332**  
active seafarers in our pool

**30 VESSELS**  
on the water  
managed by LMM & LLNGMM

**\$ 476.1**  
MILLION  
REVENUE  
in 2023

**\$ 7,454**  
average  
daily OPEX  
in 2023

 **10,912**  
OPERATING DAYS  
in 2023

 **5.7 %**  
DECREASE  
in Average EEOI  
compared to 2022

**97,181,253**  
(000's) mt  
TRANSPORT  
WORK  
in 2023

**76**  
COUNTRIES  
visited in 2023

**893**  
PORT CALLS  
in 2023

DWT **2,912,190** in 2023



IN-HOUSE  
DEVELOPMENT OF  
**GHG**  
EMISSIONS  
MONITORING



IMPLEMENTATION OF  
**SHIP  
CYBER  
SECURITY  
PLAN**



ON-BOARD  
FILTRATION  
SYSTEMS  
for potable water

DISTANCE TRAVELLED  
**2,128,930** miles

## Our ESG Journey

Steps to integrate ESG into our business activities

2024

Present our fourth ESG Report  
Receive the Gold Award as Community Contribution Leader at the ESG Shipping Awards 2024 International

2023

Issue our third ESG Report  
Receive the Gold Health & Safety Award and the Bronze People Award at the first ESG Shipping Awards

2022

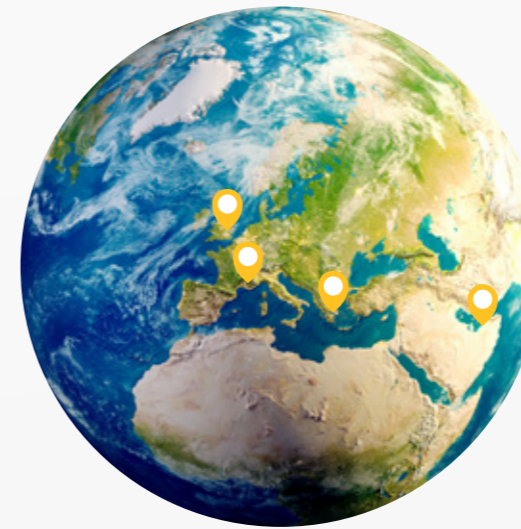
Publish our second ESG Report  
Become a Signatory to Call to Action for Shipping Decarbonization and a member of the Getting to Zero Coalition of the Global Maritime Forum

2021

Conduct our first ESG Materiality Analysis  
Launch our first ESG Report  
Move into LNG carrier sector

## Group's Structure

**Latsco Shipping Limited** is a privately-owned company that traces its history back to 1937 when its founder, Captain John S. Latsis, set sail on his journey into passenger and commercial deep-sea shipping. Spanning over 80 years of experience in the shipping industry, the company originally operated under the name "Petrola International S.A.". In 2004, Latsco Shipping Limited was formally established to unify and streamline the shipping activities of the Latsis family, underscoring their enduring dedication to the maritime sector.



**LONDON**  
Latsco (London) Ltd  
(Commercial Management)

**MONACO**  
Latsco Shipping Limited

**ATHENS**  
Latsco Marine Management Inc (Technical Management)  
Latsco LNG Marine Management Inc. (Technical Management of LNG fleet)

**DUBAI**  
Marla Trading Inc  
(Asset light, fully integrated dry cargo trading platform)

**Latsco Shipping Limited** is incorporated in Bermuda and has a branch in Monaco.

**Latsco LNG LLC** is incorporated in the Marshall Islands.

**Latsco Ship Management Holding Inc.** is the parent company of Latsco (London) Limited ('LL'), Latsco Marine Management Inc. ('LMM') and Latsco LNG Marine Management Inc. ('LLNGMM'). LL has an office in London, U.K. and LMM and LLNGMM each have a branch office in Athens, Greece.

LMM and LLNGMM provide **technical management** to our vessels and LL is assigned with the **commercial management** of the fleet.

All of the above companies are referred to as the Latsco Group or "Latsco".



## Group's Profile

### Our Vision

To establish ourselves as the leaders in our field, through the continuous development and improvement of the business operations, health, safety, and quality standards of our growing fleet.

### Our Mission

Our mission is to operate our growing and modern fleet, upholding the highest standards of excellence in performance, safety, reliability, and environmental protection. The foundation of our strategy lies in fleet renewal and expansion, complemented by a well-balanced employment portfolio, to ensure our resilience and agility to navigate the industry's highly volatile cycles

### Our Core Values



#### BUSINESS EXCELLENCE & QUALITY

We focus on business excellence, ensure the highest of standards and sustain our best-in-class status.



#### SAFETY & ENVIRONMENT

We place safety at the forefront of our efforts. We promote environmental preservation and sustainability by reducing our carbon footprint, while complying with safety environmental rules, regulations, and industry standards.



#### FOCUS ON OUR CUSTOMERS

We are committed to fulfilling our customers' expectation to add value and protect their interests.



#### OPERATE AS ONE TEAM

We share one vision. We operate as one team fostering respect and inclusion.



#### CARE FOR OUR PEOPLE

We put people first. We care about their well-being, and we nurture a fair and just culture that promotes equal opportunities and participation.



## Our Memberships

We have established strong relationships with reputable organizations and participate in esteemed memberships and associations within the shipping industry, including:



**GLOBAL MARITIME FORUM** is an international not-for-profit organization which is committed to increase sustainable long-term economic development and well-being in the shipping industry, supported by a group of leading industry stakeholders who share the same ambition.



The **GETTING TO ZERO COALITION** is an alliance of companies across the maritime, energy, infrastructure and finance sectors, supported by governments and IGOs, and is committed to getting commercially viable, deep-sea, zero-emission vessels, powered by zero-emission fuels, into operation by 2030 towards full decarbonization by 2050.



**BIMCO** is the world's largest organization for shipowners, charterers, shipbrokers and agents that aims to be at the forefront of global developments, providing expert knowledge and practical advice to safeguard and add value to its members.



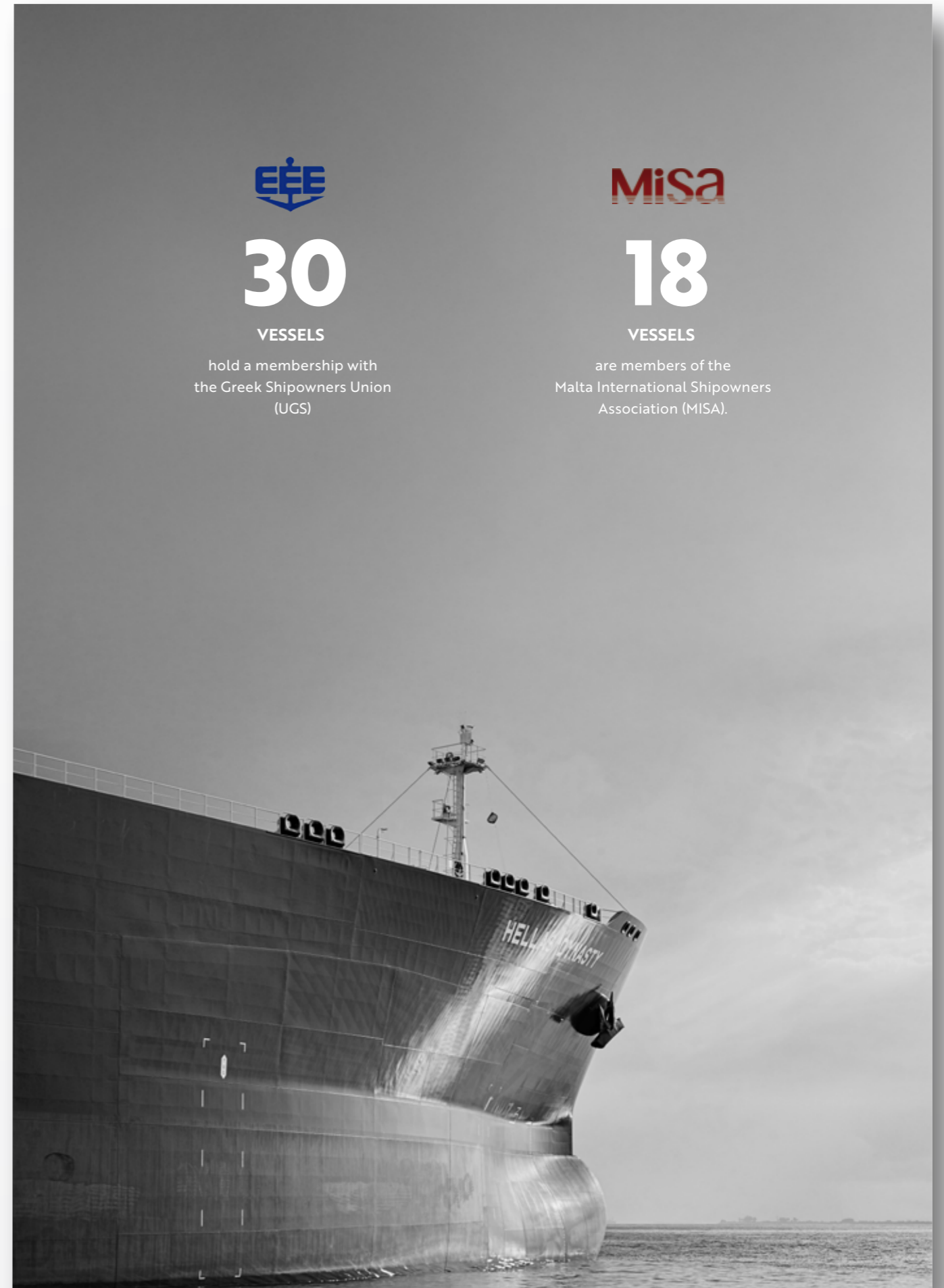
**INTERTANKO** (the International Association of Independent Tanker Owners) is a trade association for owners of independent tankers throughout the world that represents the interests of its Members at national, regional and international levels. Our company is actively involved in Intertanko's efforts, with our COO Antonis Georgantzis serving as a member of INTERTANKO's Council and Safety and Technical Committee. Additionally, our Deputy COO, John Panorios, is a member of the Chemical Tanker Committee and our Port Captain, Markos Raftopoulos is a member of the Gas Tanker Committee.



**SIGTTO** is the Society of International Gas Tanker and Terminal Operators. It is a not-for-profit organization. It was formed as an international organization for industry participants to share experiences, address common problems and derive policy for improvement to maritime operations.



**HELMEPA** (Hellenic Marine Environment Protection Association) represents a pioneering voluntary commitment by Greek seafarers and shipowners to safeguard the seas from ship-generated pollution. With the motto "To Save the Seas," its primary aim is to foster environmental awareness and a culture of safety within the maritime community, ultimately promoting high-quality shipping that serves the interests of humanity.



**30**

VESSELS

hold a membership with the Greek Shipowners Union (UGS)



**18**

VESSELS

are members of the Malta International Shipowners Association (MISA).



## Our Fleet

Our fleet consists of product, chemical and crude tankers, liquefied petroleum gas (LPG) and liquefied natural gas (LNG) carriers. As of the release date of this report, we operate a fleet of 28 vessels on the water, including VLCCs, VLGCs, LR2 product tankers, MR product/chemical tankers, LNG carriers and LGC carriers.

In pursuit of excellence and efficiency, we are constantly enforcing our leadership in the maritime industry by modernizing our fleet. Part of this process involves disposing of older, less efficient vessels that no longer align with our strategic objectives. Consequently, as of the report's issuance, 2 MR tankers, King Gregory and Lady Malou, had been sold<sup>1</sup>.



**6.9**  
YEARS  
AVERAGE AGE OF OUR FLEET<sup>2</sup>

### LR2 Tankers

	TYPE	DWT	BUILD
1. <b>Captain John</b>	LR2	113,876	2014
2. <b>Captain Paris</b>	LR2	113,876	2014
3. <b>Captain Spiro</b>	LR2	113,796	2014
4. <b>King Philippos</b>	LR2	111,827	2012
5. <b>Lady Henrietta</b>	LR2	111,815	2012

### MR Tankers

	TYPE	DWT	BUILD
1. <b>Hellas Avatar</b>	MR	49,997	2015
2. <b>Hellas Fighter</b>	MR	49,997	2015
3. <b>Hellas Revenger</b>	MR	49,975	2016
4. <b>Hellas Nemesis</b>	MR	49,997	2016
5. <b>Hellas Aphrodite</b>	MR	49,992	2016
6. <b>Hellas Tatiana</b>	MR	49,834	2017
7. <b>Hellas Margarita</b>	MR	49,879	2017
8. <b>Hellas Calafia</b>	MR	49,810	2018
9. <b>Hellas Marianna</b>	MR	49,834	2018

### VLCC Tankers

Our Greek-flagged VLCCs are equipped with cutting-edge technology, incorporating open-loop scrubbers and energy-saving devices such as Hyundai's Pre-Swirl Duct and Hi-Fin, Rudder Bulb & Bulb Skirt and Full Spade Rudder.

Additional environmental features include Silyl-Acrylate Anti-Fouling, side stream Electrolysis Type Ballast Water Treatment Systems, and Selective Catalytic Reduction Systems to meet Tier III IMO NOx reduction regulations.

	TYPE	DWT	BUILD
1. <b>Yiannis Latsis</b>	VLCC	300,000	2022
2. <b>Erietta Latsi</b>	VLCC	300,000	2022
3. <b>Hellas Fos</b>	VLCC	300,000	2022
4. <b>Hellas Paliros</b>	VLCC	300,000	2022

<sup>1</sup> The following MR tankers were sold in the first half of 2024. King Gregory – 13.03.2024, Lady Malou – 08.05.2024.

<sup>2</sup> Average fleet age calculated as of 30/06/2024.



## Gas Carriers

	TYPE	CBM	BUILD
1. <b>Hellas Hercules</b>	VLGC	84,134	2015
2. <b>Hellas Poseidon</b>	VLGC	84,084	2015
3. <b>Hellas Gladiator</b>	VLGC	84,116	2016
4. <b>Hellas Sparta</b>	VLGC	84,055	2016
5. <b>Hellas Dynasty</b>	VLGC	80,000	2020
6. <b>Hellas Voyager</b>	VLGC	80,000	2020
7. <b>Hellas Eagle</b>	LGC	60,159	2016
8. <b>Hellas Apollo</b>	LGC	60,178	2016

## LNG Carriers

Each of our LNG carriers has a carrying capacity of 174,000 cubic meters and is outfitted with:

- WinGD Dual-fuel X-DF engines.
- Energy-saving devices like Hi-Rudder T and Hi-Fin to enhance propulsion efficiency.
- GTT's Mark III Flex containment system.

	TYPE	CBM	BUILD
1. <b>Hellas Diana</b>	LNG	174,000	2021
2. <b>Hellas Athina</b>	LNG	174,000	2021

### FOR OUR LNG VESSELS, DURING 2023.

Average annual  
GE Efficiency Utilization rate

**80%**

DURING SAILING

Average annual total  
GE Efficiency Utilization rate

**78%**

Participated in a partnership project with charterers and an independent vendor to reduce methane slip emissions.





## Newbuildings

Our commitment to newbuilding projects demonstrates our dedication to continually strengthen our fleet, advance technological capabilities, and comply with stringent environmental regulations. Having established robust partnerships with renowned shipyards such as Hyundai Heavy Industries, along with other leading manufacturers and suppliers, we have completed over 44 Newbuilding projects. Each new vessel delivered represents a strategic step forward allowing us to take a proactive role in shaping a more modern and sustainable maritime sector.

Our current order book features **4 Very Large Gas Carriers**, to be constructed by Hyundai Heavy Industries and set for delivery in Q2/25 to Q1/26. Each vessel will have a capacity of 87,000 CBM. The new 87k LPG vessels are equipped with advanced features that significantly enhance their safety, efficiency, energy conservation, environmental sustainability, and compliance with various terminal and oil major requirements. These high-end specifications make them an attractive and innovative option, setting them apart from the standard 86/88k LPG designs, thanks to a unique collaboration between Latsco and HHI.

Latsco is proud to announce the order of

# 5 LR2 TANKERS

built by Hyundai Vietnam Shipbuilding

expected delivery between late 2026 & mid-2027



In addition to the delivery of the 4 VLGCs, Latsco is also very proud to announce the order of **5 LR2 Tankers**, to be built by Hyundai Vietnam Shipbuilding, with expected delivery between Q2/26 to Q2/27. Each newbuilding will have a capacity of 115,000 DWT. These vessels, equipped with cutting-edge technology are being built to technical specifications stemming from the company's long experience in building and operating Tanker vessels:

- HYUNDAI's Pre-Swirl Duct improving the wake distribution on the propeller plane and the generated thrust.
- FULL SPADE RUDDER – offering improved manoeuvring capabilities, by transforming a much higher proportion of propeller thrust into lift.
- RUDDER BULB SKIRT - Controls the propeller wake flow, reducing the Rudder's resistance. Model tests confirmed that propulsion efficiency can be increased about 0,5% - 1,0% more than conventional rudder bulb.
- PROPELLER BOSS CAP FINS - HYUNDAI's Hi-Fin reduces the hub vortex cavitation and increases the propulsive efficiency.
- Very Low Friction Anti-Fouling Paint (Silyl Acrylate Technology) applied on outer Hull for optimum Hull performance and fuel saving.
- Auto Pilot System with Batch Noise Adaptive Autopilot Controller which is the new fuel save type autopilot introduced the latest modern control theory.
- Installation of an Exhaust Gas Cleaning System (EGCS) accompanied with relevant ABS Class Notation "EGC-SOx", enabling the vessel to burn fuels with sulfur content up to 3.5%.
- Installation of a Selective Catalytic Reduction System (SCR) accompanied with relevant ABS Class Notations "EGC-SCR" and "NOx-Tier III", to comply with latest Tier III MARPOL Regulations in NOx ECA areas worldwide.
- Adoption of ABS Class Notations "ENVIRO" and "IHM", showing compliance with MARPOL's Annexes I, II, IV, V and VI, as well as having available an approved and verified Inventory of Hazardous Materials.
- Installation of an Integrated Bilge Water System (IBTS), ensuring compliance with IMO MEPC.1/Circ.676 and 760 Regulations.
- Two different means to produce IG for conducting cargo operations.
- Advanced cargo piping arrangement for enabling greater flexibility and reducing the risk of cargo contamination.
- Enhanced mooring layout.
- Increased level of built-in redundancies across all disciplines of the vessel.

## Our Operations

### Financial Performance

Our strong financial performance highlights the effectiveness of our business strategy in driving consistent growth and profitability. In 2023, our fleet generated a total revenue of \$476.1 million, marking an increase of 14% compared to FY2022.

**\$476.1**  
MILLION  
TOTAL REVENUE  
IN 2023

**↑**  
**+14%**  
Revenue  
compared to 2022

### Operational & Commercial Performance

Despite the on-going global supply chain challenges, we sustained our operations with efficiency and resilience. In 2023, our total operating expenses were \$81.6 million and our average daily operating expenses across all sectors remained nearly stable at \$7,454, reflecting a slight increase of 1% compared to 2022. Furthermore, we allocated \$17.7 million for investments in environmental infrastructure.

**\$81.6**  
MILLION TOTAL  
OPEX  
2023

**\$7,454**  
DAILY  
OPEX  
2023

**↑**  
**+1%**  
OPEX  
compared to 2022

**\$17,651,985**  
ENVIRONMENTAL  
CAPEX TOTAL  
2023

### Vessel operational data<sup>3</sup>

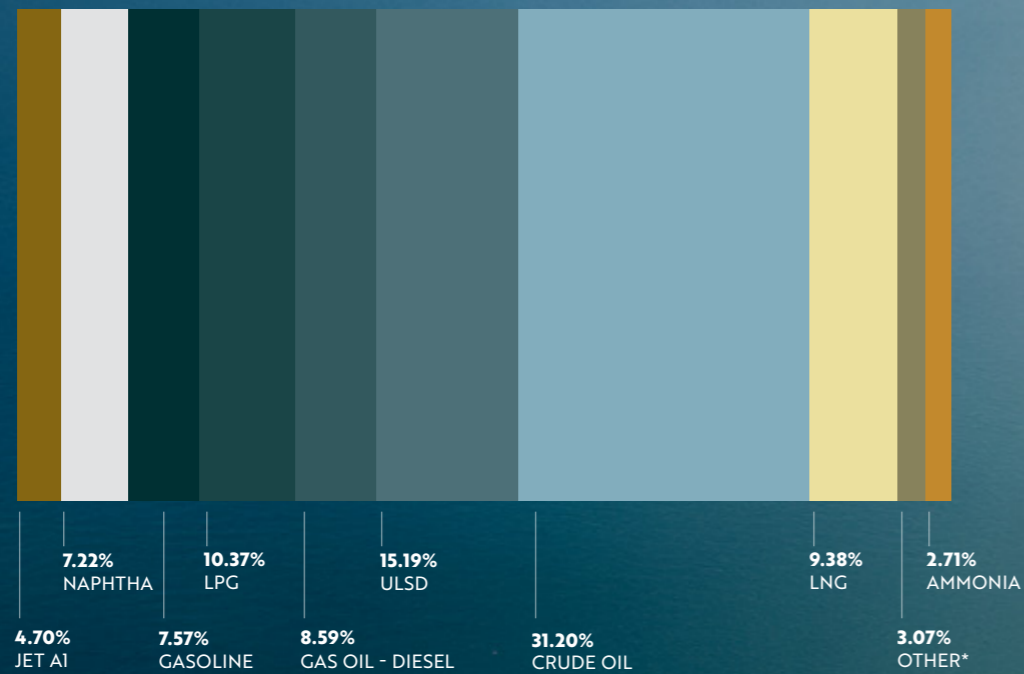
DESCRIPTION	2022	2023
Vessels in operations	32	30
Operating Days	10,575	10,912
Utilization Rate	100%	99.65%
Distance Travelled (nm)	2,135,732	2,128,930
Transport Work (tonnes * nm)	64,900,116,614	97,181,252,642
Port Calls	903	893
Countries Visited	83	76
Cargo Claims	0	0
Vessels Dry-Docked	4	3
Dry-docking (days)	91	55

Latsco has maintained its business resilience and continuity, while building relationships with prestigious oil and gas companies and international commodity traders around the world. In addition, we work closely with our partners to ensure that we meet the evolving regulatory and commercial requirements for decarbonization, as well as the operational and commercial needs of our customers. Our skilled chartering team in London together with our highly experienced team in Athens provide essential support to our fleet operations and drive our success.

<sup>3</sup> All figures in the table also include data for LNG vessels.



Cargo Breakdown by product<sup>4</sup>

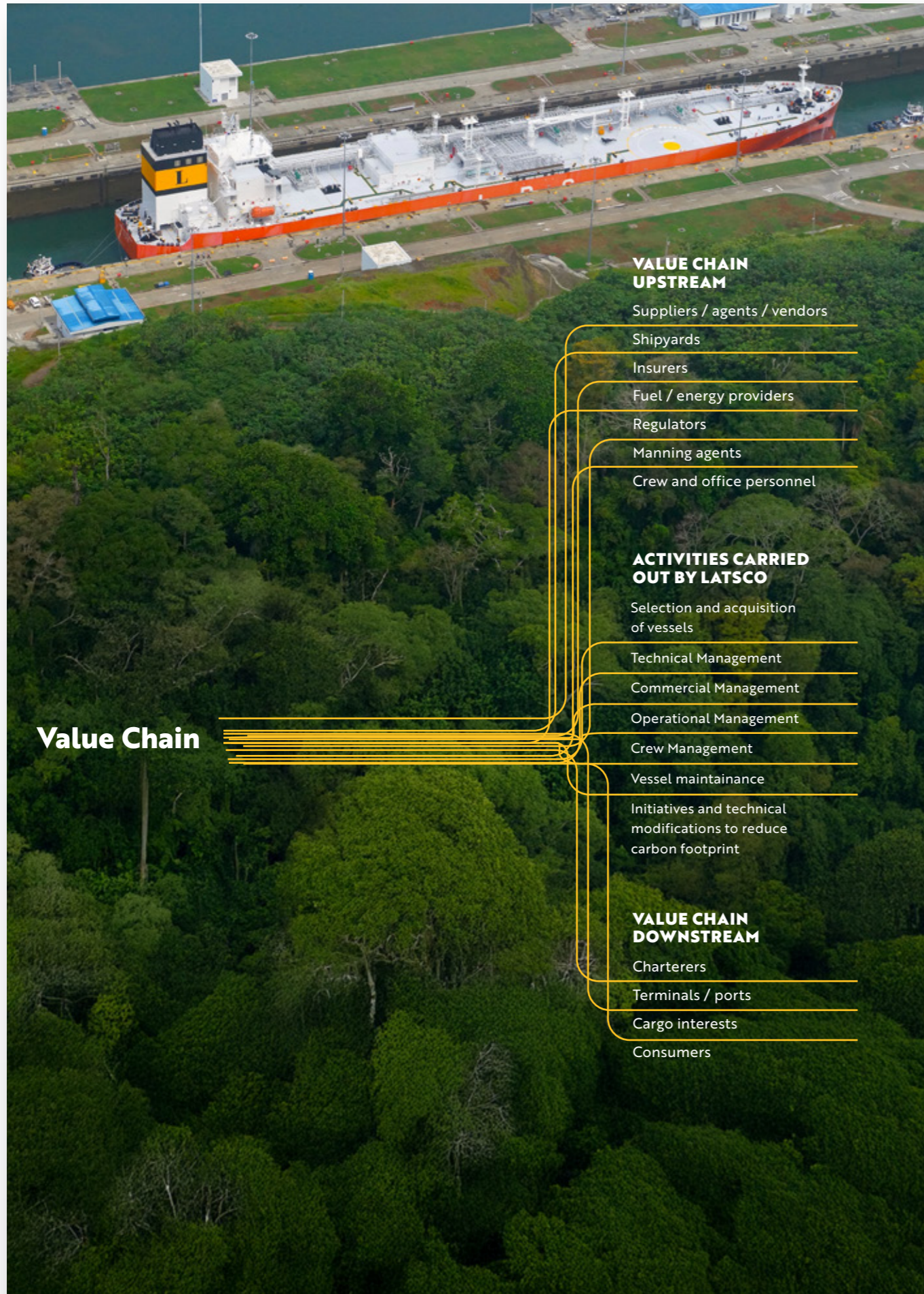


Other<sup>4</sup> represents all the cargo types below 2% and include: Fuel oil, Soya bean oil, Caustic soda, DPK, Condensate, Alkylate, Palm oil, Urea, Kerosene, Reformate, Light cycle oil.

Our fleet sails to every corner of the globe to transport cargo, contributing to global reach and connectivity.







## Digital Transformation

At Latsco, we firmly believe in the importance and benefits of digitalization, recognizing its power to enhance operational efficiency, reduce costs, and improve decision-making processes, in an increasingly data-driven industry. Digitalization is a key pathway to decarbonizing the shipping industry.

- ✔ **Data Integrity and Real-Time Analysis:** Digitalization enables accurate data collection, minimizing human errors and ensuring that information is reliable. Real-time data analysis supports more informed decision-making, from route planning to fuel consumption and carbon intensity.
- ✔ **Optimization of Vessel Operations:** By integrating advanced analytics we are able to optimize vessel performance, monitor fuel efficiency, predict maintenance needs, leading to reduced operational costs and lower emissions.
- ✔ **Streamlined Business Processes and Reporting:** Automation streamline tasks, such as documentation and compliance reporting. This leads to faster processing times, lower operational costs, and ensures timely and accurate reporting to regulatory bodies.
- ✔ **Increased Transparency and Compliance:** Digital solutions ensure that all stakeholders in the supply chain have access to the same information, enhancing transparency and improving the ability to meet environmental regulations such as the upcoming FuelEU Maritime.





# 2

## ESG at Latsco Shipping Limited

### Supporting UN Sustainable Development Goals (SDGs)

In 2015, all United Nations member states adopted the 2030 Agenda for Sustainable Development to set out a unified vision for global peace and prosperity. At its core are the 17 Sustainable Development Goals (SDGs), which encompass a wide range of interconnected global issues such as climate change, poverty, inequality, and economic growth. Accompanied by 169 targets, the SDGs guide the actions of countries, organizations and individuals.



The International Maritime Organization (IMO), as the UN's specialized agency that provides the regulatory framework for international shipping, actively supports sustainable development and contributes to the achievement of the 2030 Agenda. In the same spirit, the European Commission is implementing a comprehensive policy program to promote sustainability both within the EU and globally. With significant influence over maritime activities in its member states, the European Union aims to make progress on the SDGs through concrete actions. More specifically, the EU is consistently pushing for higher environmental ambitions to make sure maritime transport plays its part in achieving climate neutrality in Europe by 2050.



At Latsco, we have integrated the SDGs into our strategic framework and all aspects of our business practices. Our unwavering commitment to sustainability is the driving force behind the implementation of responsible operation, continuous innovation, protection of marine habitats, cultivation of collaborative partnerships, and adherence to ethical standards. By aligning our efforts with the SDGs, we aim not only to make a profound and lasting impact on our business but also to inspire positive change in the broader community.



## Policy Towards Decarbonization

Shipping is a fundamental component of international trade and plays a crucial role in the global economy. According to the United Nations Conference on Trade and Development (UNCTAD), more than 80% of the volume of international trade in goods is transported by sea. As a result, shipping inevitably contributes to the generation of greenhouse gas emissions, which are estimated to be around 3% of total global anthropogenic emissions. Despite its efficiency, the sector is facing increasing regulatory pressure to address its environmental footprint and promote a more sustainable global supply chain.

Recognizing the urgent need to combat climate change and its impacts, the International Maritime Organization (IMO) and the European Commission have established a set of targets to reduce the total annual greenhouse gas (GHG) emissions from shipping.



### International Maritime Organization

In 2018, the IMO adopted an initial strategy to reduce GHG emissions from ships. This strategy set out a roadmap to cut absolute GHG emissions by 50% from 2008 levels by 2050 and to reduce the carbon intensity of international shipping by at least 40% by 2030, with efforts towards a 70% reduction by 2050. In 2023, the IMO revised its strategy to set a more ambitious goal of achieving Net Zero emissions from international shipping by 2050. Notable milestones along the way include reducing total GHG emissions by at least 20% compared to 2008 by 2030, and by at least 70% by 2040. Additionally, the 2023 IMO GHG Strategy foresees the uptake of at least 5% zero or near-zero GHG emission technologies, fuels, and/or energy sources by 2030.



### European Commission

In 2021, as part of the European Green Deal, the European Commission approved the 'Fit for 55' package, a set of legislative proposals aimed at reducing net GHG emissions by at least 55% by 2030 compared to 1990 levels. This package addresses the climate impact of maritime transport through measures in several areas including energy efficiency, renewable energy, land use, energy taxation, and emissions trading. As of January 1, 2024, shipping is included in the **European Union Emissions Trading Scheme (EU ETS)**. Under the EU ETS, companies must purchase and surrender emission allowances (EUAs) for every tonne of CO<sub>2</sub> (or CO<sub>2</sub> equivalent) reported. The scheme covers 100% of emissions between EU ports and 50% of emissions for voyages starting or ending outside the EU for vessels over 5,000 gross tonnage, regardless of the flag they fly, as well as emissions from ships at berth in EU ports.

Furthermore, the EU's **FuelEU Maritime** regulation, scheduled to enter into force in 2025, aims to promote the use of renewable and green fuels. More specifically, **FuelEU Maritime** sets maximum limits for the annual average greenhouse gas intensity of the energy used by ships of more than 5,000 gross tonnage calling at European ports. The targets will ensure that the greenhouse gas intensity of the fuels used in the sector will gradually decrease, starting with a 2% reduction by 2025 and reaching up to an 80% reduction by 2050 and will become more ambitious over time to stimulate and reflect the necessary developments in technology and the uptake of renewable and low-carbon fuels. Well-to-wake emissions of methane and nitrous oxide are included in the targets, in addition to CO<sub>2</sub> emissions, for the entire life cycle of the fuels used on board.

The EU ETS and FuelEU Maritime initiatives are anticipated to introduce considerable costs for the shipping industry. Latsco is prepared to navigate these changes, leveraging innovative solutions and industry collaboration to ensure compliance and support the transition to a more sustainable maritime sector.





## Our Commitment

We are dedicated to minimizing the emissions of our fleet and the energy consumption of our offices by:

- Investing in innovative green technologies and sustainable practices to establish ourselves as a leading carbon-neutral company.
- Evaluating the most suitable technical solutions for our vessels during their construction.
- Implementing a fleet renewal initiative that prioritizes the replacement of older, less fuel-efficient vessels with newer, more environmentally friendly models that incorporate the latest technology and advances in emissions reduction.
- Continuously exploring and evaluating new sustainability initiatives, which will enable us to make timely, well-informed decisions and facilitate progress toward our goals. With rising costs, previously cost-restricting solutions are becoming more viable, creating new opportunities for sustainable progress.
- Actively collaborating with industry partners and key stakeholders to share knowledge and best practices, accelerating the adoption of sustainable solutions and collectively addressing global environmental challenges.

## Our Measures

In 2023, we strengthened our decarbonization efforts through these key actions:

- Closely monitored the evolving multi-fuel landscape, innovations in lower carbon fuels, and the challenges associated with scaling up. We explored the potential of biofuels as a sustainable alternative to traditional marine fuels, focusing on their ability to reduce greenhouse gas emissions and improve the environmental performance of our fleet.
- Engaged in industry forums and initiatives to stay aligned with global decarbonization goals and contribute to policy development.
- Actively promoted close collaboration with our charterers to leverage mutual benefits and share the responsibility in driving decarbonization.

In line with our commitment to fleet decarbonization, we invested in expanding our **Operational Technology and Energy Management (OTEM)** department. By bolstering this team with skilled professionals and dedicated resources, we are better prepared to integrate advanced technologies, leverage reliable data and embed sustainable practices into our operations. A key development in our effort is the Latsco Carbon Wallet, an advanced in-house tool designed to monitor and manage our exposure to the EU ETS, ensuring we remain on track with our environmental objectives.

Additionally, in 2023 we enhanced our **Sustainability Department** to effectively address the environmental and social impacts of our operations while meeting or even exceeding regulatory compliance requirements.



## Operational Technology and Energy Management Department (OTEM)

As the shipping industry faces more stringent environmental regulations, the OTEM department simplifies performance and emissions management and drives excellence by harnessing the power of data. Its mission is to optimize efficiency and mitigate the footprint of our operations through careful and proactive data analysis.

The developed in-house **Latsco Data Integration Platform** includes customized applications created by our dedicated department to monitor and assess environmental performance. Tailored to our unique requirements, these applications ensure that our tools are highly functional and adaptable to the evolving regulatory landscape. Our insourcing approach allows us to leverage our deep understanding of the industry-specific operational needs and enforce strict quality control measures throughout the development process. This capability is critical for data-driven decision making where data accuracy and readability significantly influence business success.

Additionally, Latsco has launched a **pilot project** to share environmental KPIs and emissions data from the Latsco Data Integration Platform with vessel crews. This ensures that both office personnel and crew members have access to the same information, promoting better coordination and decision-making in pursuit of sustainable, environmentally-friendly operations while maintaining profitability. We plan to expand this initiative across the entire fleet to optimize overall performance.



Our **EnviroMetrics Insight Module**, a key component of our platform, improves data quality, visualization, and transparency of environmental performance. It is designed to retrieve and process vessel emissions data, visualize GHG pollutant quantities, calculate environmental KPIs, and display factors influencing vessel performance for validation and justification purposes. With a range of modules and dashboards covering emissions, CII, FuelEU Maritime, MRV/DCS, voyages and more, it provides comprehensive insights and detailed tracking of our impact.

### TÜV NORD Certification of In-House Software Solutions

Our commitment to data accuracy and reliability of platform deliverables is proven by engaging TÜV Hellas, a subsidiary of the German TÜV NORD Group, a trusted, independent and reliable third party, to validate and verify key processes of this tool. This initiative, driven by our pioneering effort, is undertaken for the first time in the maritime industry. This partnership also underscores our dedication to transparency, environmental stewardship, and operational excellence. Developing tools internally provides the flexibility and rigorous control needed for excellence. By ensuring the highest quality of our data, we can confidently report to the IMO, EU Commission, and other stakeholders, furthering our contribution to a sustainable future.



## Latsco Carbon Wallet

Since 2024, the shipping industry has been subject to carbon pricing under the EU Emissions Trading System (EU ETS). The **Latsco Carbon Wallet** tool, a recent in-house development, signifies the evolution of our EU ETS Exposure & Projection Monitoring tool. Designed for comprehensive monitoring, our solution manages the obligations associated with carbon allowances under pertinent environmental regulations, tracks transfers between accounts, and facilitates allocation on a voyage basis. It also provides detailed insights into the company's EU ETS exposure based on historical data and operational trading/pattern profiles. A key feature is the ability to perform calculations on a voyage basis using vessel-specific power/speed curves for high accuracy. In anticipation of the FuelEU Maritime regulation coming into force in 2025, updates have already begun to seamlessly integrate the upcoming requirements into the company's environmental management systems.

The Vessel Performance **Data Analytics** module has been further enhanced with new features, including four enriched (aiTelegram, EPL Compliance, CP Compliance, Trim Optimizer) and seven new tools. Indicatively, some of these are the following:

- **aiTelegram:** Provides a quick overview of vessel operations over the past 24 hours through key operational parameters, also enriched with additional information and user-friendly visualizations.
- **Main Engine & Auxiliary Engines:** Allows the Technical department to monitor engine(s) operational profiles and performance over selectable time frames, enabling precise maintenance and performance optimization.
- **Boilers:** Monitors the condition of this vital, high-energy consuming component, ensuring its efficient operation.
- **Scrubber & SCR:** Visualizes environmental compliance by tracking and confirming scrubber and SCR usage in specific operational areas.
- **Purifier:** Monitors the performance of oil/fuel purification systems, critical to the maintenance and service reliability of vessel machinery.
- **Anti-fouling:** Shows vessel operational profiles with a focus on parameters that affect paint condition.
- **EPL Compliance:** Tracks main engine power over time and ensures that power usage remains below the EPL threshold, thereby monitoring real-time compliance with EEXI regulations.

Another significant advancement is the introduction of the **Data Quality** module, which provides a second layer of assurance. This ensures that all data collected, processed, and visualized in the Latsco Platform, as well as data delivered to the IMO, the European Commission or other third parties, meet the highest standards of reliability. Through a set of validation criteria, both logical and numerical, any data quality concerns are promptly identified.



## Latsco's Engagement in Sustainable Maritime Technology and Operational Initiatives



As a prelude to the formation of a partnership, a non-disclosure agreement (NDA) has been signed with MAN Energy Solutions. A working group will be established, with the goal of developing new tools for optimisation of engine operation. As part of the cooperation, the parties will exchange data and knowledge regarding the daily operation of engines, engine performance and maintenance with a strong focus on reliable engine performance and operation aboard LMM vessels. This agreement underscores our dedication to utilising cutting-edge, data-driven solutions that not only optimise vessel performance but also contribute to sustainability and long-term value for our stakeholders.



Discussions and evaluations are underway with Lloyd's Register to participate in the LR's Digital Class and Pre-board projects. Both projects aim to optimize the time and requirements for routine and on-demand surveys, taking advantage of the ability to conduct remote surveys without compromising the safety and reliability of physical attendance.



We are happy to announce that the advanced Ascenz Marorka weather routing solution, has been selected to equip 8 of our vessels. Ascenz Marorka is a leading provider of digital solutions for Smart Ships in the industry. It determines optimal shipping routes by incorporating a range of operational, economic, and environmental variables, while also accounting for various operational and regulatory constraints. Compatible with diverse vessel types and propulsion systems, it integrates seamlessly into daily operations, promoting both efficiency and safety in our maritime activities.



EcoTorque, a new software tool from MAN B&W, was used in newbuildings to optimize engine fuel consumption and reduce GHG emissions.



A smooth transition to a more reliable and multifunctional Planned Maintenance System (PMS) is being prepared to improve maintenance schemes, resulting in better operational performance of vessel machinery, and thus improved environmental performance.



## Initiatives on Alternative Fuels

### Dual Fuel LPG Carrier / LPG Fuel

**In 2016**, Latsco partnered in an innovative and unique joint industry development project -the LPGreen- with Hyundai Heavy Industries, DNV, MAN Energy Solutions and Wärtsilä Oil & Gas Systems, with the aim to develop a concept dual fuel VLGC design based on available technology that would produce the most energy efficient and eco-friendly vessel of this type ever constructed. Latsco contributed with its large operational expertise on the specific vessel type on all vessel's aspects, ensuring the project's success.

**In 2019-2021**, Latsco played a key role in the development and the enhancement of a 90,000 m<sup>3</sup> dual-fuel LPG vessel design at Hyundai Group shipyards. Such engagement involved our participation and coordination of highly demanding HAZIP/HAZOP workshops, involving Hyundai Heavy Industries, MAN Energy Solutions, DNV, Babcock LGE, and the Owners, with the aim to ensure the safe and optimal integration of the dual-fuel system into the vessel's design.

**In 2021**, Latsco took management of two dual-fuel vessels constructed under the enhanced dual-fuel LPG design, and by 2023, successfully achieved an industry-leading milestone, operating one of them on LPG fuel for more than 90% of its time. This exceptional result underscores Latsco's technical expertise and experience in LPG fuel, setting new benchmarks for sustainable maritime operations and pushing the boundaries for future technical challenges.

**In December 2022**, Latsco signed a new building project with Hyundai Group for the construction of four 87,000 m<sup>3</sup> VLGCs that incorporate a series of design developments and enhancements that received the prestigious 2023 Efranti Award for its contribution to technological development as the best design of Greek Shipping, indicating our Company's continual commitment to excellence.

### Marine Biofuels

We are witnessing a noticeable increase in the uptake of marine biofuels. As a drop-in replacement for conventional marine fuels, they offer a safe and readily available option to meet the challenging IMO CII regulation, the EU's ETS, and the upcoming FuelEU Maritime regulations. We are closely monitoring the price and availability of these fuels as they play an increasingly pivotal role in the marine fuel mix.

### Utilisation of DME (Dimethyl Ether) as a Fuel

DME can be produced in a 100% renewable manner from green methanol and has the potential to be a carbon-neutral fuel for certain marine applications. Latsco has actively participated in a joint HAZID workshop with ABS to explore the potential use of Dimethyl Ether (DME) as an alternative fuel.

### Utilisation of Ammonia as a Fuel

Ammonia is considered a viable alternative marine fuel, especially for ammonia carriers or tankers, due to its zero-carbon emission profile. In 2021, our company actively participated in a HAZOP workshop organized by Bureau Veritas to investigate the potential use of ammonia as a fuel in a VLCC. Additionally, In 2023, Latsco was a key stakeholder and contributed significantly to SIGTTO's development of the first edition of the "Gas as Fuel on Gas Carriers: Review of Practice", published in 2024. This publication aims to provide guidance to the industry on using LPG and ammonia as fuel onboard gas carriers.

### Liquid CO<sub>2</sub> Carriers

Latsco is an active participant in a SIGTTO Working Group which is composed of liquefied gas ship and terminal operators, ship designers, and classification societies with the objective of developing guidelines for the safe transport of liquid CO<sub>2</sub>.

### Contribution to Sustainable Aviation Fuel (SAF) Program

Latsco Marine Management Inc. has actively supported the Corporate SAF program of Air France and KLM with donations towards the transition from conventional fuels.



## Technical and Operational Initiatives in LNG Carriers

Our approach to reducing the environmental impact of our LNG carriers includes a suite of technical and operational advancements. These initiatives encompass optimized route planning, real-time monitoring of Diesel Generator operation based on load analysis plans, and dedicated efforts to lower overall power consumption. In addition, we prioritize the careful management of Boil-Off Gas (BOG) by continuously evaluating sea conditions to prevent pressure build-up. We are also actively working with respected charterers and an independent vendor on a joint project aimed at reducing methane slip emissions.

Latsco LNG LLC proudly participates in an innovative project with Daphne Technology and Trafigura to implement the PureMetrics system on Hellas Diana. PureMetrics™ was awarded approval in principle from Lloyd's Register in June 2023. This system provides accurate, real-time measurements of greenhouse gas emissions that go beyond traditional estimates based on fuel consumption. By integrating advanced sensor technology, multi-source data, and proven methodologies and algorithms, it ensures compliance with EU MRV and IMO DCS regulations and helps to further improve operational efficiency and reduce GHG emissions.



*"We are committed in managing efficient ships while monitoring the environmental impact. Through our participation in this project, we will be able to operate vessels with a reduced emission footprint in the future."*

George Margarónis, Latsco LNG LLC

## ESG Performance in 2023

### ENVIRONMENT

**EEOI**

**5.7%**  
REDUCTION



IN AVERAGE EEOI FLEET  
COMPARED TO 2022

**EMISSIONS**

**27%**  
REDUCTION



IN SCOPE 2 EMISSIONS  
COMPARED TO 2022

**AER**

**3.7%**  
REDUCTION



IN AVERAGE FLEET AER  
COMPARED TO 2022

### SOCIAL

**23**

INTERSHIPS ONSHORE

**10**

FEMALE  
SEAFARERS  
ONBOARD



**98%**

CREW RETENTION RATE

### GOVERNANCE

**ZERO**

CYBER SECURITY INCIDENTS

**ZERO**

VIOLATIONS OF OUR  
ETHICAL CODE & ANTI-CORRUPTION

**11.9%**

PORT CALLS IN COUNTRIES WITH  
THE 20 LOWEST RANKINGS IN CPI\*

\*Corruption Perceptions Index



Summary

Environment

KPI	ANNUAL PERFORMANCE 2022	ANNUAL PERFORMANCE 2023
Energy Efficiency Operation Index (EEOI) (gr CO <sub>2</sub> per tonne - mile)	12.80	12.07
Average Energy Efficiency Design Index (EEDI) (gr CO <sub>2</sub> per tonne-mile)	4.42	4.42
Average Energy Efficiency Existing Ship Index (EEXI) (gr CO <sub>2</sub> per tonne-mile)	-	4.26
Average Annual Energy Efficiency Ratio (AER) (gr CO <sub>2</sub> per DWT - mile)	5.40	5.20
Average Carbon Intensity Indicator (CII) (gr CO <sub>2</sub> per DWT - mile)	-	4.89
Total direct GHG emissions (tn CO <sub>2</sub> eq) - Scope 1	812,635	890,436
Total indirect GHG emissions (tn CO <sub>2</sub> ) - Scope 2	333	245
Total fleet energy consumption (GJ)	10,885,788	11,506,915
Total office energy consumption (GJ)	3,186	2,643
Total fuel consumption (HFO, LFO, MGO, LNG) (tn)	260,480	278,318
Total SOx emissions (tn)	1,951	2,104
Total NOx emissions (tn)	16,978	17,234
Total PM2.5 emissions (tn)	824	883
Total PM10 emissions (tn)	898	960
Total CO emissions (tn)	-	810
Total waste generated (m <sup>3</sup> ) - Garbage	625.44	657.60
Total bilges generated onboard (m <sup>3</sup> )	4,998.7	4,833.1
Total sludges generated onboard (m <sup>3</sup> )	3,844.6	4,276.3
Percentage of fleet implementing ballast water treatment (%)	100%	100%
Number and volume of spills and releases to the environment	0	0

Social

KPI	ANNUAL PERFORMANCE 2022	ANNUAL PERFORMANCE 2023
Total number of seafarers in the pool	1,250	1,332
Total number of training hours for seafarers (classroom and webinars)	33,475	28,552
Seafarers' retention rate (%)	98.7%	98.0%
Total number of employees onshore	139	148
Gender diversity (%) all levels, onshore, including senior management	59% men 41% women	62% men 38% women
% of employees with seagoing experience	15.8%	14.9%
Total number of new hires onshore	23	19
Number of internships	17	23
Number of crew promotions	105	69
Total number of training hours for employees onshore	3,982	3,648
Number of port state control observations and detentions	4 (0)	22 (0)
Number of Conditions of Class	0	0
Lost time injury (LTIF) rate per 1,000,000 manhours	0	0
Total Recordable Cases Frequencies (TRCF) per 1,000,000 manhours	0.17	0.32

Governance

KPI	ANNUAL PERFORMANCE 2022	ANNUAL PERFORMANCE 2023
% port calls in countries that have the 20 lowest rankings in the CPI	13.7%	11.9%
Amount of legal and regulatory fines associated with bribery or corruption	0	0
Number of cyber security incidents	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0



## ESG Business Priorities

Committed to improving overall well-being, we focus on monitoring and reporting key ESG metrics. We continually strive to elevate our practices, advocate for sustainable procurement across the supply chain, and instill a sense of responsibility and awareness of ESG issues across the organization.

### Our ESG Business Priorities

- ✓ Protection of the Environment
- ✓ Promotion of Health & Safety
- ✓ Development of strong Management & Governance Practices
- ✓ Energy Conservation Practices
- ✓ Engagement with the Community
- ✓ Improvement of People's Well-being
- ✓ Data Integrity
- ✓ Employee Training and Skill Development
- ✓ Risk Management and Compliance

## Challenges to Meet our ESG Goals

As an essential part of the global value chain, we encounter several challenges in pursuing our ESG aspirations. These difficulties encompass the timing of technological and technical advancements, supply chain constraints, policy and regulatory uncertainties, regionalism, as well as the diverse expectations of our stakeholders, all of which shape our commitment to adopting ESG best practices. Some of the key challenges we may face are:

### E

1. Further reduction of GHG and air emissions beyond existing policy.
2. Waste generation reduction and marine ecosystem protection.
3. Reduction of resource usage.
4. Technological developments and adaptation of alternative fuels.
5. Monitoring Scope 3 emissions and addressing supply chain impacts.

### S

1. Increasing need for strong health & safety occupational measures.
2. Increase people's well-being.
3. Promotion of equal opportunities in a highly evolving and diverse marketplace.
4. Supply chain complexity.
5. Customers' expectations and needs.

### G

1. Call for increased transparency.
2. Duty to protect social welfare.
3. Cyber-attack threats, due to the rapid technology advancements.

## Materiality Analysis

At Latsco, we strive to communicate honestly about how we envisage sustainability, prioritize, and handle the ESG concerns that are most important to our stakeholders and our overall business.

### Stakeholder Engagement

In order to accomplish this, we conduct a materiality assessment and distribute electronic questionnaires to both external and internal stakeholders. Our goal is to actively seek their feedback and views to better understand their expectations and priorities on environmental, social, and governance (ESG) issues. This analysis is an important step in defining our goals and tailoring our approach to the challenges that matter most to our business partners. In 2023, we carried out a materiality assessment in preparation for our previous ESG report. Upon evaluation of the stability of our business model, organizational structure, operations, and activities, we determined that the material issues identified, and their associated impacts remain relevant and significant to guide our sustainability reporting for the fiscal year 2023.





## Materiality Assessment

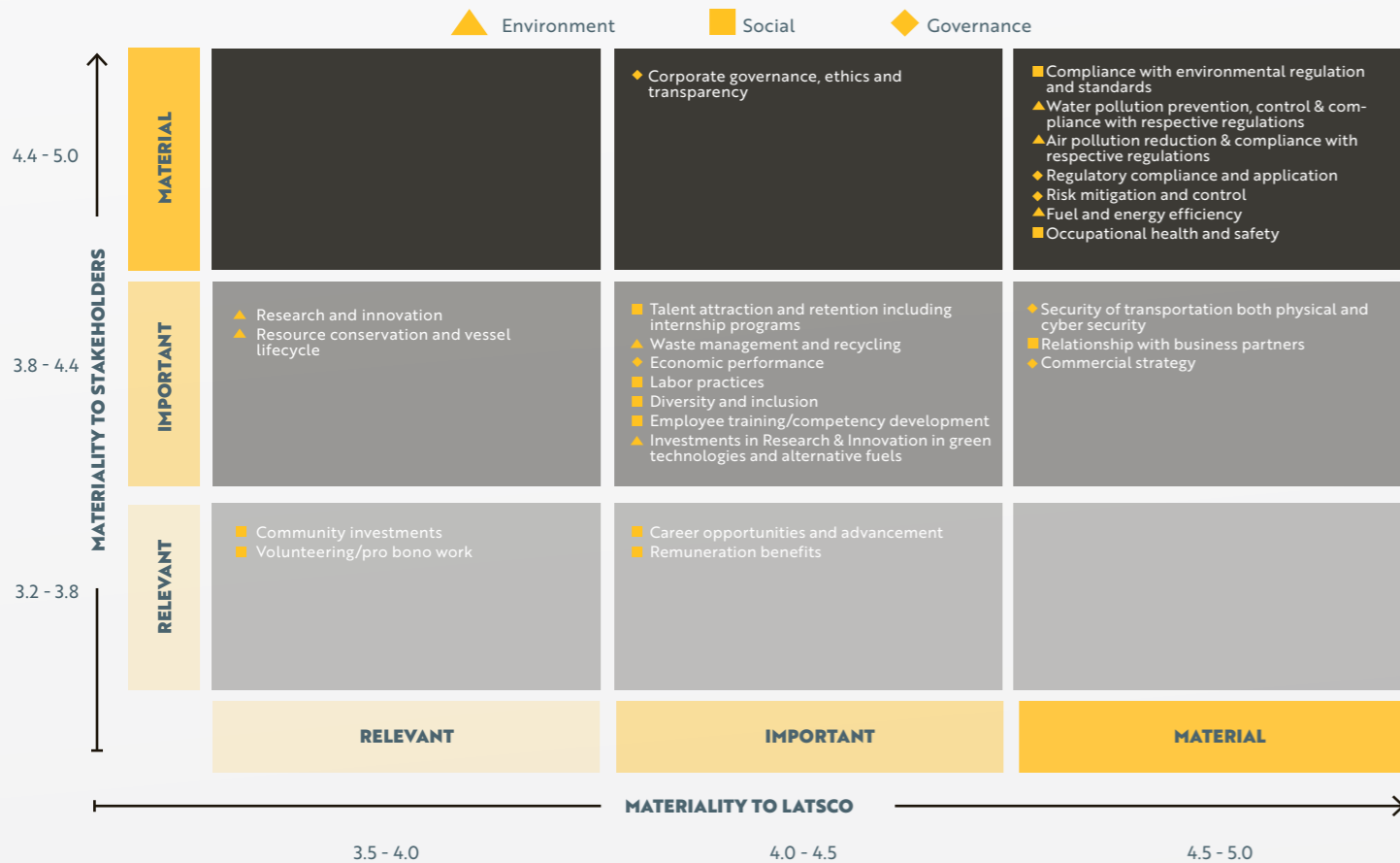
The initial phase of our stakeholder engagement approach consisted of two important questions for our internal management team, business partners, and external stakeholders. Our goal was to acquire a thorough grasp of how our stakeholders perceived the whole ESG framework and its significance in the coming years.

- 1 **How would you evaluate the importance of the three broad ESG categories?**
- 2 **How do you expect the importance of ESG to evolve going forward?**

## Materiality Matrix

In the second part of our analysis, we asked our stakeholders to rank the importance of several ESG concerns and their influence on our business, objectives, and strategy. Our stakeholder questionnaire included 24 issues, 8 of the issues were environmental, 10 were social and 6 were corporate governance related. The replies were classified into three categories in the materiality matrix below:

- **Material Topics:** Critical areas for our ESG performance will be evaluated, reported, and integrated into our business strategy to provide long-term value for our firm and stakeholders.
- **Important Topics:** We will monitor, manage, and report on topics of significance to us and our stakeholders.
- **Relevant Topics:** Identified suitable topics for future business engagement.



# 3 Environmental Stewardship

Continually assessing our environmental impact and actively participating in industry developments are key priorities to contribute to maritime decarbonization, along with dedicated efforts to protect biodiversity and conserve resources.

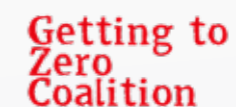


## Company's Policy & Standards

Climate change is one of the most pressing challenges of our time, with profound impacts on ecosystems, economies, and communities around the world. Addressing climate change requires collective action across all sectors to reduce emissions, build resilience, and transition to more sustainable practices. By leveraging the ambition loop, governments can enact climate-related legislation that incentivizes businesses to innovate and adapt their market strategies.

At Latsco, we recognize the critical role the maritime industry plays in this mission. As a result, we adopt extensive measures to protect the marine environment, frequently upgrade our fleet with the latest technologies, and optimize our operational practices to meet regulatory requirements. Besides reducing greenhouse gas emissions, our efforts include waste management, effluent control, ballast water treatment, and energy efficiency improvements both ashore and onboard.

As part of our commitment to sustainable shipping, we guide and educate our people to take proactive measures against environmental pollution, while actively participating in initiatives like the Getting to Zero Coalition: "Progress towards Shipping's 2030 Breakthrough" and Intertanko's ESG Working Group, among other workshops and collaborations.



## Environmental Management System

In compliance with the international standards ISO 14001:2015 and ISO 50001:2018, we have implemented an environmental management system that meets stringent requirements. Our Environmental and Energy policy is centered on cutting emissions and promoting energy conservation both at sea and on land. We are devoted to further improving our fleet energy performance and actively mitigating air pollution from ozone-depleting substances.



14001:2015



50001:2018

## Preventing Oil Spills in the Marine Environment

Oil spills stand out as one of the most serious threats to marine ecosystems due to their persistence and the cleanup challenges. Such events can devastate marine and coastal habitats, leading to long-term environmental damage. Our company prioritizes the prevention of oil pollution by fully abiding by MARPOL Annex I regulations, which cover operational oil discharges as well as accidental spills. Through our ISO 14001:2015 certified environmental management system and the adoption of ISM Code procedures, we implement rigorous monitoring protocols that enforce the highest standards of safety and environmental stewardship.

0

**Spills or spill related incidents**  
to the marine environment in 2023



## Energy Efficiency

### Energy Efficiency Operational Indicator (EEOI)

To meticulously monitor the energy efficiency of our fleet, we utilize the IMO's Energy Efficiency Operational Indicator (EEOI), which calculates the CO<sub>2</sub> emissions per unit of transport work. This indicator correlates directly with the operational and technical improvements made onboard. The EEOI, expressed in tonnes of CO<sub>2</sub> per tonne-mile, takes into account the vessel's fuel consumption, cargo transported, and distance travelled. In 2023, our fleet average EEOI (gr CO<sub>2</sub> / Tonne-mile) was decreased by 5.7%, from 12.80 gr CO<sub>2</sub> / Tonne-mile in 2022 to 12.07 gr CO<sub>2</sub> / Tonne-mile, as a result of the introduction of more modern and efficient tonnage.

**12.07 gr CO<sub>2</sub> / Tonne-mile**

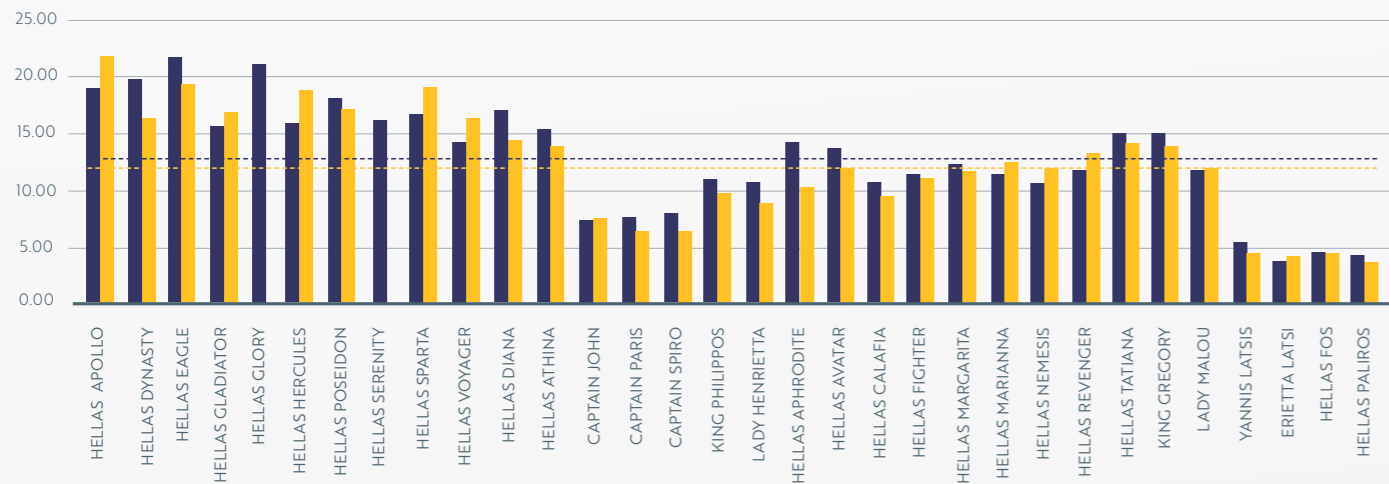
Average fleet EEOI in 2023

**5.7%** In Average fleet EEOI



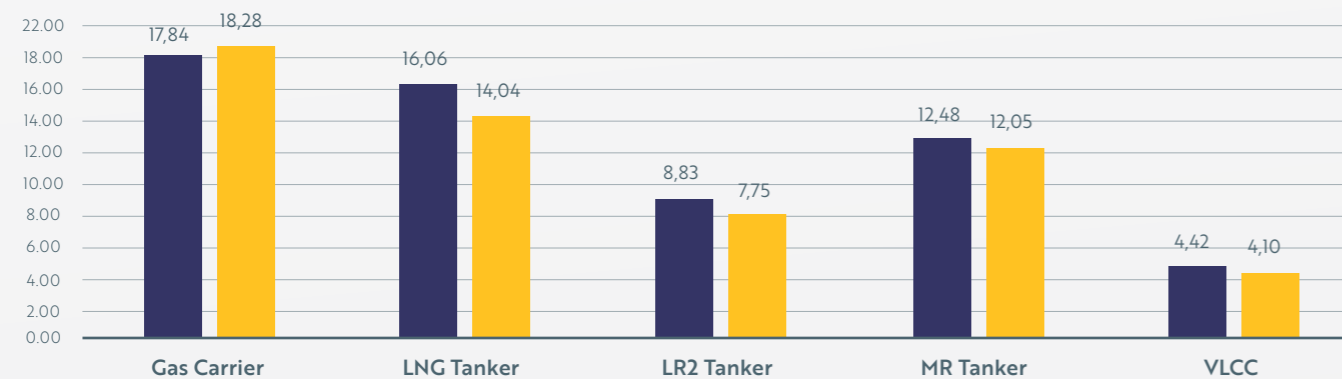
EEOI (gr CO<sub>2</sub> / tonne-mile)

----- Linear (Average 2022)    - - - - - Linear (Average 2023)    ■ 2022    ■ 2023



Average EEOI (gr CO<sub>2</sub> / tonne-mile) per type of Vessel

■ 2022    ■ 2023



\* Gas Carriers are composed of VLGC and LGC vessels.

### Energy Efficiency Design Index (EEDI)

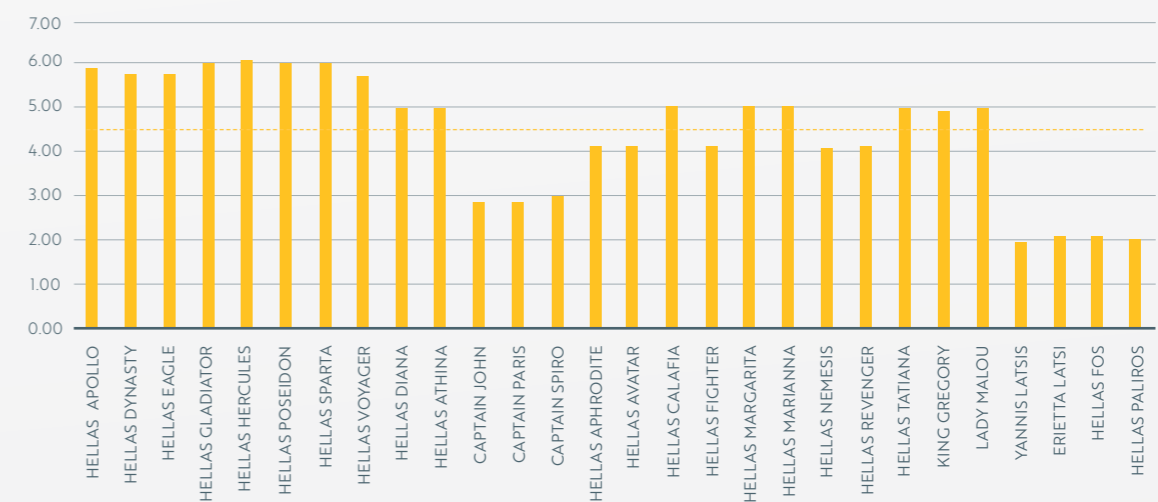
The Energy Efficiency Design Index (EEDI) is a key component of the IMO's regulatory package, introduced to reshape the shipping industry's approach to environmental responsibility and reduce the carbon intensity of the global fleet. EEDI assesses the energy efficiency of a vessel based on its design and has been made mandatory for new ships through amendments to MARPOL Annex VI adopted at MEPC 62 (July 2011). Ultimately, EEDI is intended to promote the development and deployment of more efficient vessels in the maritime transport sector.

Five of our vessels were delivered prior to EEDI introduction, demonstrating our ongoing commitment to eco-friendly design. The remaining fleet achieved an average EEDI of 4.42 grams of CO<sub>2</sub> per tonne-mile

**4.42 gr CO<sub>2</sub> / Tonne-mile**

Average fleet EEDI in 2023

EEDI (gr CO<sub>2</sub> / tonne-mile)



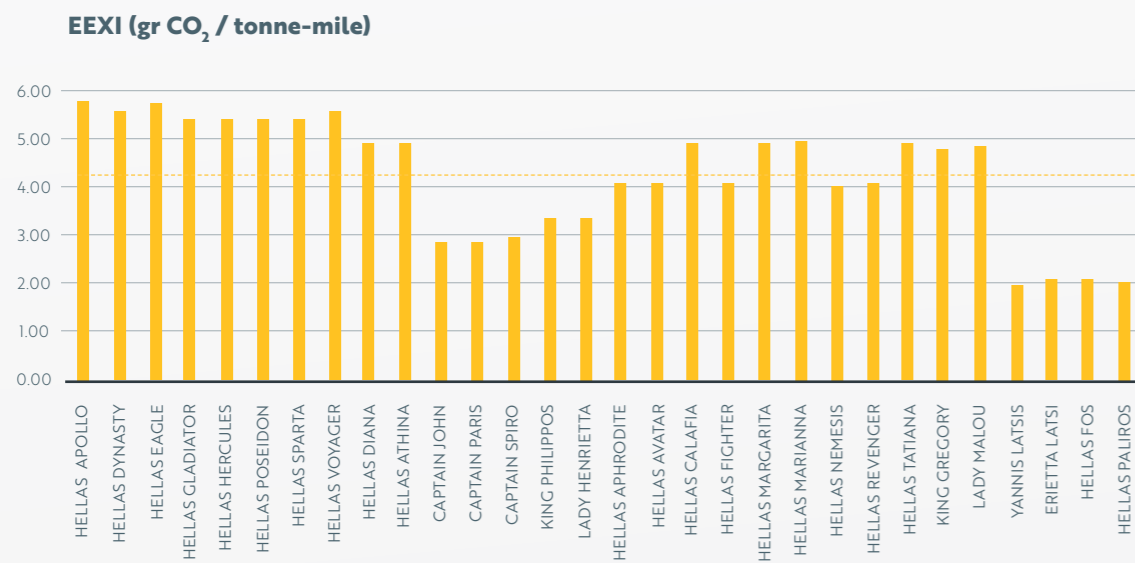
## Energy Efficiency Existing Ship Index (EEXI)

The Energy Efficiency Existing Ship Index (EEXI) is a measure introduced by the IMO and is related to the technical design of a ship. As of January 1, 2023, it is mandatory for all ships to calculate their EEXI to assess their energy efficiency. EEXI aims at improving the technical performance of existing ships. It quantifies CO<sub>2</sub> emissions per tonne of cargo transported over one nautical mile and standardizes these emissions on the basis of engine power, transport capacity and ship speed. To ensure accurate comparisons across different types of ships, the EEXI formula includes specific adjustments.

By requiring existing vessels to meet current efficiency standards, the industry is encouraged to innovate and make technical changes to reduce greenhouse gas emissions. The average EEXI of our fleet stands at 4.26 gr of CO<sub>2</sub> per tonne-mile.

**4.26 gr CO<sub>2</sub> / Tonne-mile**

Average fleet EEXI in 2023



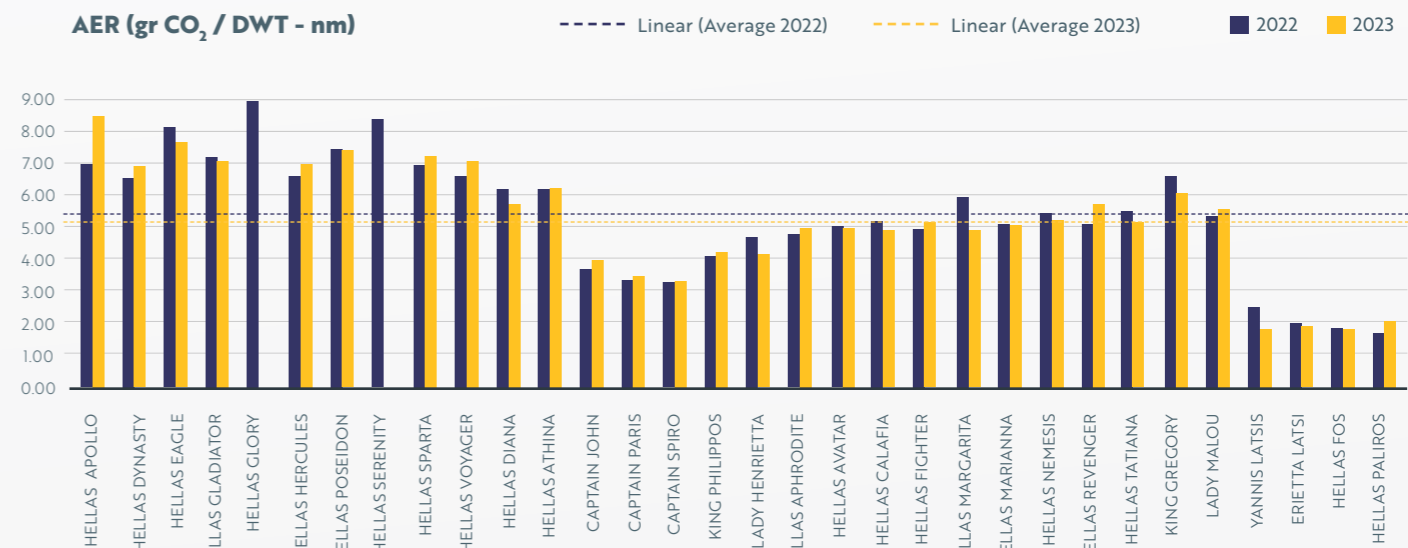
## Annual Efficiency Ratio (AER)

In line with the Poseidon Principles, the Annual Efficiency Ratio (AER) serves as the key metric for assessing energy performance, specifically fleet efficiency in terms of fuel consumption over specific distances. The AER evaluates the carbon intensity of a vessel by considering the total annual transport work, which is derived from the distance travelled and the deadweight tonnage. For 2023, the average AER of our fleet was 5.20 gr CO<sub>2</sub> / DWT - mile, which represents a 3.7% decrease compared to the previous year.

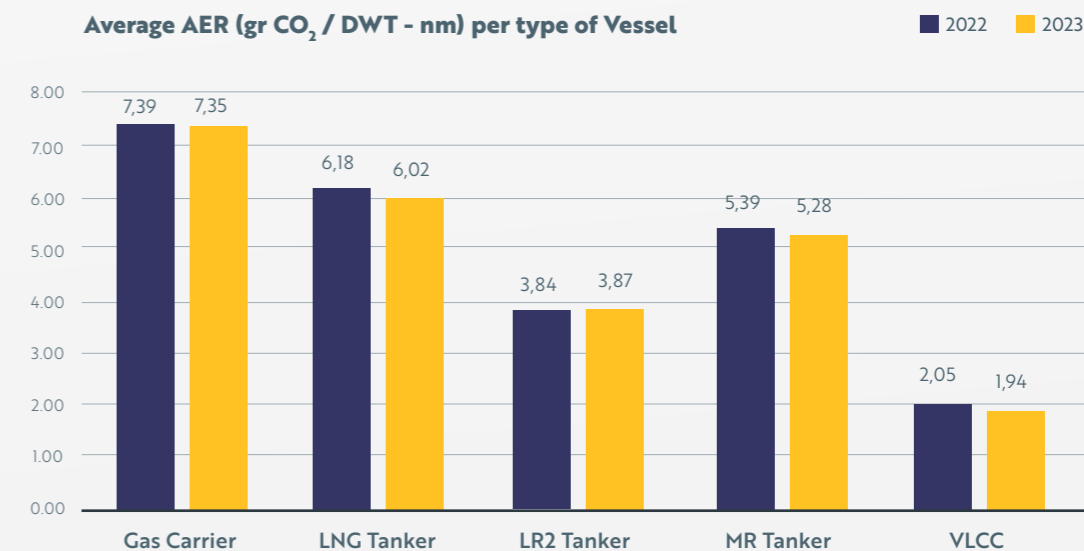
**5.20 gr CO<sub>2</sub> / DWT - nm**

Average fleet AER in 2023

**3.7%** In Average fleet AER



### Average AER (gr CO<sub>2</sub> / DWT - nm) per type of Vessel



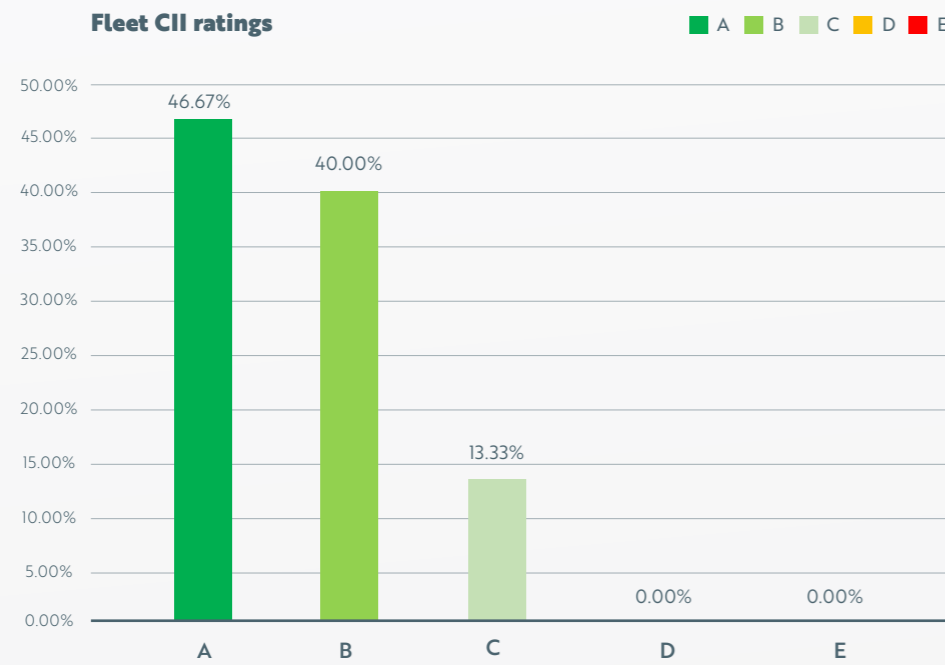


## Carbon Intensity Indicator (CII)

The Carbon Intensity Indicator (CII) is an operational efficiency measure applicable to vessels over 5,000 GT from 2023 onwards. Consistent with the IMO's carbon intensity reduction goals, the CII represents a rating system for ships, which calculates the annual reduction factor required to enhance operational carbon intensity. Ratings are on a scale from A to E, with A indicating major superior performance and E indicating inferior performance. In the event of a D rating for three consecutive years or an E rating for one year, a corrective action plan will need to be established. In the first year of CII enforcement, our fleet had an average score of 4.89, with the majority of our vessels achieving high ratings.

**4.89 gr CO<sub>2</sub> / DWT-mile**

Average fleet CII in 2023



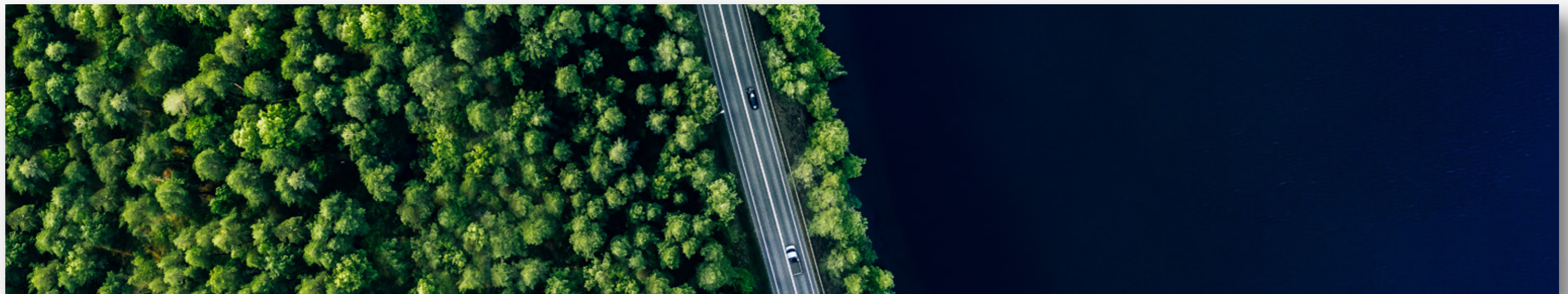
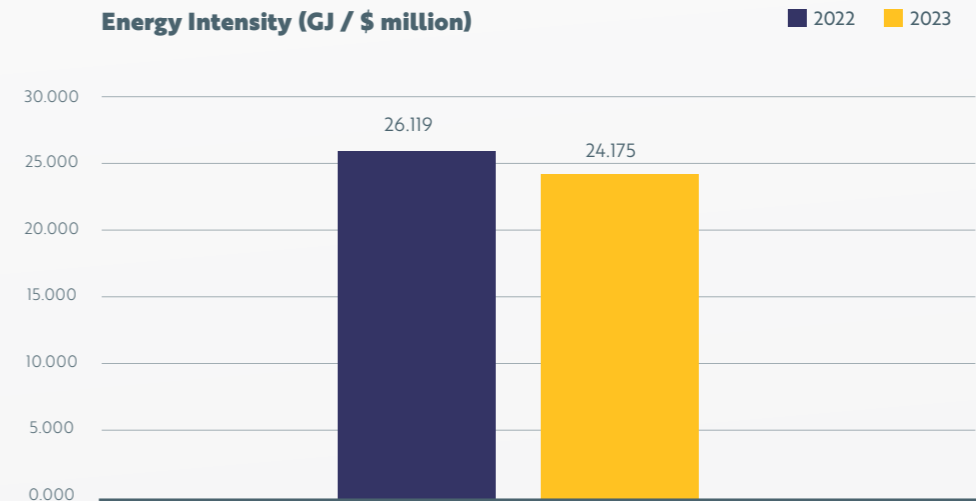
## Energy Intensity

To better understand and manage our energy use in relation to our financial performance, we calculate the energy intensity ratio for our operations, both onshore and ashore. This key indicator measures the total energy consumed, expressed in gigajoules, per million dollars of revenue generated. During the reporting period, the energy intensity ratio decreased from 26,119 GJ / \$ million to 24,175 GJ / \$ million, marking a 7% improvement, compared to the prior year.

**24,175 GJ / \$ million**

Energy Intensity Ratio in 2023

**7%** In Energy Intensity Ratio



# Fuel & Energy Consumption

## Fuel Consumption

To minimize our environmental footprint and ensure compliance with increasingly demanding regulations, we actively monitor the fuel consumption of our vessels as an integral part of our maritime operations. During the reporting period, our fleet consumed a total of 251,888 tonnes of conventional fuels, including HFO, LFO, and MGO, marking a 5% increase compared to 2022. This increase is attributed to the increase in cargo utilisation, which means that the

vessels operated for more time at laden and therefore additional consumption is expected. In addition, our 4 VLCCs delivered between mid and late 2022 were in operation throughout 2023, resulting in higher consumption. Nevertheless, our fleet efficiency has improved, as evidenced by the EEOI and AER metrics. With regards to our two LNG vessels, the fuel mix was 70% LNG and 30% conventional fuels.

**251,888 (tn)**

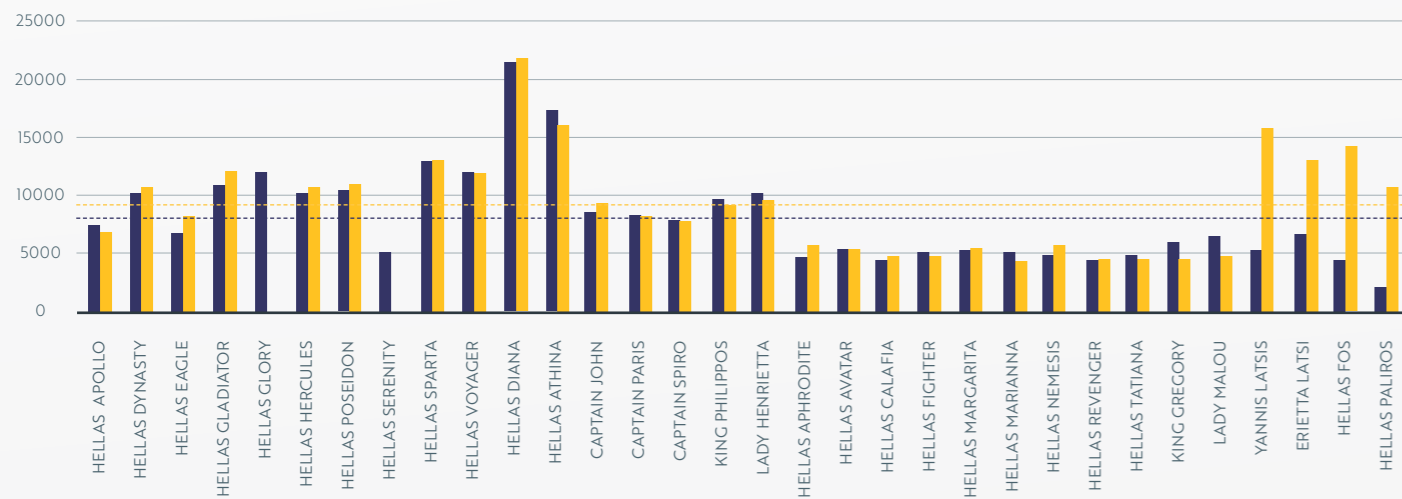
fuel consumption in 2023

**26,429 (tn)**

LNG consumed in 2023

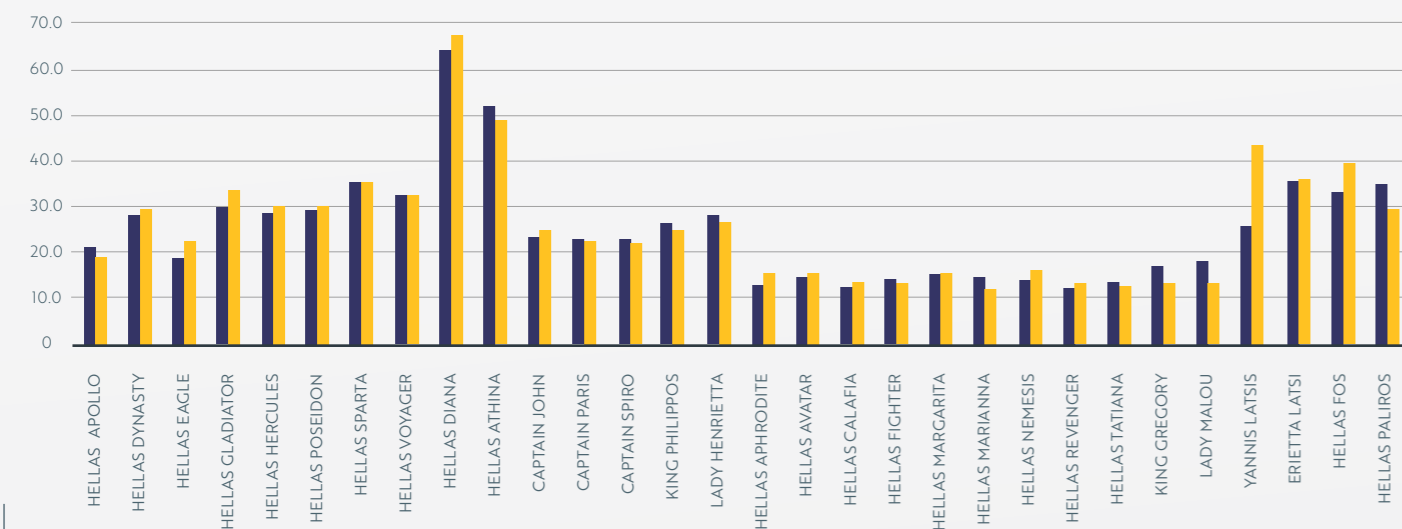
**Total fuel consumption (tonnes)**

--- Linear (Average 2022) --- Linear (Average 2023) ■ 2022 ■ 2023



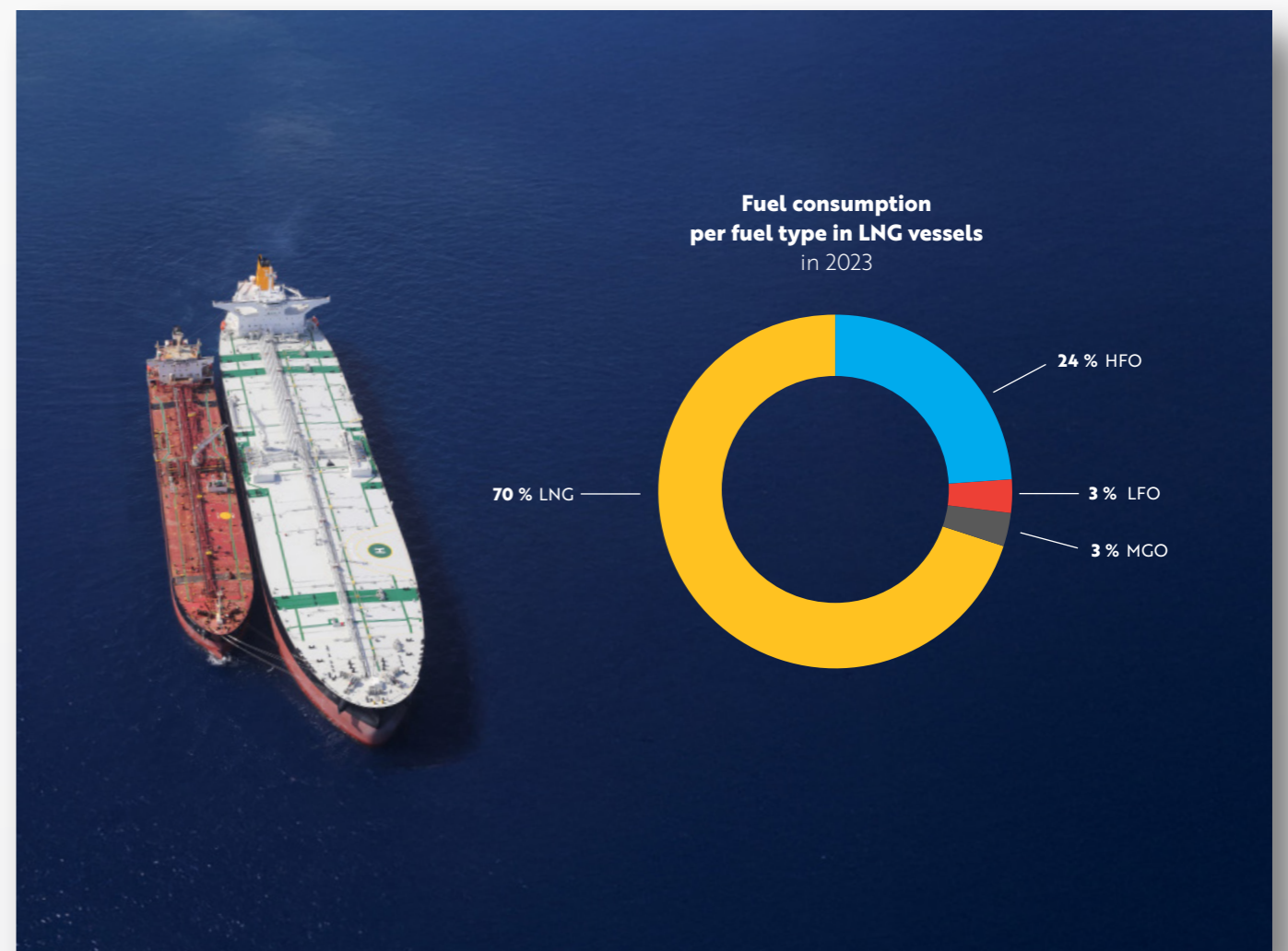
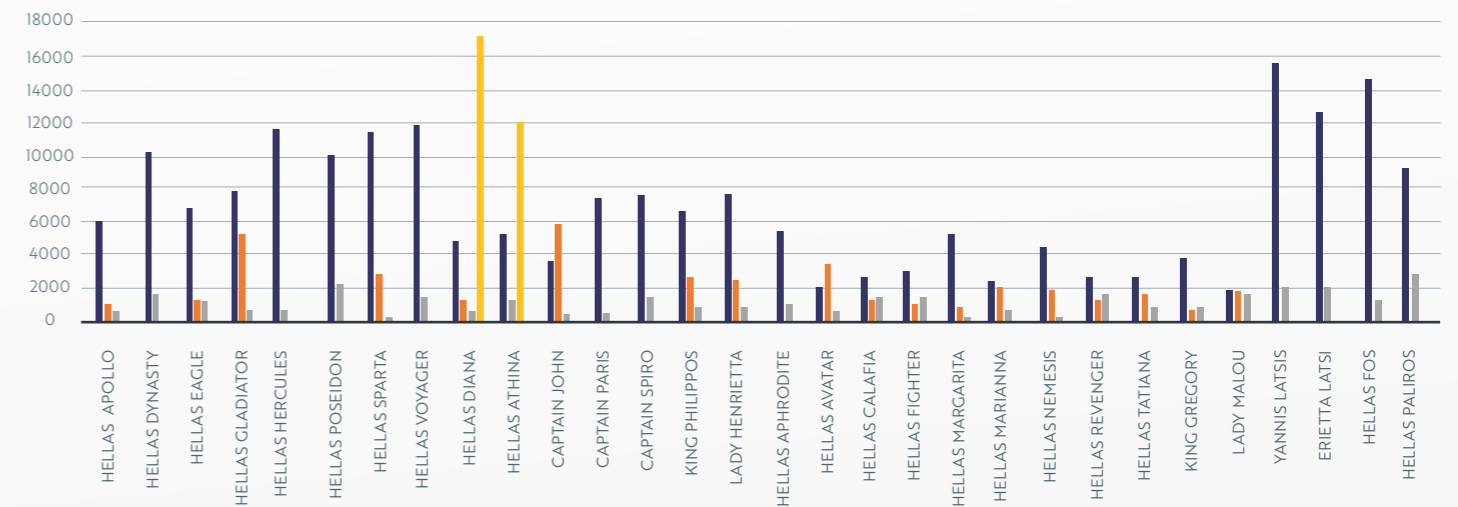
**Average fuel consumption per day (tonnes)**

■ 2022 ■ 2023



**Fuel consumption (tonnes) per fuel type per Vessel in 2023**

■ HFO ■ LFO ■ MGO ■ LNG



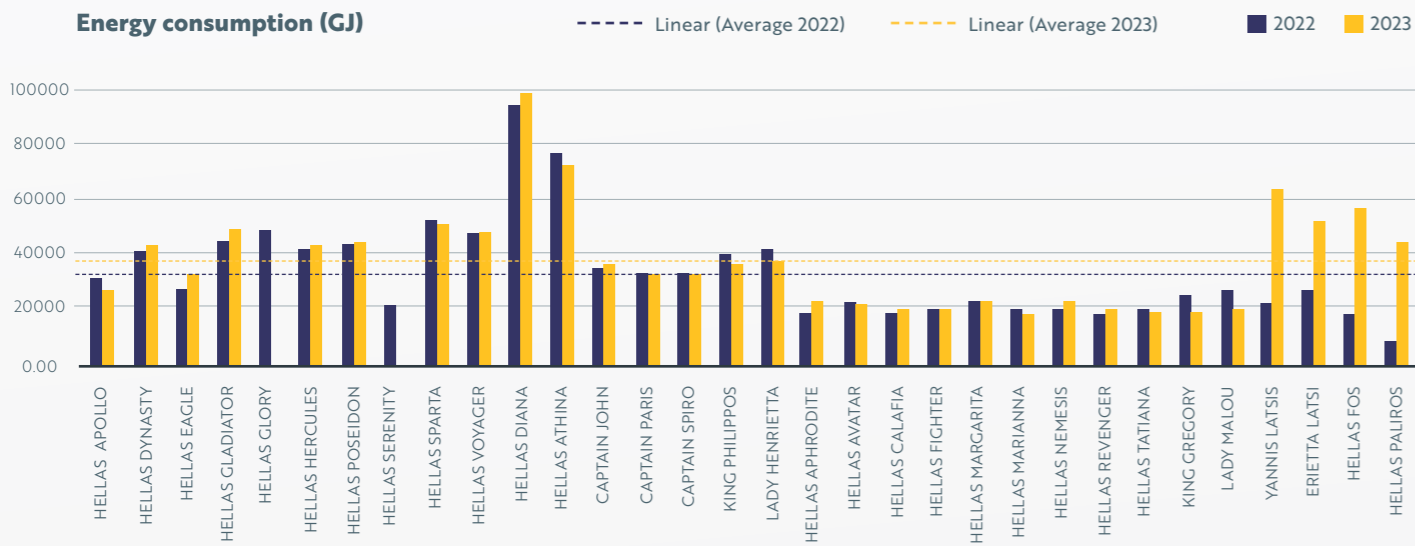


## Energy Consumption

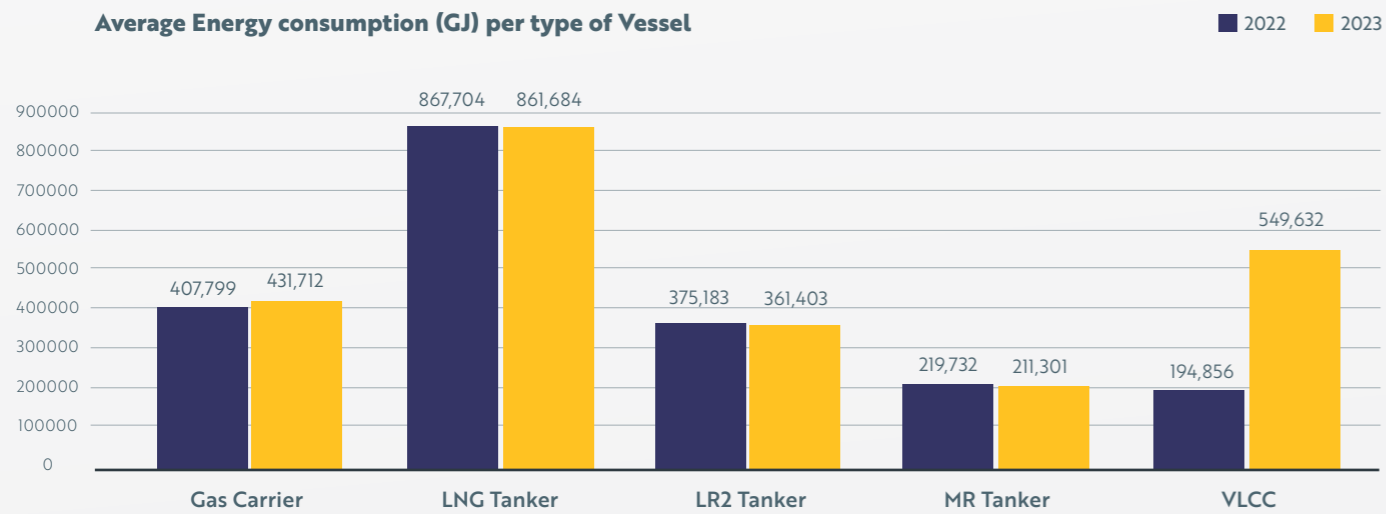
In our commitment to sustainable maritime operations, we place a strong emphasis on energy management and systematically analyze energy usage across our fleet. Propulsion and auxiliary engines account for the majority of our fleet's energy consumption. In 2023, our vessels consumed 11,506,915 gigajoules (GJ), an increase of 5.7% compared to the previous reference year, due to the higher energy demands of our VLCCs, the increased utilization rate and distance travelled.

**11,506,915 GJ**

Energy consumption in 2023



### Average Energy consumption (GJ) per type of Vessel



## Head Office Electricity Consumption

In addition to fleet energy consumption, we also dedicate efforts to reducing energy usage of our head office operations. As part of our responsible energy practices, we have installed energy-efficient lighting and also established a routine maintenance schedule for equipment. Moreover, our London office is powered by 100% renewable energy from our current supplier. In 2023, our premises in Athens consumed 17% less electricity, decreasing from 885,060 kWh in 2022 to 734,064 kWh.



**734,064 kWh**

Head Office  
Electricity Consumption  
in 2023



## GHG Emissions

Greenhouse gas emissions contribute significantly to climate change and are governed by the UN Framework Convention and the Kyoto Protocol, which cover emissions such as CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. To address those, a variety of national and international regulations and incentive schemes are in place. From 2024, the EU MRV system has been extended to include CH<sub>4</sub> and N<sub>2</sub>O from shipping, while the EU ETS will also include these GHGs in the near future.

### Scope 1

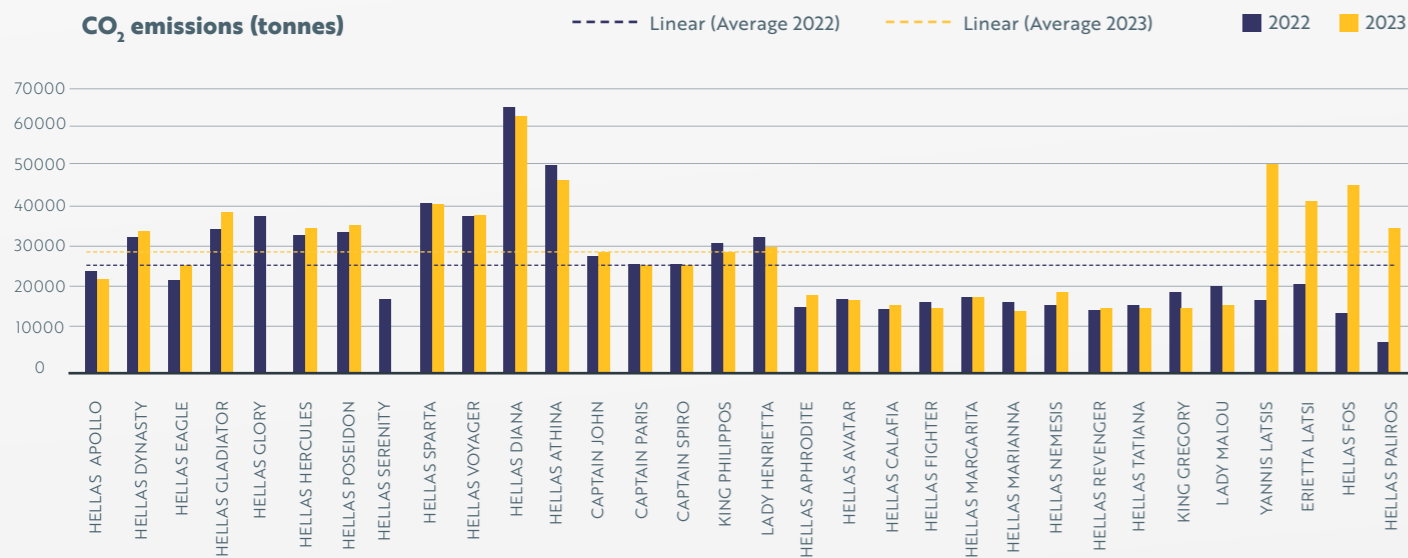
Scope 1 emissions refer to the direct greenhouse gas emissions from sources owned or controlled by an organization, with most emissions coming from the combustion of fossil fuels in company-owned or managed vessels, equipment, and facilities. In 2023, our total Scope 1 emissions were 890,436 tonnes of CO<sub>2</sub> equivalent, encompassing emissions from the greenhouse gases presented below.

**890,436 (tn) CO<sub>2</sub>eq**  
CO<sub>2</sub> emissions in 2023

### Carbon Dioxide (CO<sub>2</sub>)

Managing CO<sub>2</sub> emissions is a critical aspect of our dedication to environmental stewardship. Effective monitoring aligns with industry's climate change initiatives and also enables the company to adapt its approach in relation to carbon footprint. During the reporting period, our 30 vessels released 861,204 tonnes of CO<sub>2</sub>, reflecting an increase of 6.0% in comparison with the 812,635 tonnes of CO<sub>2</sub> released in 2022. Increased operating days for VLCCs contributed to this increase.

**861,204 (tn) CO<sub>2</sub>**  
CO<sub>2</sub> emissions in 2023



### Methane (CH<sub>4</sub>)

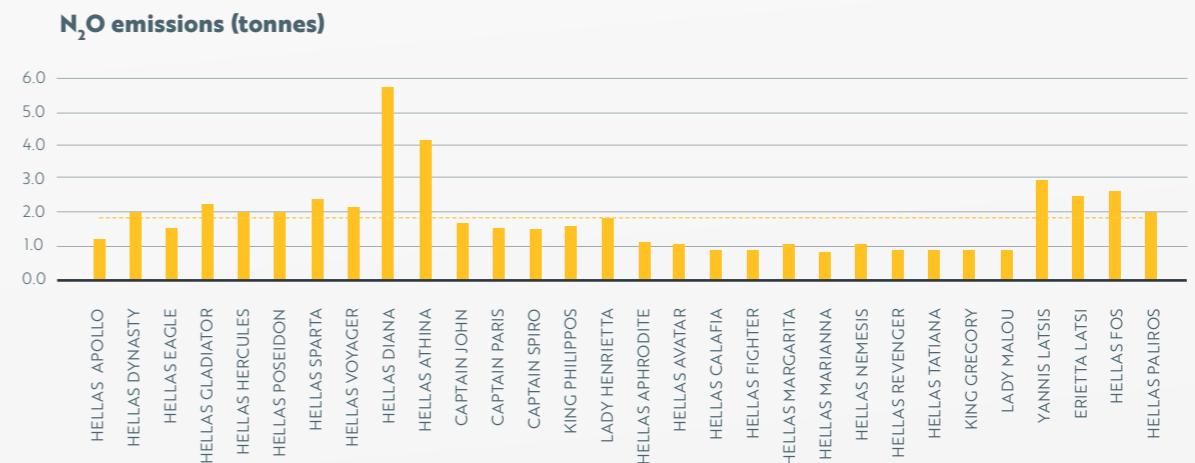
After carbon dioxide, methane is the second most significant greenhouse gas contributing to global warming, with a greater ability to trap heat in the atmosphere. Methane is emitted during the production and transport of coal, natural gas, and oil. Liquefied natural gas (LNG), predominantly composed of CH<sub>4</sub>, is converted to liquid form for easier storage and transport. When LNG is used as a fuel in ship engines, most of the methane is consumed in the energy conversion process but some quantity remains unburned and escapes into the atmosphere, an effect known as methane slip. In 2023, our total methane emissions amounted to 587 tonnes, with 98% attributed to methane slip from LNG vessels.

**587 (tn) CH<sub>4</sub>**  
CH<sub>4</sub> emissions in 2023

### Nitrous Oxides (N<sub>2</sub>O)

Nitrous oxide (N<sub>2</sub>O) emissions are produced during the combustion of natural gas and petroleum products used in ship engines. Although relatively low, N<sub>2</sub>O levels can vary with fuel type and engine technology and with the use of post-combustion catalytic controls. N<sub>2</sub>O emissions can also result from the treatment of nitrogen compounds in shipboard wastewater systems. In proactive adherence to EU requirements, we diligently monitored N<sub>2</sub>O emissions throughout 2023 and recorded a total of 48.2 tonnes of N<sub>2</sub>O.

**48.2 (tn) N<sub>2</sub>O**  
N<sub>2</sub>O emissions in 2023



### Scope 2

Scope 2 emissions represent the indirect greenhouse gas emissions linked to the electricity purchased or consumed in our operations. In order to determine our Scope 2 emissions, we calculated the electricity consumption of our office in Athens. For 2023, the total indirect CO<sub>2</sub> emissions were 245 tonnes, showing a 26% decrease compared to 2022.

**245 (tn) CO<sub>2</sub>**  
Scope 2 emissions in 2023



## Air Pollutants

Emissions of Sulphur Oxides (SOx), Nitrogen Oxides (NOx), Particulate Matter (PM), and Carbon Monoxide (CO) are generated by our fleet activities. Our aim is to reduce these emissions and thereby improve air quality through the use of technological innovation and cleaner fuel alternatives.

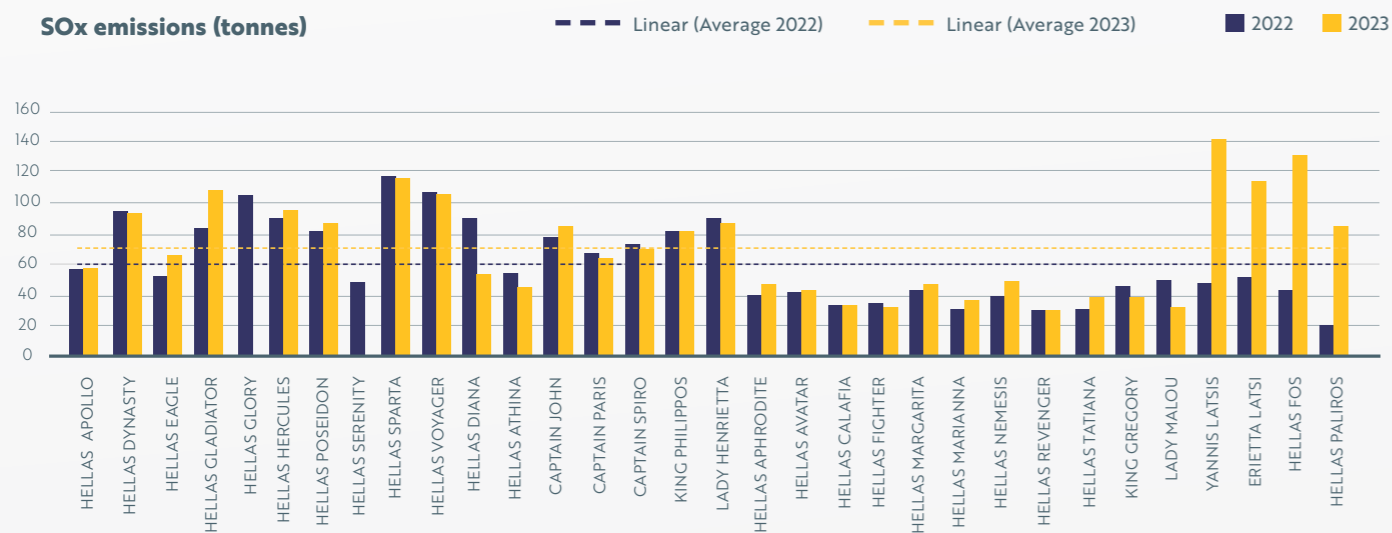
### Sulphur Oxides (SOx)

The combustion of high-sulphur fuels, like conventional heavy fuel oils, is the main source of SOx emissions. The level of these emissions depends on the sulphur content of the fuel and the total consumption of the vessel. Our fleet must operate on low-sulphur fuel with a 0.5% sulphur content, as permitted by the IMO 2020 regulation. In addition, to help reduce SOx emissions and meet environmental standards 21%<sup>6</sup> of our vessels are fitted with Exhaust Gas Cleaning Systems (EGCSs). In 2023, our fleet emitted a total of 2,104 tonnes of SOx, up from 1,951 tonnes in 2022, as a result of the increased operational utilisation of the VLCCs delivered in the previous year.

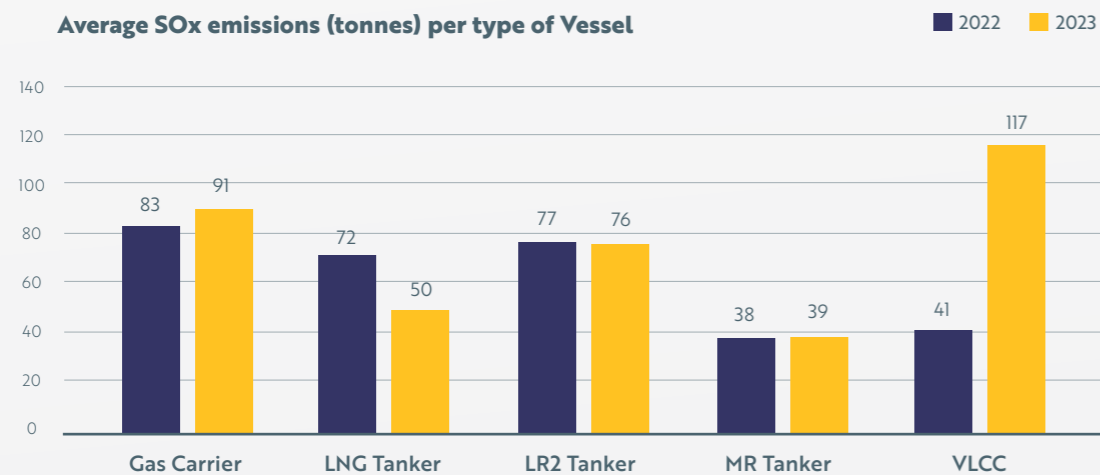
**2,104 (tn) SOx**

in 2023

SOx emissions (tonnes)



Average SOx emissions (tonnes) per type of Vessel



<sup>6</sup> Our LNG carriers do not need to be equipped with scrubbers as they already meet the emission limits for low-sulphur fuel.

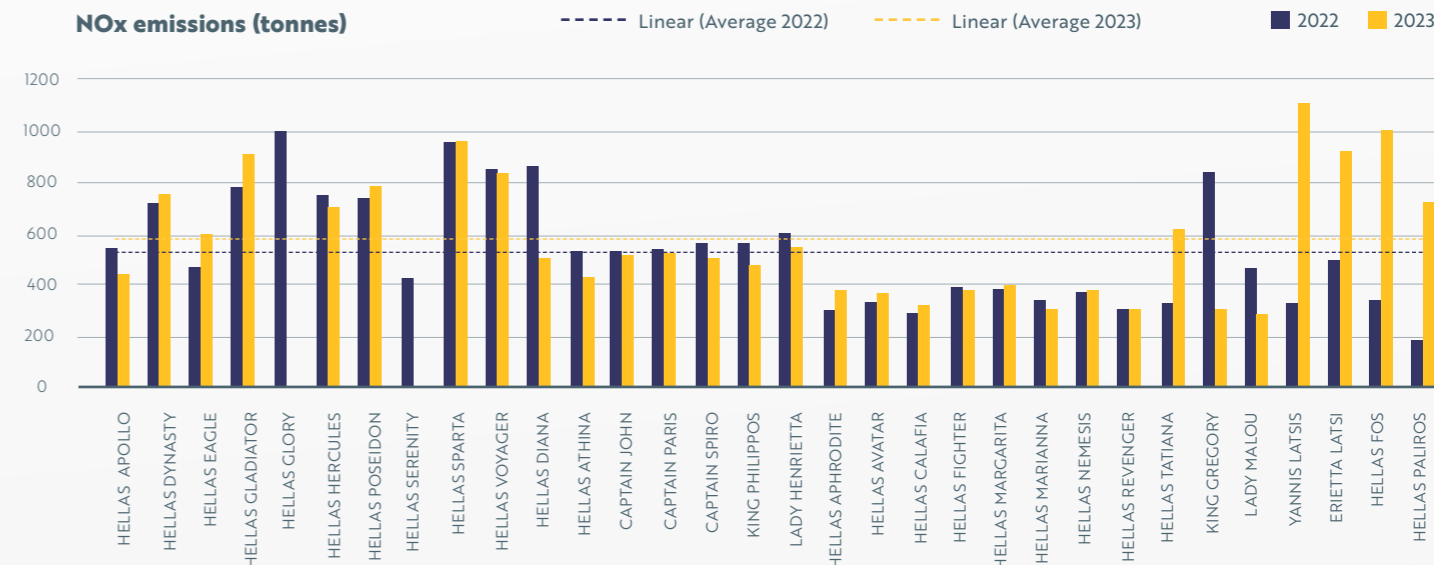
### Nitrogen Oxides (NOx)

NOx emissions arise when nitrogen and oxygen gases react at high temperatures during fuel combustion in marine engines. In the reporting period, our fleet of 30 vessels produced 17,234 tonnes of NOx, marking a rise from the 16,978 tonnes produced by 32 vessels in 2022, due to the extended operating days of our VLCC fleet and the increased cargo utilization.

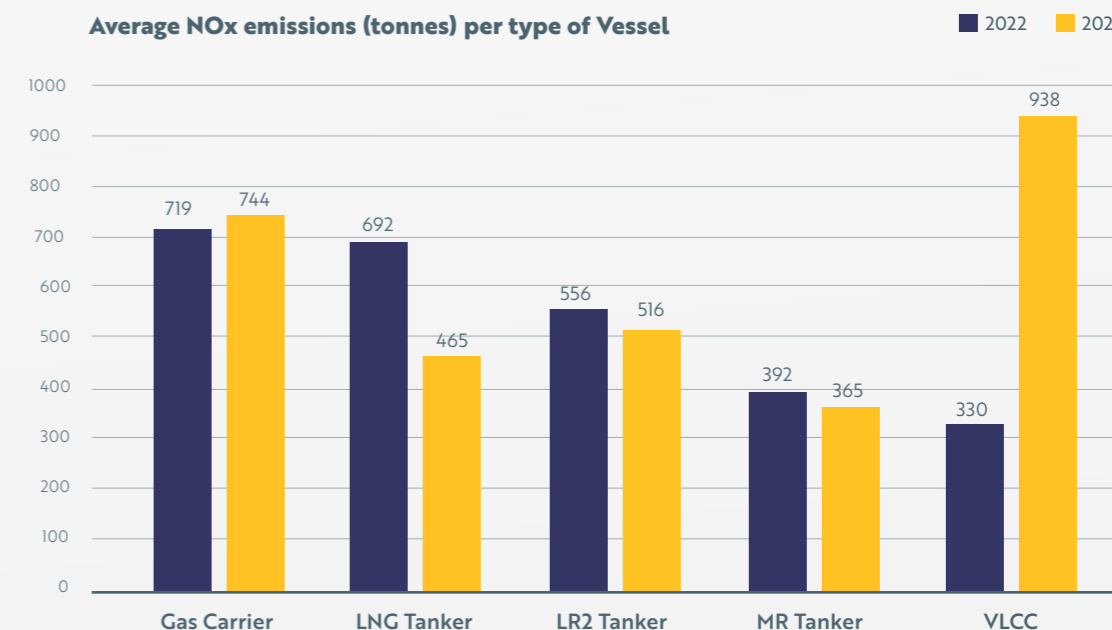
**17,234 (tn) NOx**

in 2023

NOx emissions (tonnes)



Average NOx emissions (tonnes) per type of Vessel



## Particulate Matter (PM2.5/ PM10)

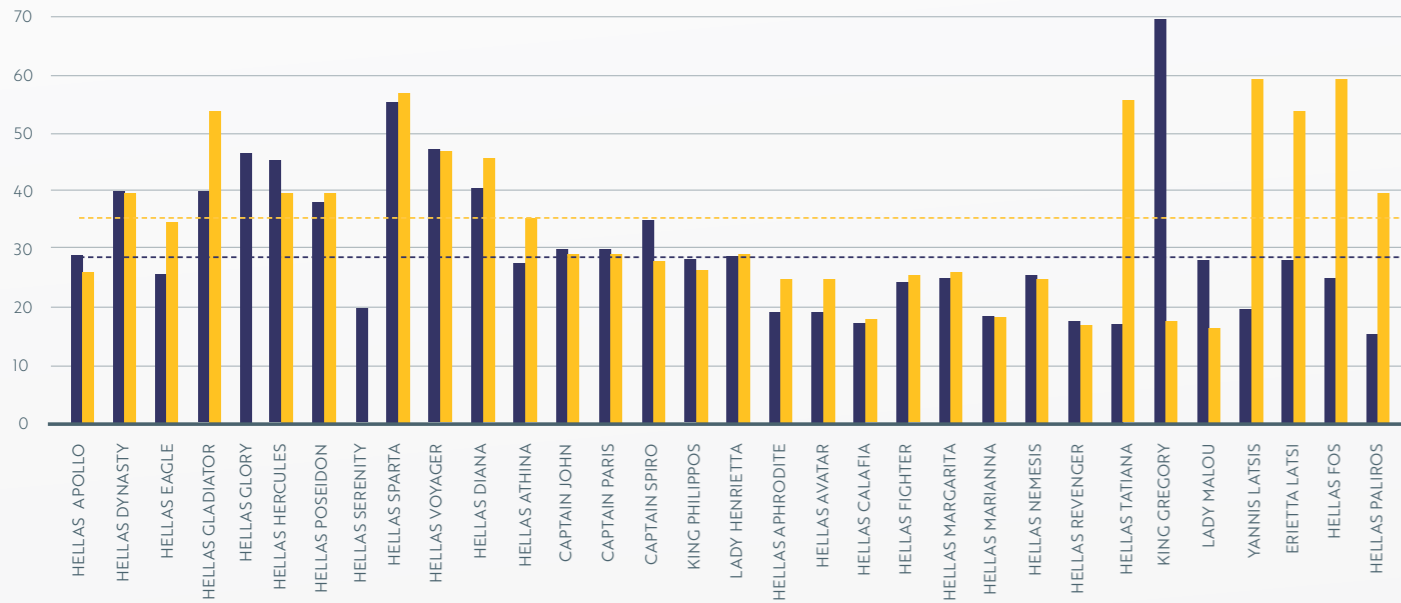
Particulate matter (PM) emissions, which consist of tiny solid particles and liquid droplets, are carefully monitored in two categories: PM10 and PM2.5. PM10 pertains to particles with a diameter of 10 micrometres or less, while PM 2.5 refers to particles with a diameter of 2.5 micrometres or less. During the reporting period, the total emissions were 960 tonnes for PM10 and 883 tonnes for PM2.5. In 2022, the total PM10 emissions were 898 and the total PM2.5 emissions were 824 tonnes.

**960 (tn) PM10**  
in 2023

**883 (tn) PM2.5**  
in 2023

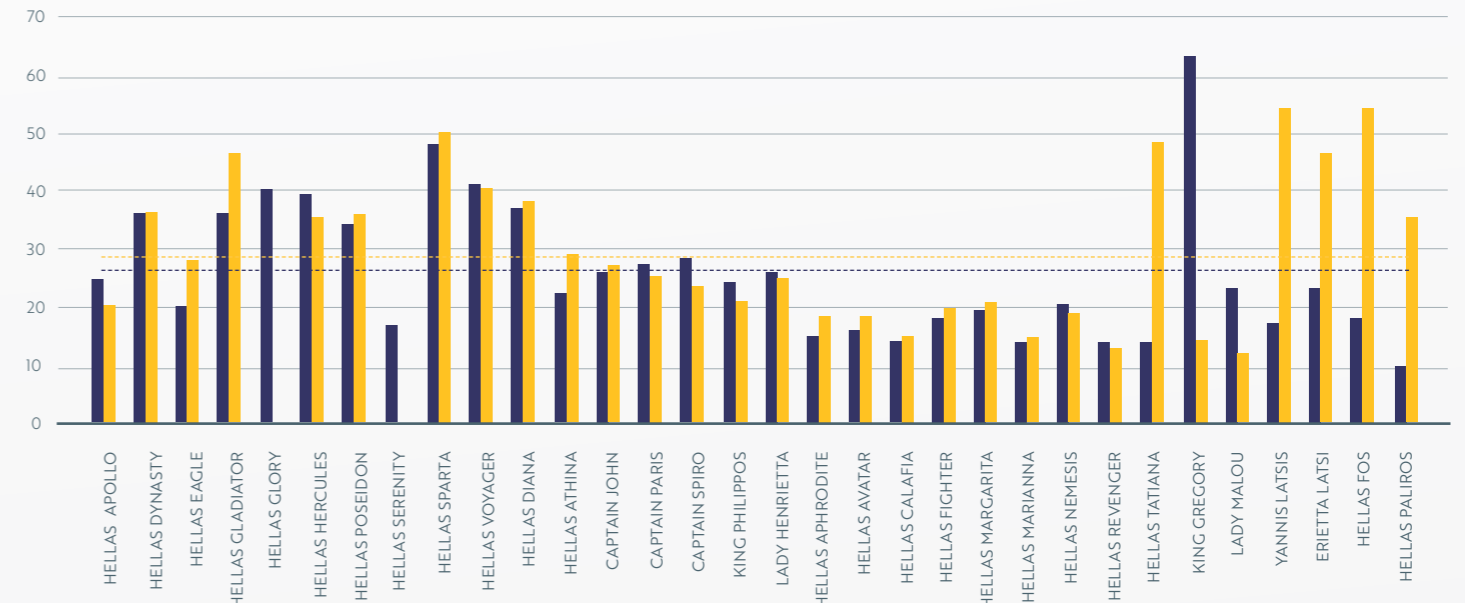
**PM10 emissions (tonnes)**

--- Linear (Average 2022)    - - - - Linear (Average 2023)    ■ 2022    ■ 2023



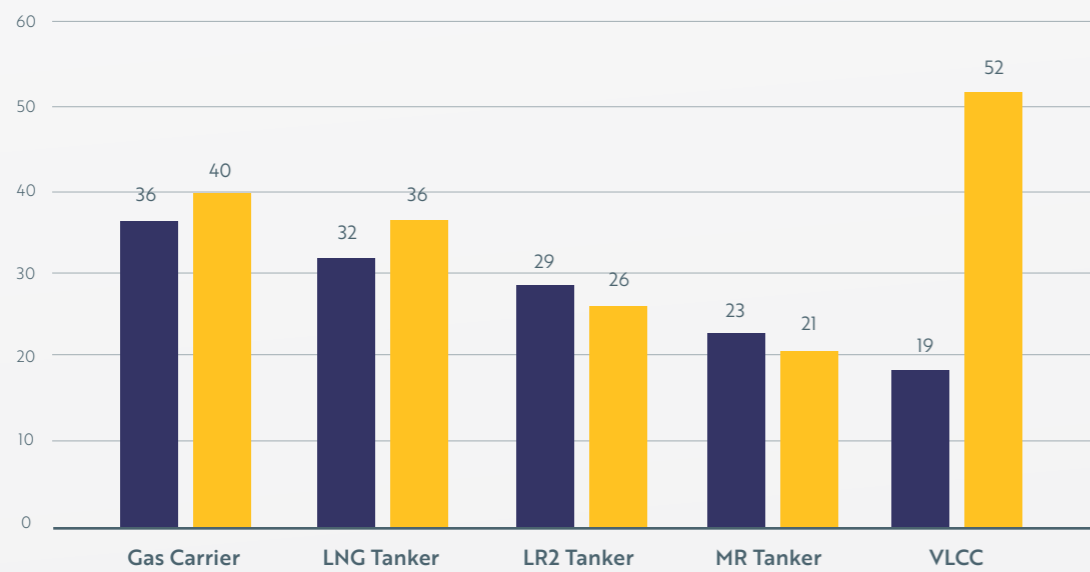
**PM2.5 emissions (tonnes)**

--- Linear (Average 2022)    - - - - Linear (Average 2023)    ■ 2022    ■ 2023



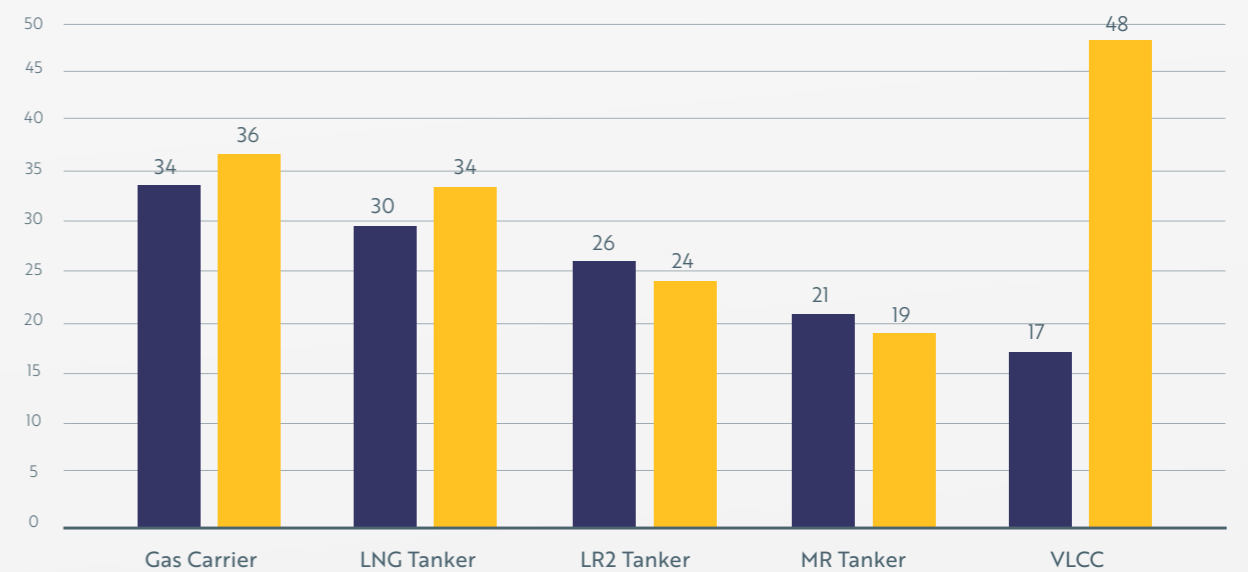
**Average PM10 emissions (tonnes) per type of Vessel**

■ 2022    ■ 2023



**Average PM2.5 emissions (tonnes) per type of Vessel**

■ 2022    ■ 2023





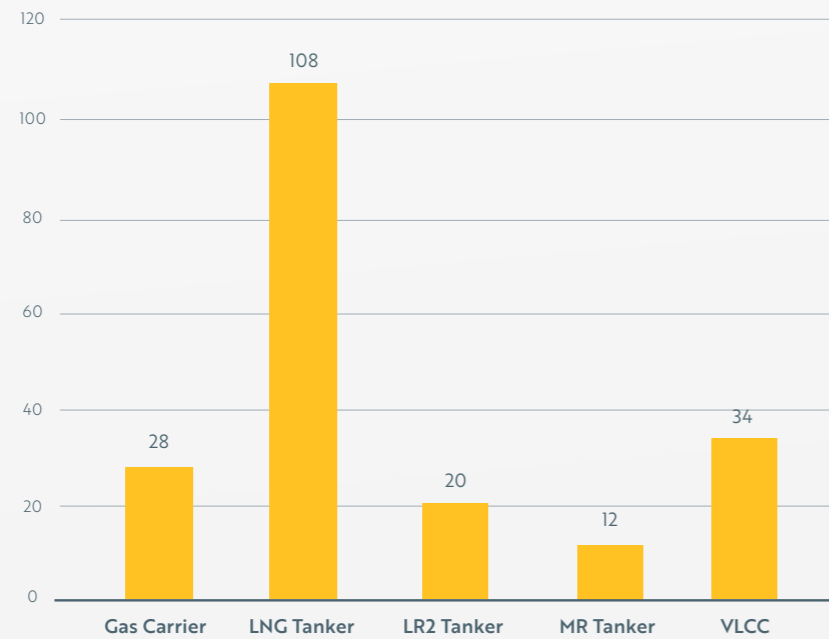
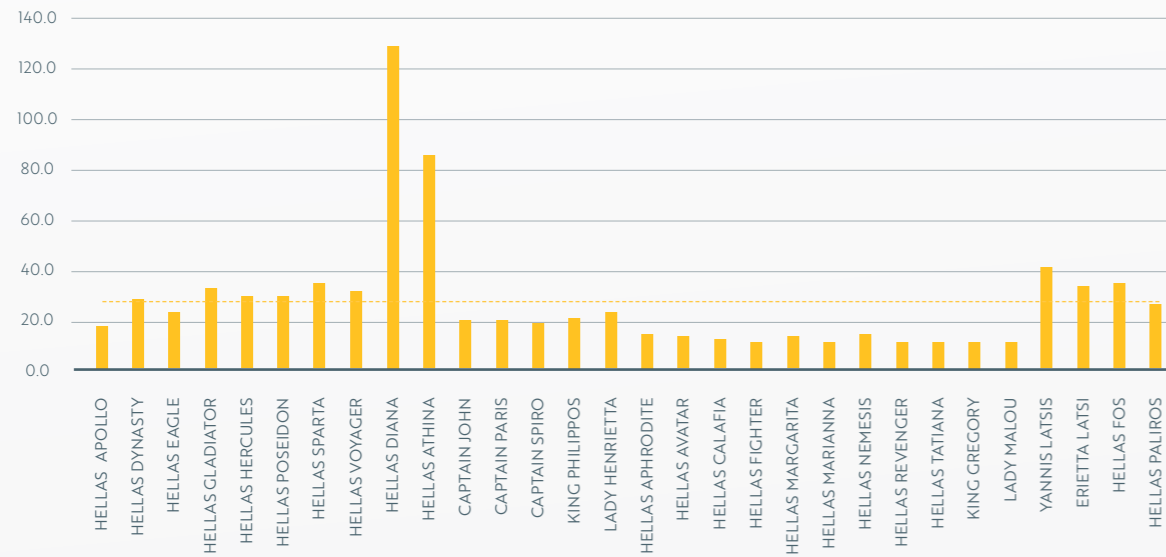
## Carbon Monoxide (CO)

Carbon monoxide emissions are a by-product of the incomplete combustion of carbon-based fuels in ship engines. Continued advances in engine technology and fuel quality standards, combined with effective control measures and reporting, are essential to limit the environmental impact and associated risks. In the first year of reporting, our total CO emissions for the year 2023 were recorded at 810 tonnes.

**810 (tn) CO**

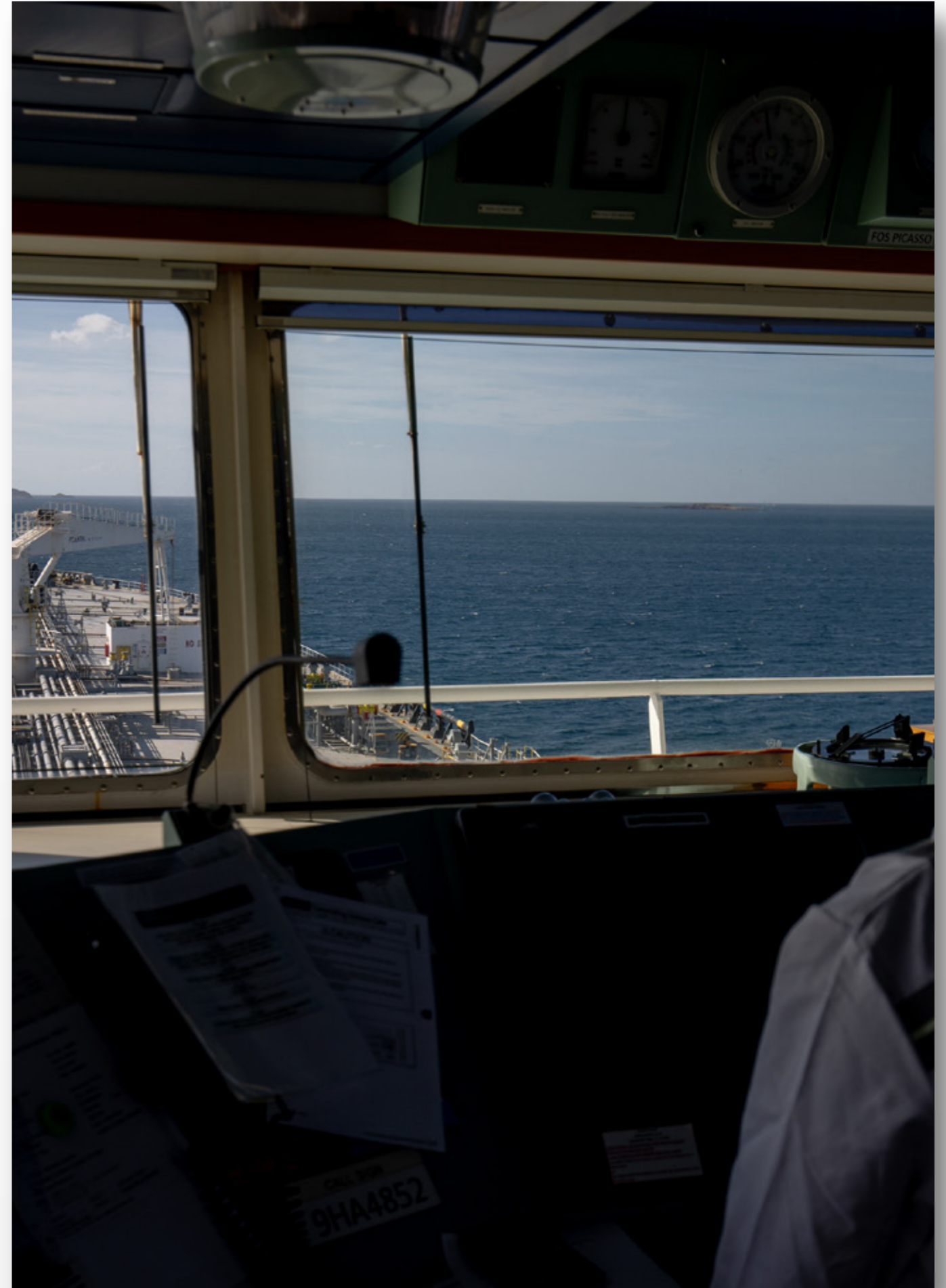
in 2023

CO emissions (tonnes)



## Ozone Depleting Substances (ODS)

Latsco fully complies with MARPOL Annex VI on the management of ozone-depleting substances (ODS) used by ships and the prevention of accidental releases. In 2023, a total of 457 kg of non-ODS refrigerant was recharged across all vessels, making us 100% ODS-free.



## Biodiversity

### Ballast Water Management

Since the enforcement of the IMO Ballast Water Management (BWM) Convention on September 8, 2017, the shipping industry has been required to thoroughly monitor and control ballast water to preserve marine biodiversity. Latsco has been at the forefront of implementing Ballast Water Treatment Systems (BWTS) across its fleet. Starting with the first installation in 2012, we have successfully retrofitted 100% of our vessels.

Designed to prevent the spread of potentially harmful aquatic organisms and pathogens, these systems remove and dispose of invasive and dormant species in ballast water such as zooplankton, algae, and bacteria. Recognizing the critical importance of proper ballast water management, all newbuilding projects incorporate BWTS to safeguard marine ecosystems from potential harm.

Our proactive approach not only guarantees compliance with regulatory standards but also exemplifies our forward-thinking ethos throughout the industry.

**100%**

Of our vessels are equipped with Ballast Water Treatment Systems (BWTS).

### Marine Protected Areas

Marine Protected Areas (MPAs) play an important role in marine conservation efforts. According to the International Union for Conservation of Nature (IUCN), these areas of the ocean can support three key objectives for the living resource conservation, as defined by the World Conservation Strategy:

- Maintenance of essential ecological processes and life support systems
- Preservation of genetic diversity
- Sustainable use of species and ecosystems

We follow strict regulations and abide by relevant guidelines to protect ecosystems, marine life, and biodiversity.

Our fleet, engaged in international navigation, may sail in or near vulnerable areas. Recognizing and monitoring these zones, including the IMO's Particularly Sensitive Sea Areas (PSSAs), and other relevant frameworks, as well as specific regulatory requirements, is fundamental to our operations.

On approaches to the Panama Canal, we make speed adjustments to protect local marine life and reduce the risk of fatal collisions with cetaceans such as whales, dolphins, and porpoises. During the reporting period, our vessels made 22 approaches to the Gulf of Panama in accordance with IMO recommendations.

In line with New Zealand's biofouling requirements, we perform regular hull inspections and cleanings to prevent the transfer of non-indigenous organisms. In 2023, we conducted 3 inspections and cleanings, covering 9 port calls in New Zealand.



## Water Conservation



At Latsco, we seek to be at the forefront of the shipping industry by promoting sustainable use of natural resources including water. We actively encourage the use of reusable water containers and filtration systems. Notably, Infinity reverse osmosis systems have been installed on all our vessels, leading to a significant reduction in plastic water bottle usage and responsible consumption habits among our seafarers. To safeguard the health and welfare of our crew, and to respect their preferences, we provided a total of 224,316 water bottles during the year. Additionally, we carry out water sample analyses twice a year using certified and accredited laboratories to maintain the highest standards of quality and safety.

**346.41 m<sup>3</sup>**

Water supplied on our vessels in 2023

## Waste Management



In response to the detrimental effects of waste pollution on ecosystems, and in compliance with MARPOL ANNEX V regulations, we have adopted rigorous practices for our vessels. The "Ship's Garbage Management Plan", a key component of our environmental management system, outlines comprehensive procedures to ensure that all types of waste are carefully managed and monitored. To this end, we also track the generation of sludges and bilges, which often contain oil residues and other contaminants that require careful handling to prevent environmental damage. Strict protocols are in place for the proper segregation and collection of waste materials, which are then disposed of at accredited shore facilities.

**686.3 m<sup>3</sup>**

Garbage generated onboard our vessels in 2023

**4,276.3 m<sup>3</sup>**

Sludges generated onboard our vessels in 2023

**4,833.1 m<sup>3</sup>**

Bilges generated onboard our vessels in 2023



## Responsible Recycling Practices

### Ship Recycling

To ensure that ship recycling is carried out in a safe and environmentally responsible manner, our fleet meets the standards set by the EU Regulation No 1257/2013 on ship recycling and the IMO's Hong Kong (HK) Convention for sound practices. Additionally, reputable classification societies such as ABS, LR, DNV and BV have granted Inventory of Hazardous Materials (IHM) certification to all our vessels.

**100%**

of our fleet is compliant with the Hong Kong Convention & the EU's Ship Recycling Regulation

### Ship Garbage

Our waste management policy places great emphasis on collaboration with key ports and approved waste disposal companies that follow rigorous recycling and processing protocols. By nurturing these partnerships, we ensure that our garbage is properly handled and recycled with the utmost environmental responsibility.

## Initiatives Ashore

To strengthen our commitment to environmental sustainability, we have implemented several initiatives in our Athens office.



### RECYCLING AWARENESS

Promotion through educational materials and encouragement of participation



### ECO-FRIENDLY ALTERNATIVES

Substitution of single-use plastic materials in our kitchens and bistro area with sustainable alternatives and reusable glass bottles



### PAPER RECYCLING BINS

Installation throughout the building for convenient access



### RECYCLING PROGRAMS

Recycling of printer toners, electrical/ electronic equipment, and light bulbs



### BATTERY RECYCLING

Placement of an "AFIS" bin in our offices



### LED LIGHTING

Transition from conventional lamps to energy-efficient LED light bulbs

Our London and Monaco offices have also adopted various measures:

- ✓ **Waste Management System:** Comprehensive system for the separate collection of recyclable materials
- ✓ **Non-Recyclable Waste Collection:** Proper collection with the intention of subsequent separation and reclamation
- ✓ **Electronic Filing Policy:** Adoption to minimize reliance on paper files
- ✓ **Water Filtration:** Installation of Brita water filters connected to the mains
- ✓ **Reusable Resources:** Introduction of reusable glass bottles for office consumption and meetings
- ✓ **Printer Cartridge Recycling:** Implementation of a recycling program for printer categories

# 4 Our People

Improving the lives of our people and adding social value to the areas in which we operate are our primary goals.



## Seafarers

### Overview of our Crew

Our seafarers are our most important asset, and we strive to build long-term relationships with them. Their unwavering dedication, expertise, and adaptability in challenging circumstances, such as unpredictable weather conditions and complex technical challenges onboard, are the foundation on which our company's success is built. That is why we seek to nurture the talents of our people and meet their aspirations. At Latsco, we provide an inclusive environment to encourage seafarers' commitment.

As of 31 December 2023, we employed 734 seafarers on our vessels. They were selected from a pool of 1,332 highly qualified and experienced individuals. Over 97% of our crew consists of five nationalities, with 75.8% being Filipino, 18.6% Greek, 2.0% Croatian, and 0.9% Latvian.

The team consisted of 1,322 men and 10 women, while the female presence was strengthened compared to 2022, when 6 women were onboard our vessels. The majority of our seafarers were between 18 and 40 years old (71.3%), while the average age of our crew was 35.6 years. In terms of hierarchy, 17.5% were senior officers, 26.6% were junior officers and 55.9% were ratings.

**35.6**

Crew  
Average Age

**734**

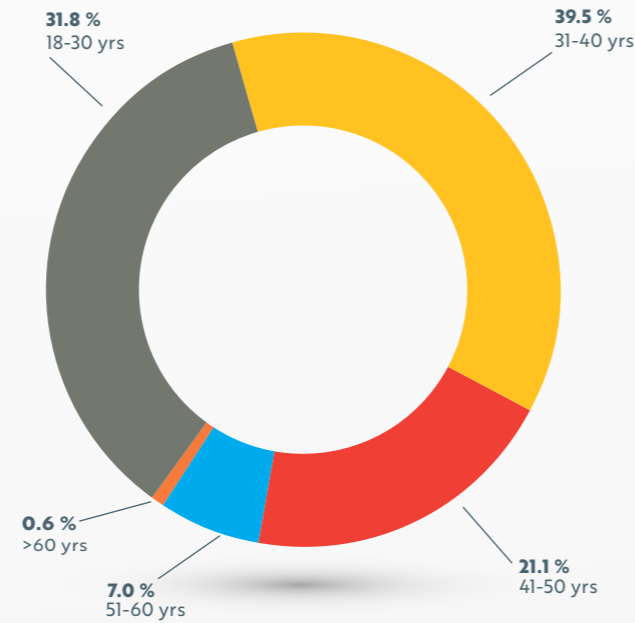
Crew  
onboard



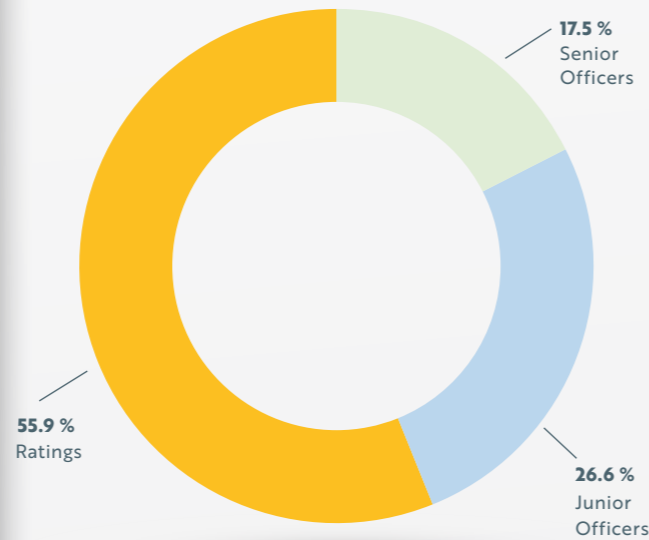




Seafarers per age group



Seafarers per rank



## Crew Development and Rewarding

At Latsco, we strive to create the best conditions for our seafarers' personal and professional development and to ensure equal opportunities, by providing work guidance, regular and valuable feedback, and a well-structured annual performance appraisal process. The appraisal report includes both performance review items and career development opportunities, such as identifying training needs. The evaluation is based on our crew's technical knowledge and skills, performance, responsibilities, and demonstration of our values. During the year, 85.3% of our Latsco LMM shipboard personnel were assessed, while all seafarers on our LNG vessels underwent an appraisal process. As a result of the annual evaluation, we recognized the outstanding performance of our staff by promoting 69 of them. Specifically, 20 seafarers were promoted to senior officers, 33 to junior officers and 16 to ratings.

We have also paved the way for new career opportunities for our shipboard employees. We have launched ship-to-office transition programs, and to ensure that they are able to cope with their new responsibilities, we are continually developing their skills and providing appropriate guidance.

Reflecting the strong commitment and satisfaction of our team, we achieved an exceptional seafarer retention rate of 98%, roughly the same as last year (98.7%). The crew turnover rate for the reporting year was 3.6%.

In addition, to reward their hard work and dedication, and to retain and motivate our personnel, we offer a robust benefits package, including fair remuneration and performance bonuses and other recognition schemes. During 2023, the total amount for crew salaries and bonuses was \$ 43,639,303. Moreover, to foster loyalty, improve the welfare of our seafarers and maintain a skilled and experienced workforce, we provided the following financial incentives/support:

- ✓ Seniority Bonus
- ✓ Higher License Allowance
- ✓ Stand - By Wages
- ✓ Port Expenses
- ✓ Subsistence allowance
- ✓ Travelling expenses

**98%**  
Crew Retention Rate

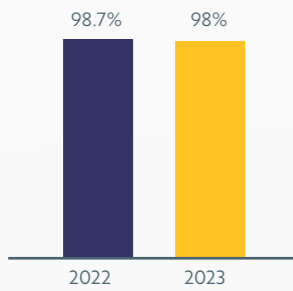
**\$ 43,639,303**  
Crew Salaries & Bonuses

**69**  
Crew Promotions in 2023

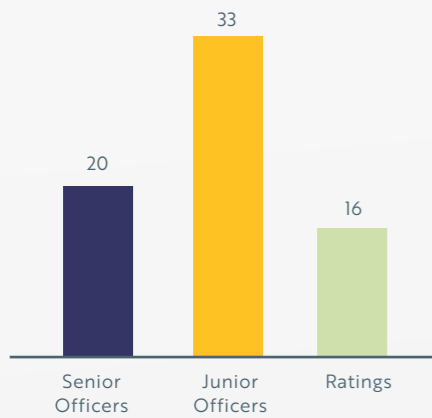




Crew retention rate



Crew promotions per rank



## Cadets Day 2023

On July 13, 2023, we welcomed 40 cadets, including 4 women, to our premises. The purpose of this event was to develop a closer connection with them and provide essential information about our company, vessels, and processes before they embark on their first journeys. The two best cadets of 2022, (Deck & Engine) were also present and received awards from the company for their outstanding performance in the previous year. The cadets were welcomed by our COO and Crew Manager, who highlighted the important role of cadets and the company's commitment to shaping its future by hiring Marine Academy cadets.



## Crew Welfare and Well-being

We prioritize the well-being of our crew and understand their needs and expectations, recognizing that this is key to maintaining flawless operations. To this end, we are implementing a holistic suite of welfare initiatives designed to improve the morale and living conditions of our seafarers.



### Entertainment

100 \$ are offered each month to cover expenses related to the crew's leisure time (books, gym, etc.).



### Socializing

Free internet, with a specific time limit on usage (due to equipment limitations) is provided to all crew members.

The Wi-Fi area onboard has been expanded with the addition of wifi repeaters.



### Insurance Medical Service

Healthcare services are provided to our Filipino seafarers, including family members.



### Mental & medical support

A free, confidential, multilingual 'Seafarer Assistance' helpline is available 24 hours a day, 365 days a year.

A remote medical consultation service, available 24/7, is offered to all crew members.

Enhanced medical services have been introduced for our Greek seafarers, including thorough examinations and additional checks.



### Physical & Health Program

A catering service program has been launched for company's vessels.



## Our Maritime Training Center (MTC)

### Athens

Our in-house Maritime Training Center (MTC) in Athens, established in 2015, enables us deliver advanced and comprehensive training to our crew. Through the MTC, we go beyond regulatory requirements and industry standards, investing in the holistic development of our seafarers. By training, upskilling, and reskilling our shipboard staff, we ensure that they remain highly qualified and competent and are able to respond and adapt to emergencies as required.

### Certifications

- ✓ The ABS Approval
- ✓ The Malta Administration Approval (which was accredited to deliver a series of STCW Convention courses)
- ✓ The Marshall Islands Administration Approval (which was accredited to deliver "Operational Use of ECDIS (IMO Model course 1.27)" and "Ship Simulator & Bridge Teamwork (IMO Model Course 1.22)" course.

### Manilla

Our "LMM MTC MANILA BRANCH" was audited and approved by ABS in April 2023.

A total of 28,552 hours of classroom and webinar training were completed in 2023. In terms of e-learning, 26,085 modules were successfully completed throughout the reporting year, totalling 18,550 hours across all levels. We spent a total of \$707,970 on crew development and training programs in 2023.

To further enrich the knowledge sharing and professional development of our crew, we conducted quarterly in-house training sessions. Out of a total of 9 on-site workshops in 2023, 4 were held for Greeks, 2 for Filipinos and 1 for Croatians, and 2 more remote in-house conferences were held for Manila and Croatia. The interactive workshops and expert-led discussions provided participants with practical insights and industry best practices.

DESCRIPTION	2022	2023
Training costs for crew training & development	\$ 728,310	\$ 707,969
Training hours for all ranks (classroom & webinars)	33,475	28,552

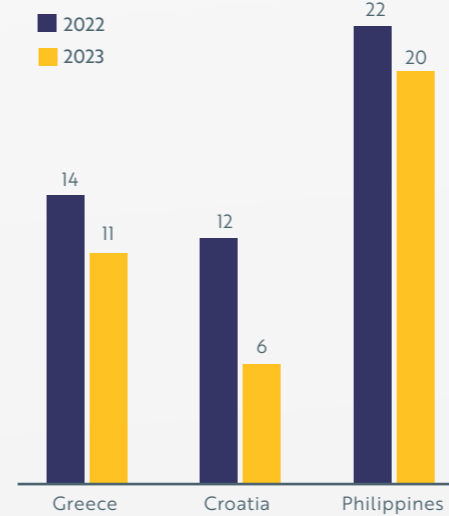


Furthermore, we also expanded our training portfolio to cover new key areas. These topics include bridge watch principles and situational awareness, Exhaust Gas Cleaning Systems (Scrubbers) awareness, marine refrigeration and aircon systems, ammonia cargo health & safety precautions and loading computer operation and familiarization. During the reported year, our training courses covered a wide range of topics, including:

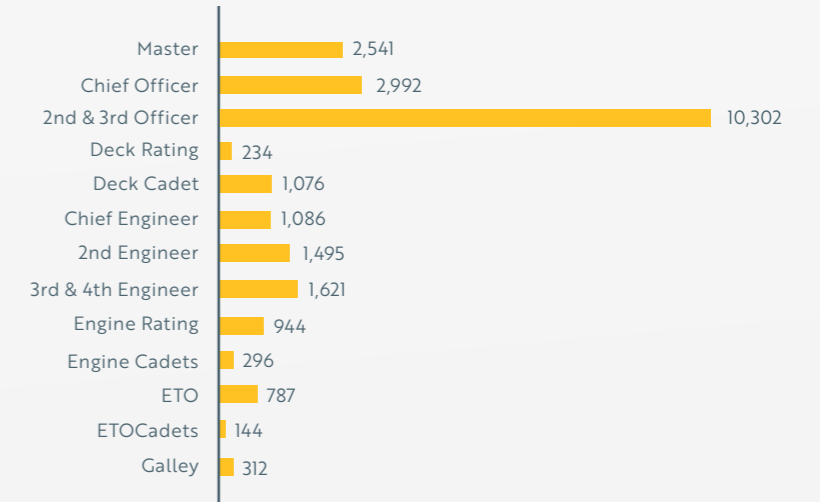
### Training Courses

- ✓ **Management courses** (Ship handling on simulator & bridge teamwork and management, Engine room simulator with engine resource management).
- ✓ **Technical courses** (Electronic chart display and information system (ECDIS) familiarization & practice assessments (voyage plan), Operational use of ECDIS, Oil/Chemical/LPG cargo & ballast handling, Collision avoidance, Competency assessment for promotion, Risk assessment, hazard identification & incident investigation, ISM-ISPS-MLC Internal Auditor, Hazardous atmosphere monitoring, Survey & certificates, Hull inspection of oil tankers, Ship to ship transfer operations, Emergency shutdown systems on gas carriers, Man me - electronic type main engines, Radar navigation and use of ARPA, Ship's handling / manoeuvring, WINGD-electronic type main engines, Scrubbers Awareness, Marine refrigeration and aircon systems, Ammonia cargo health & safety precautions).
- ✓ **Soft skills courses** (Leadership & team working skills, Bridge watch-keeping principles and situational awareness, Shipboard safety officer).
- ✓ **Familiarisation courses** (HSQEE awareness, Oil record book part I, I/Cargo record book & oil record book part II, PMS training on AMOS business platform, TMSA 3 awareness, Loading computer operation & familiarization).

Number of remote trainings per crew nationality



Total training hours per rank



## Simulation Courses

Throughout the year, we placed a great emphasis on the simulation training areas, using actual scenarios as simulation exercises.

### Bridge Resource Management- Bridge Team Management Simulator (BRM-BTM)

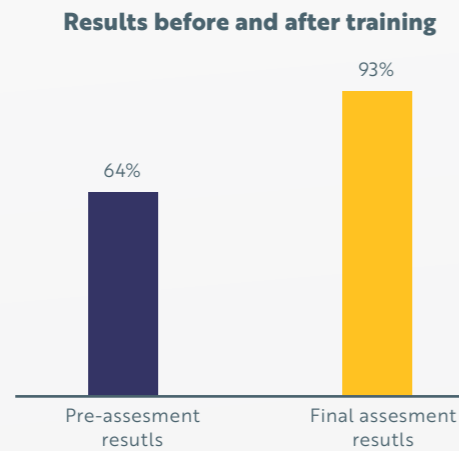
This course gives both practical and theoretical knowledge, consists of a series of exercises which are carried out on a ship handling simulator and is in accordance with the guidelines of the IMO Model Course 1.22. This training is designed to provide guidance in the handling of ships and to assist the bridge team in manoeuvring the ship under normal and emergency situations.

### Engine-Room Resource Management – Engine-Room Simulator (ERM-ERS)

The course familiarises participants with the requirements of the ISM Code, STCW & IMO Model Course 2.07 and equip them with the knowledge and skills to operate, supervise and monitor the safe operation and control of a ship’s machinery. The course is designed to provide a sound knowledge for the new joiners and a refresher for the experienced employees.

## Trainings Assessment

To measure the effectiveness and added value of training we introduced assessments for our seafarers. Our comprehensive training programmes have led to significant improvements in employee competence and performance, as reflected in the results of the evaluations. The following graph illustrates the significant increase in assessment scores across several training modules, with an average improvement from 64% (before the conduction of each course) to 93% in the final assessments (after the conduction of each course).



In addition to improving operational efficiency and gaining a competitive edge in the industry the MTC has led to significant financial savings. Specifically, the relevant savings from our training centers in Athens and Manila<sup>7</sup> in 2023 were \$405,666, compared to \$262,918 in 2022.

**28,552**

Total training hours in 2023

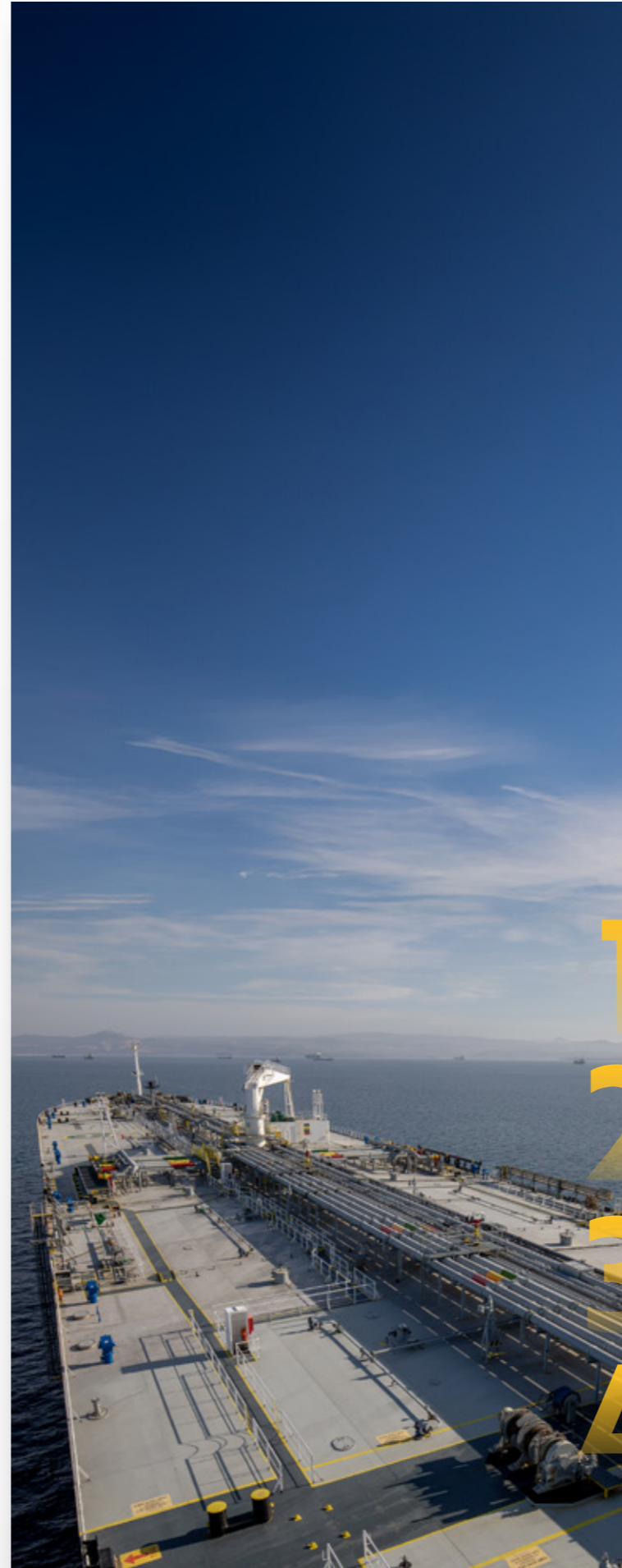
**\$707,969**

Invested in Crew training & development

**54.3%**

Increase in the savings compared to 2022 due to the in-house MTC

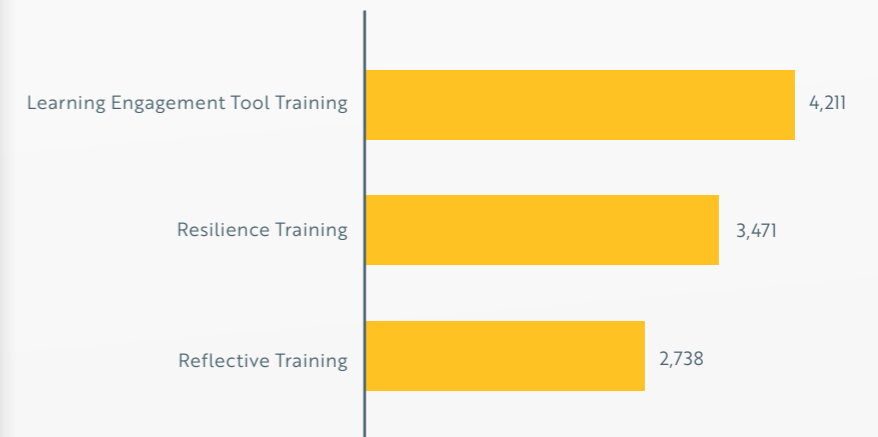
<sup>7</sup>The total savings from the Athens and Manila training centres have been converted into \$US using the exchange rate for 31/12/2023, which was €1 = \$1.1038.



## SHELL Partners in Safety (PIS)

At Latsco, we strive to be at the forefront of the most stringent safety regulations. Therefore, in 2023, we continued working jointly with SHELL and other industry partners on training material and practices beneficial for the improvement of safety levels onboard, which provides training onboard the vessels. The PIS program includes the Reflective Training, the Learning Engagement Tool Training, and the Resilience Training. During the program, the trainees discuss their experiences on various topics related to the daily operation of the vessels (such as engine failure, mooring, lifeboat operation) in order to gain a better understanding of important issues that may occur in the future and thus improve the preventive attitude of the staff and crew and their response to potential incidents. The total number of training hours devoted to the program was 10,420.

### Partners in Safety – training hours



## New Targets

1 Development of at least 2 new tailor-made reflective learning materials, based on previous experience and in line with the company’s processes.

2 At least 30% of Masters to undertake a Navigation Assessor Course within 2024.

3 80% of Masters and C/Es to have completed the “The Media, Social Media and You” online training course.

4 64 CBT modules to be completed in 2024.



## On-Shore Employees

At Latsco, we prioritize diversity and inclusiveness in our workforce, recognizing that this improves our access to a wider pool of talent and drives innovation. We also foster a culture of continuous learning and skill development. To this end, we support our employees in developing their careers and enabling them to reach their full potential. Through attentive listening, we gain a deep understanding of their needs, which enables us to promote engagement, empowerment, and a healthy work-life balance. By emphasizing these aspects, we ensure that our people feel valued and motivated to do their best.

### Diversity, Equity and Inclusion (DEI)

We wholeheartedly embrace diversity in all its forms, driven by our commitment to equality and inclusion throughout our organization. We strive to incorporate a variety of backgrounds, perspectives, and expertise, and we value gender and age diversity. Our onshore team includes individuals from four nationalities: Greek, British, French, and German.

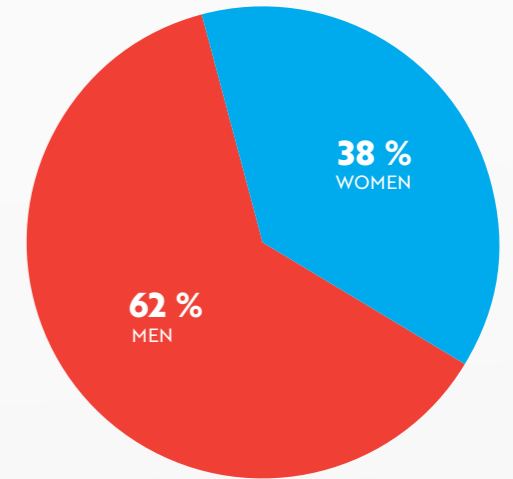
*"Only with the active involvement of women, at all levels, we will have a better, just, and harmonious society"*

Yiannis Latsis

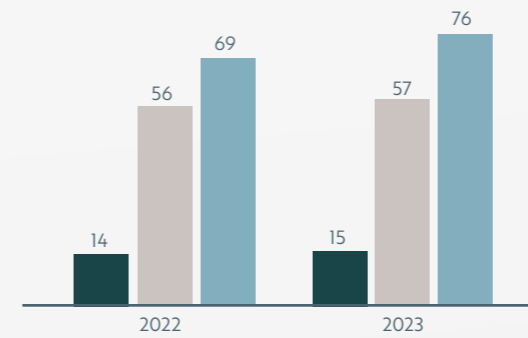


In 2023, the number of onshore personnel increased by 6.5%, growing from 139 in 2022 to 148 full-time employees. The workforce was organized into a structured hierarchy consisting of 36 Managers, 74 Officers (including superintendents), and 38 Assistants. Moreover, women represented 22% of managerial/senior management positions. Our shore-based team was composed of highly skilled professionals with solid educational backgrounds and significant maritime expertise, with 89.9% of the total workforce holding either a bachelor's or master's degree. Additionally, 14.9% of our employees have seagoing experience. This maritime experience enriches the practical knowledge of our team and increases our operational effectiveness.

Employee headcount by gender

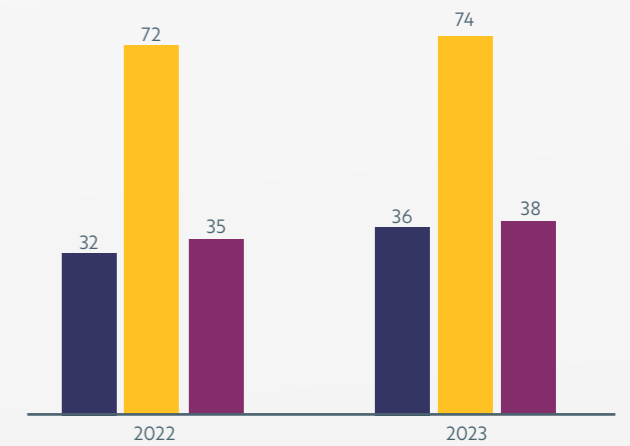


Employee headcount per educational background



- HIGH SCHOOL/VOCATIONAL TRAINING INSTITUTE
- BACHELOR DEGREE
- MASTER DEGREE

Employee headcount by level

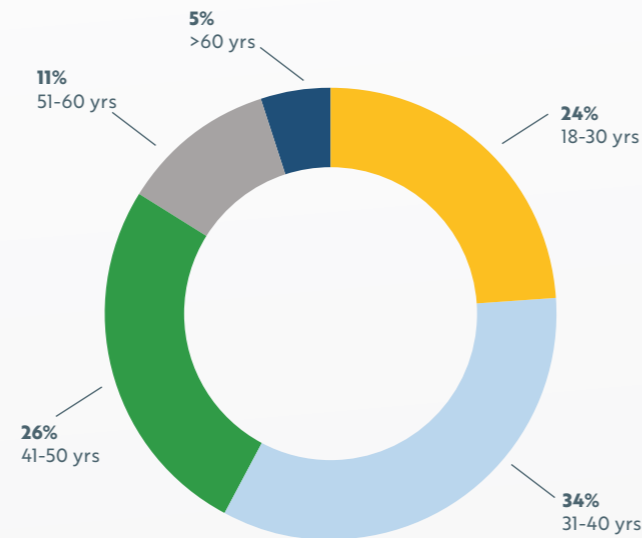


- MANAGERS
- OFFICERS
- ASSISTANTS

**Employee headcount with seagoing experience**



**Employee headcount by age group**



## Retention and Recruitment

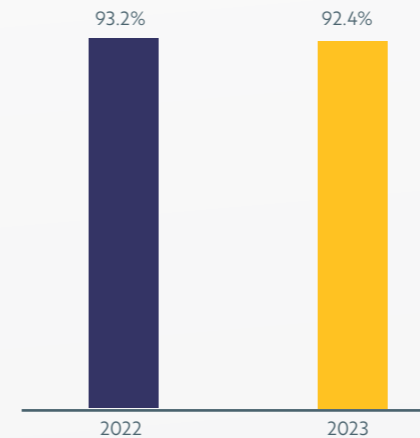
We understand that achieving our business goals depends on the dedication and hard work of our talented employees. Therefore, we are committed to attracting, engaging, and retaining the highest caliber of individuals as well as recognizing and developing talent within our organization. In 2023, we offered 6 promotions to our employees. Moreover, given the difficulty in recruiting qualified staff, it is important to ensure that our employees choose to remain with us in the long term. The retention rate in 2023 (92.4%) was similar to that in 2022 (93.2%). This reflects our ongoing efforts to maintain a satisfied and engaged workforce. The turnover rate in 2023 was 7.7%.

To meet the needs of our business, in 2023 we hired 19 skilled and motivated individuals, ensuring that we continue to build a diverse and inclusive team and provide fair employment opportunities. Of these, 13 are under 30 years old, 5 are between 30 and 50, and one is over 50 years old. The new hires consist of 11 men and 8 women. We strongly believe that these new additions bring fresh perspectives and contribute to our continued success and operational excellence.

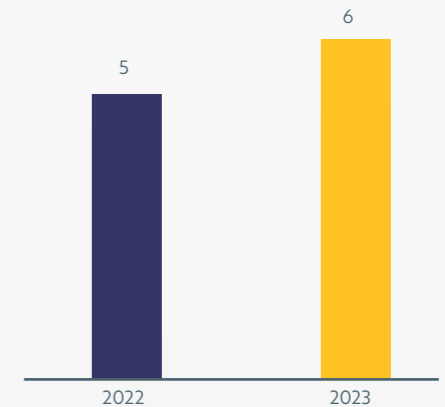
Furthermore, during the year, we welcomed a group of bright and ambitious interns, giving them hands-on experience and exposure to our industry offering 23 internships, 35.3% more compared to the previous year. They were almost evenly split between 12 men and 11 women, reflecting our commitment to providing equal opportunities. These internships, conducted in partnership with various Universities, were designed to enhance the practical skills of both undergraduate and postgraduate students. Notably, 6 of these internships led to permanent or temporary employment. Our focus on developing talent from within and bringing in fresh perspectives underlines our commitment to fostering growth and maintaining a dynamic workforce.



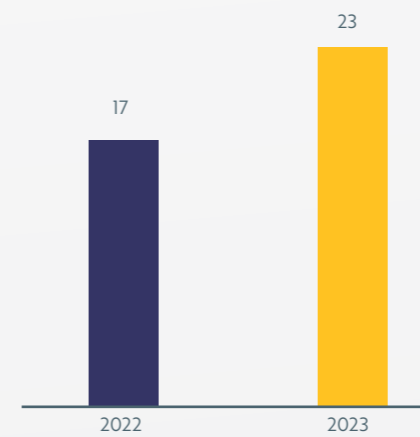
**Employees' retention rate**



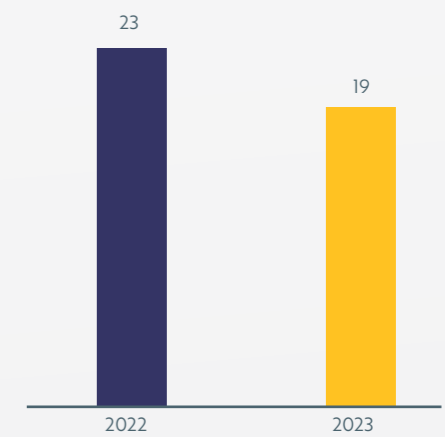
**Employees' promotions**



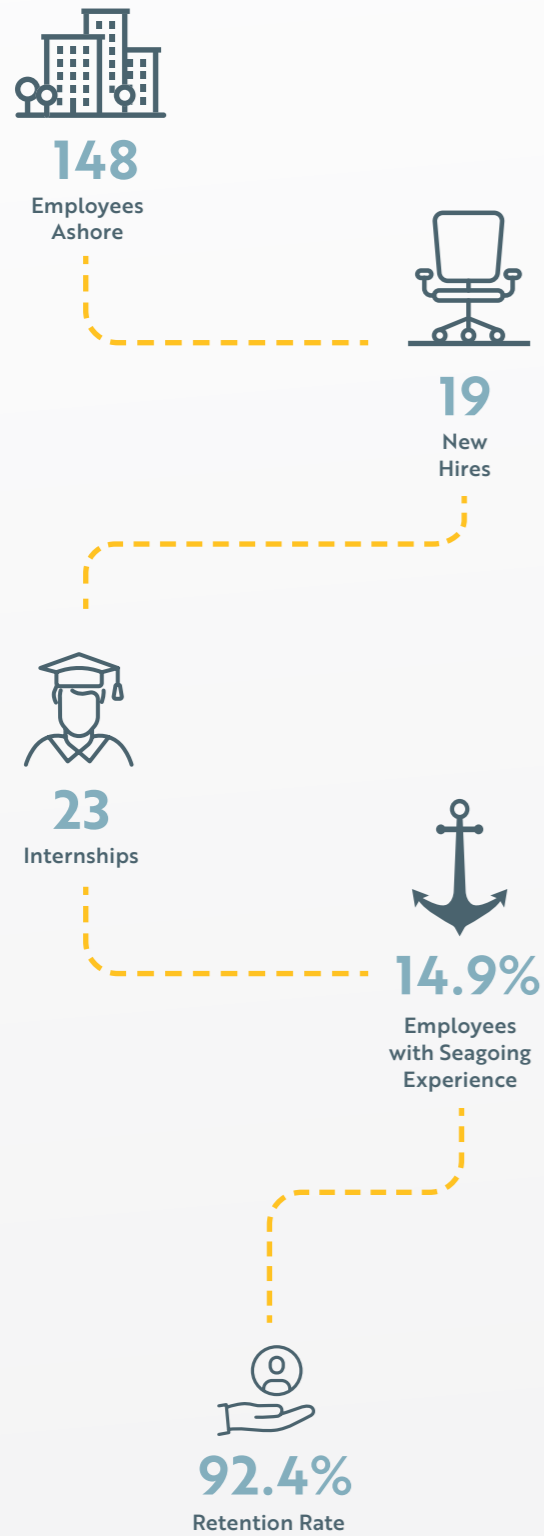
**Internships**



**Employees' new hires**







## Training & Professional Growth

We highly value training and employee development, aiming to provide opportunities for employees to enhance their knowledge, skills, competencies, and advance their careers. Each year, we develop a comprehensive and holistic training plan based on an extensive needs analysis, addressing company-wide, team-level, and individual needs. This plan includes technical training, systems training, ISO and audit sessions, leadership development, soft skills training, e-learning, and participation in conferences and forums.

## Soft Skills Training Programs

Our diverse training and development opportunities often stem from employee suggestions (bottom-up feedback) during the annual performance appraisal process. It is worth noting that there is a strong emphasis on improving soft skills, team building and communication skills all of, which are offered to all employees. In 2023, as part of our commitment to our people's continuous development, we offered the following soft skills training options for all our employees allowing them to choose the one that best suits their personal development needs:

- ✓ **Positive Power and Influence:** This training is a tailor-made program on how to positively influence others. The 3-day workshop helps participants to understand and strategically apply different styles of influence, enhancing their ability to cultivate positive relationships and achieve professional goals. The objectives include understanding influence styles, becoming aware of personal styles, analyzing situations, and choosing appropriate influence styles.
- ✓ **Diversity & Inclusion:** This program aims to define diversity and inclusion, understand their importance to team performance, identify unconscious bias and improve communication with diverse groups.
- ✓ **Empathy:** This workshop focuses on developing empathy, understanding self-empathy, identifying what blocks and energizes empathy, improving communication with colleagues, and restoring misinterpreted messages.

We also ran a **Team Effectiveness** program, tailored to the needs of a specific team, aimed at establishing common practices, improving communication and collaboration, discovering individual strengths, and adapting to change. In addition, we continued to offer **Leadership Development** programs for new managers, including coaching to improve leadership skills and team performance.

In 2023, we extended the **Leading for Resilience** program to two additional groups, providing employees with skills to manage stress, adopt a team-focused mindset, and establish clarity in a changing environment.

## Individual Development Plans

We believe in providing opportunities for professional growth, discussing each employee's needs and aspirations through the Individual Development Plan (IDP) process. IDPs form part of performance appraisals and help employees achieve career goals and improve job performance. This two-way commitment between the employee and manager includes actions to advance technical competencies, soft skills, and experiential opportunities, and may include the pursuit of higher education, training, and certification.

### Learning & Development of on-shore employees

DESCRIPTION	2022	2023
Number of training hours	3,982	3,648
Number of courses	68	67
Number of participations	488	458
Average training hours per employee	28.6	27.6

### Average hours of training by employee category

DESCRIPTION	2022	2023
Managers	24.7	20.5
Officers	32.9	29.2
Assistants	23.1	19.7

**3,648**  
Total number of training hours in 2023

**27.6**  
Average training hours per employee in 2023

**93% of employees** attended at least one training course during 2023

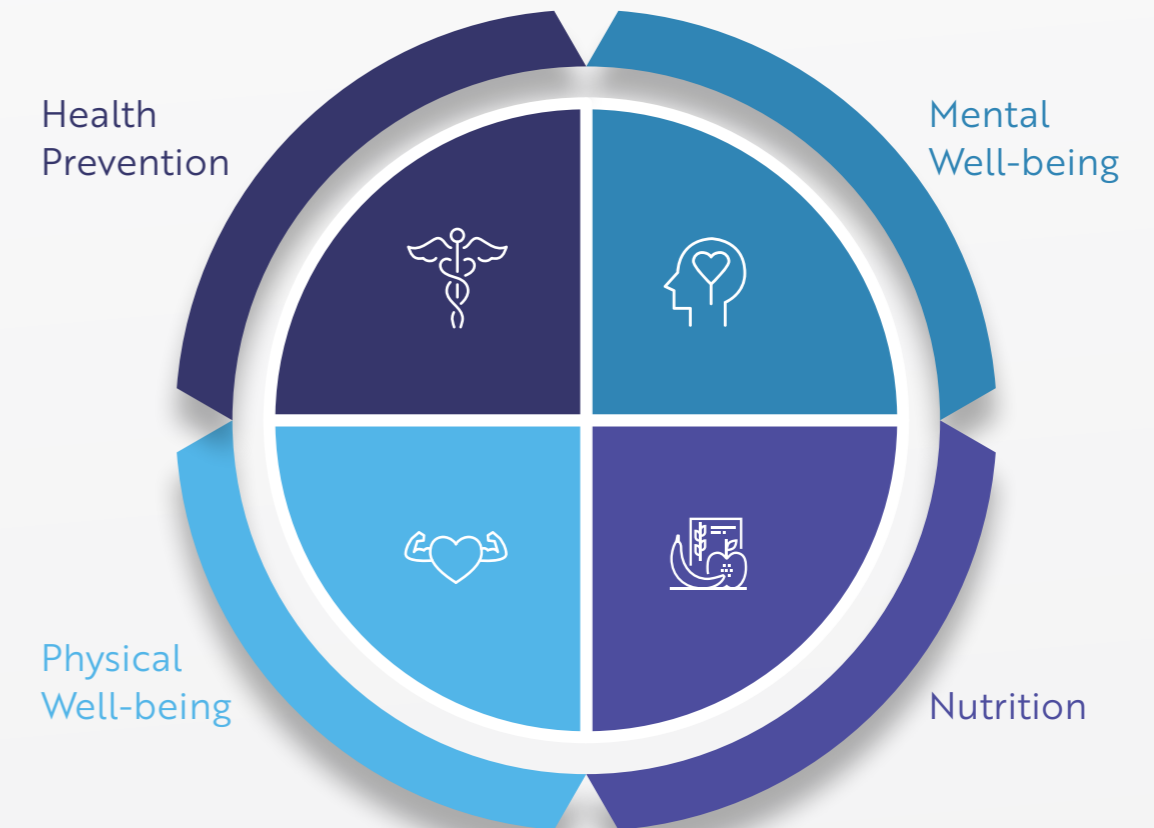
## Performance Appraisal

Our goal is to ensure that robust performance appraisals are in place to identify talent and ensure that employees have a career plan. The approach is based on constructive feedback, goal alignment and continuous progress. Our carefully designed internal performance appraisal system empowers our employees to advance their career paths, providing a robust foundation for their professional growth within the organization. In 2023, all eligible employees received regular performance feedback and career development review.

## Initiatives for Employee Health and Well-being

Our Latsco Wellness Program is a holistic well-being strategy bringing together existing and new initiatives and collaborations, with the aim of creating a more balanced lifestyle for all, while covering a wide range of elements associated with well-being, thus catering for different needs and preferences. Following extensive research, we have carefully designed a robust suite of well-being initiatives, enhancing and building upon the existing programs from previous years. Our aim is to foster an empowering work environment and promote a more balanced lifestyle for all our personnel.

### Our well-being program focuses on four pillars:





**Mental Well-being Initiatives**



Psychological support (on-site sessions with psychologists & 24/7 open line)

Mental Health Platform

Parent support groups (with child psychologists)

Stress Management seminars

Working from home program

Coaching for soft skills

Social activities, volunteering & teambuilding



**Nutrition**

Nutritionists on call

Health nutrition newsletter and articles

Nutrition and health platforms

On-site sessions with a nutritionist

Education and promotion of healthy eating habits



**Physical Well-being Initiatives**

Virtual wellness platform

Participation in athletic events

Team sports – Company teams

Interactive sessions



**Health Prevention Initiatives**

Annual Health Screening

Premium medical plan

Full cover of dependents on medical plan

Doctor on the field

First Aid Seminar



**Parental Support Groups**

As part of our Latsco wellness program, we introduced a new initiative in 2023 to help parents improve communication with their children and support their personal development. In collaboration with our partner HR.Psychology, we have organized ongoing parent support groups for employees with children of all ages. These groups serve as working sessions throughout the year where parents can share their experiences, discuss common challenges and receive guidance from a psychologist specialized in children and families. The sessions cover a variety of topics, such as setting boundaries, managing the use of the internet and screens, recognizing children's emotions, and handling anger. This initiative aims to educate parents about the different issues and difficulties they may face depending on their child's developmental stage, and to provide them with best practices and support to overcome these challenges.



**Athletic Events & Company Teams**

For the sixth consecutive year, our company took part in the Hellenic Organization for Company Sport & Health (HOCSH) games. In the 11th Hellenic Company Sports Games, we participated with teams in basketball and soccer, two participants in tennis, and four participants in the Athens Company Run. Additionally, 15 colleagues proudly represented us in the 40th Authentic Marathon of Athens as members of the "Cool Runners" of ELEPAP, raising awareness for children with disabilities across the country.



**People Award**

In 2023, we were honored to receive a **Bronze People Award** at the inaugural ESG Shipping Awards 2023, recognizing our actions and best practices in the holistic Latsco Wellness Program. This achievement underscores our commitment to prioritizing people by enhancing the wellness of our employees and their families. By actively listening to their needs for a healthier lifestyle and greater happiness, we have created an empowering work environment that inspired the creation of our Wellness Program. Additionally, through our numerous rewards, we genuinely acknowledge and celebrate the efforts, dedication, and efficiency of our people.



### Benefits for our Employees

- ✔ Performance-related bonus scheme with the participation of all employees
- ✔ Monthly food allowance
- ✔ Pension plan for all employees from day 1
- ✔ Professional Study & Higher Education Program Policy: Fully or partially funding professional study & higher education programs
- ✔ Four days paid study leave per academic year to employees pursuing higher education and professional studies.
- ✔ Loyalty Program – Long Service Award
- ✔ Work equipment (i.e., laptops, mobile devices and mobile phone plans) provided for all staff.

### Benefits for our Employees and their Families

- ✔ Medical Scheme for all employees and their families.
- ✔ Financial support for child-related expenses intended to support all female employees with children under the age of one until the start of compulsory education.
- ✔ Children’s Day: A multi-purpose event dedicated to employees’ children including fun activities, awards for employees’ children who have exceptional performance in their high school or post high school studies, including monetary award, and Christmas gifts to employee’s children.

### Long Service Awards

In 2023, the Long Service Awards were introduced as a new initiative and a loyalty program. Through the Long Service Awards, we wish to recognize the loyalty, dedication, hard work, and invaluable contribution of colleagues who have been with the company for a long time. In this first year, we celebrated the milestone of more than 25 years of service for nine of our colleagues and rewarded them with a travel voucher for a customized trip.

### Remuneration Policy

Our remuneration policy is an integral part of our employee offering. Every year, we conduct an annual salary review to recognize employee contribution, progress, and development, utilizing both external and internal salary benchmarks to ensure parity across the company. Additionally, we carry out an annual performance-related bonus process, which considers criteria such as overall performance, contribution to departmental and individual targets, project involvement, attitude and cooperation at work and promotion potential. The compensation review process involves Department Managers, Senior Management, and the HR Department and all employees are eligible to this process.

## Additional People Initiatives

### Annual MRM Conference

Each year, we organize an off-site Annual Conference and Management Review Meeting (MRM), bringing together office employees and a few seafarers to celebrate achievements, address challenges, set priorities, and enhance communication. In February 2023, the two-day event took place in Vouliagmeni, where management shared their vision for the year, and employees engaged in open discussions, including anonymous Q&A with the CEO. The agenda featured management presentations to share our vision and strategic plans, departmental presentations, workshops, and non-work activities like dinners and the annual Pita Cutting. Team bonding activities included the “Percussion Orchestra Circle,” which unified participants in creating harmonious music, enhancing communication and bringing our group dynamics, and “Arctic Survival,” which simulated a survival scenario to enhance teamwork and problem-solving skills. These activities effectively promoted communication, collaboration, and shared objectives.



### Company Events

Each year, we organize numerous events to build stronger relationships and celebrate successes. In 2023, these included various events such as:

- **Christmas parties** for our Athens, London, and Manila offices.
- A **Children’s Christmas Day** event was held in our offices, dedicated to our employees’ children and their families, featuring awards to best students, educational videos about our founder Capt. John Latsis, the historic Neraida vessel and recent new buildings, presents, music and fun activities such as face painting, Santa’s secret workshop, a magician show and many more.
- A special **Christmas Dinner for Greek seafarers** was also organized which was a great occasion to thank our seafarers for their hard work and dedication, welcome newer team members and reinforce the company’s commitment to the well-being of our seafarers.
- Furthermore, we organized a special **dinner to honor retired seafarers and office staff** as a gesture of gratitude for their contributions.

### 360 Communication

In 2023, we implemented a 360-communication strategy to improve clarity, transparency, and the flow of information, as well as strengthen the relationship between management and employees. As part of this strategy we launched a number of new initiatives such as:

- “CEO Lunch’, where the CEO meets with new joiners under 30, with the aim of providing a forum for the CEO to meet and engage in discussions with more junior colleagues which in turn have the opportunity to share their ideas, daily challenges and to understand where the company is heading strategically.
- Market research and commercial presentations, from the Research and Commercial Departments, which focuses on analysing and evaluating the dynamics of shipping markets and sharing market and commercial updates. These presentations are conducted in the spirit of educating employees via sharing of knowledge and understanding the industry and environment in which the company operates.
- A redesigned monthly newsletter so that information is easier to read, with a modern look and feel, rich content, better collated and readily available.
- and ‘Management Highlights’ sessions, where senior management quarterly updates all employees on important company matters, upcoming projects, commercial decisions and many more.

### Induction Program

Our holistic induction program integrates new employees into the organization, ensuring they become effective and motivated team members. Over a two-month period, new hires undergo a customized program that includes thorough department induction, meetings with other departments, familiarization, and training programs. This program is tailored to the new employee’s role, responsibilities and previous experience, providing essential information in a planned and systematic way to support their integration and understanding of the company’s procedures, structure, and targets. It is essentially an ongoing process to ensure the new employee settles well into the organisation and are confident and motivated in carrying out the full scope of their duties.



Great Place To Work®

## Great Place to Work Certification

In 2023, we participated for the first time in an employee survey to evaluate our work environment, practices, and operations. Conducted by Great Place To Work®, a global authority on workplace culture and employee experience, the anonymous survey certified Latsco as a Great Place to Work both in Greece and the UK from February 2023 to February 2024. This certification, while not the primary goal, highlighted our efforts to foster a fair, just, and empowering workplace culture that promotes equal opportunities, continuous development, and participation, as well as the well-being of our people. The survey provided us with invaluable feedback in terms of understanding our work environment, leading to discussions with senior management and the identification of areas for improvement through departmental results and cross-departmental focus groups, with the aim of maximizing employee experience, performance and satisfaction.





## Occupational Health & Safety

Ensuring the well-being and safety of our employees, whether onboard or ashore, is a core value deeply embedded in our company's culture. To achieve this, we go beyond compliance by adopting robust and resilient health and safety practices. To minimize risks, we follow the most rigorous standards, such as those set by the World Health Organization (WHO) and we are aligned with government guidelines and industry best practice. Our company also constantly monitors regulatory changes in health and safety and measures the effectiveness of the systems in place to ensure the smooth running of operations and the protection of cargo, ships, and environment.

### Health & Safety Management System

Ensuring zero health and safety incidents, such as accidents, spills, and uncontrolled releases to the environment, is our top priority. To support this goal, we have established an Occupational Health & Safety Management System in accordance with ISO 45001:2018. This system applies to everyone working for or on behalf of the company and is seamlessly aligned with local occupational health and safety standards and regulations. For those not directly employed by the company, participation in a safety induction program is mandatory and compliance with our health and safety procedures is required. Additionally, we are committed to fostering a culture of prevention through comprehensive risk assessments and proactive measures. Our approach extends throughout the organization to ensure a safe and secure working environment for all employees.

Our company has set specific commitments, objectives, and targets, and implemented additional measures, covering elements from the following areas of our management system:



### Health & Safety Performance

For another consecutive year, we have achieved zero Lost Time Injury Frequency (LTIF) onboard our vessels. The Total Recordable Case Frequency (TRCF) increased from 0.17 in 2022 to 0.32 in 2023. In addition, we recorded zero work-related illnesses, while 2 work-related injuries were reported throughout the year, for which all corrective actions were taken immediately. The meticulous root cause analysis carried out resulted in valuable lessons being learned, which were also communicated to the entire fleet. In terms of serious marine incidents, no cases were recorded for Latsco LMM, while 1 category A marine incident was reported for Latsco LNG.

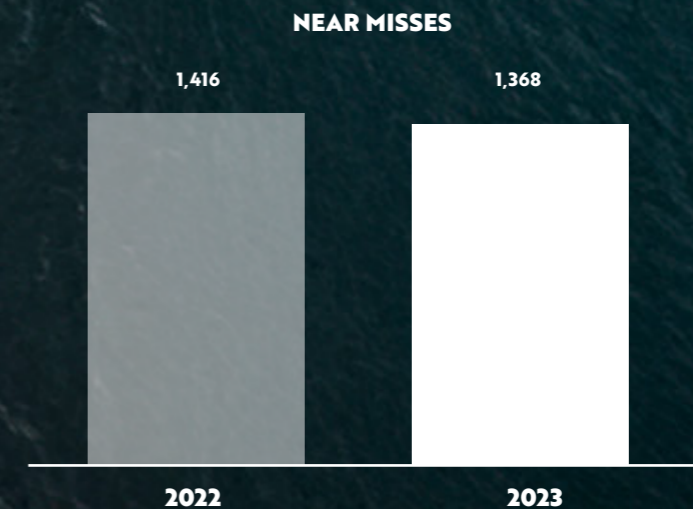


KPI	2022	2023
Number of port state control inspections	57	58
Number of port state control observations	4	22
Number of recordable work-related injuries	0	2
Number of cases of recordable work-related ill health	0	0
Lost Time Injury Frequency (LTIF)	0	0
Total Recordable Case Frequency (TRCF)	0.17	0.32

### Near Miss Reporting and Analysis

The detailed investigation, analysis and reporting of near misses is a key component of our ongoing efforts to achieve excellence in maritime safety. Although they do not result in accidents, they serve as a stark warning of the potential risks and vulnerabilities inherent in our operations. Implementing a robust system for seafarers to report near misses enables us to identify a wide range of potential hazards onboard. By thoroughly investigating near-miss incidents, we gain valuable insight into root causes and implement preventative measures to improve workplace safety.

Our stringent near-miss policy and monitoring system demonstrates our unwavering commitment to maintaining the highest possible safety standards. In 2023, we recorded 1,368 near misses, a decrease of 3.4% from 2022. On average, LMM recorded 3.04 near misses per vessel per month, while 4.75 near misses per vessel per month were reported for LNG.





## Identification of Hazards

At Latsco, we have established a thorough risk assessment process to identify hazards and manage associated risks to ensure that health and hygiene risks are kept to an acceptable level for all routine and non-routine operations. We provide detailed hazard identification guidance to all personnel, both onshore and onboard. Such risk assessments are regularly reviewed and updated as necessary, and accurate records are maintained. Additionally, a Hazard Risk Analysis (HRA) is conducted when changes to current activities could increase the level of risk, or when new or unique situations arise that create safety uncertainties not covered by existing company procedures or require deviations. The results of the risk assessment process are meticulously documented, including a specific section for recording alternative methods, preventive/mitigating measures and control measures for residual risks that exceed tolerable levels.

## Worker Participation and Communication

We have implemented the Stop Work Authority Principle together with the promotion of a No-Blame Culture, which empowers every employee and contractor to report any complaint, accident, personal injury, cyber incident, illness, or hazardous situation/near miss to their supervisors. All reported incidents are thoroughly investigated to identify root causes and develop effective corrective and preventive actions.



## Audits and Inspections

The Tanker Management and Self-Assessment (TMSA) program provides a structured framework for companies to improve and measure their own safety management systems. It helps to ensure that the highest standards of safety management systems are adhered to and that these systems are continually improved in line with industry benchmarks. It also enables us to embed a preventative approach to maintenance and reduce the risk of incidents, breakdowns, or delays. Evaluating the effectiveness of our Health, Safety, Quality, Environment and Energy (HSQEE) Management System through regular self-assessments is an integral part of our approach, using Key Performance Indicators (KPIs) defined by TMSA guidelines. Ensuring that our HSQEE MS is aligned with these KPIs at all operational levels remains a core commitment. In 2023, our LNG carriers achieved an average score of 3.05, our LMM fleet achieved an average score of 2.95.

Our commitment to maintaining robust health and safety management practices is demonstrated through strong enforcement across our operations, including rigorous onboard inspections and internal audits. The Vetting Department consistently meets the targets set for SIRE and CDI inspections, demonstrating high standards of performance. During 2023 we organized and trained our people (onboard and ashore) on the expected transition to SIRE 2.0 inspection scheme, due to be implemented in 2024.

### During 2023, our company performed the following audits and inspections:

- 105 SIRE and CDI inspections on our 30 vessels.
- 136 drills per vessel for both Latsco LNG and LMM vessels.

The ratio of recorded observations per inspection was 1.74 for LMM and 1.40 for our LNG vessels in the year reported.

**100%**  
COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Port State Control (PSC) inspections are carried out to verify that the condition of our vessels and their equipment complies with international regulations. During the 58 PSC inspections conducted in 2023, 22 observations and zero detentions were identified. Furthermore, throughout the reporting year, we recorded zero conditions of class or recommendations across our fleet.

**58**  
PSC INSPECTIONS  
in 2023

**0**  
PSC DETENTIONS  
in 2023

**22**  
PSC OBSERVATIONS  
in 2023

**54**  
Onboard inspections by  
Technical Department

**0**  
Conditions of Class  
Recommendations



## PSC Performance Benchmarking

It is essential for us to assess the PSC risks in order to determine the probability and severity of a potential inspection and to take the appropriate measures to minimize and prepare accordingly. Therefore, in 2023 we started collaborating with an external provider to benchmark our PSC performance and compare our results with the average performance of the global fleet.

During the reporting year, we recorded an Overall Benchmarking Performance (OBP) of -84.5%, resulting in a top 10% performance tier.

## Qualship 21 Initiative

Established by the United States Coast Guard (USCG), the Qualship 21 initiative recognizes vessels and operators for exemplary safety, security, and quality performance. Participation provides industry recognition, a competitive edge in the marketplace and ensures that our fleet meets rigorous criteria. It promotes high standards and continuous improvement in maritime practices, enhancing overall safety and environmental responsibility. In 2023, we joined the Qualship 21 initiative, and 27 vessels of our fleet were certified accordingly (25 vessels from LMM and the 2 LNG vessels).

## Health and Safety Office Campaigns

Our dedication to maintaining a safe and healthy workplace is demonstrated through annual health and safety campaigns. In 2023, these campaigns covered a number of important topics, such as promoting “get moving at work” to prevent prolonged static sitting at work, offering a toolkit to help employees quit smoking, providing information and reminders about our occupational health support services, outlining safety protocols based on our office emergency plan, and giving advice on earthquake and fire preparedness. We develop and distribute a range of materials, including content, presentations, and tips, to ensure that these messages are effectively communicated across the business.

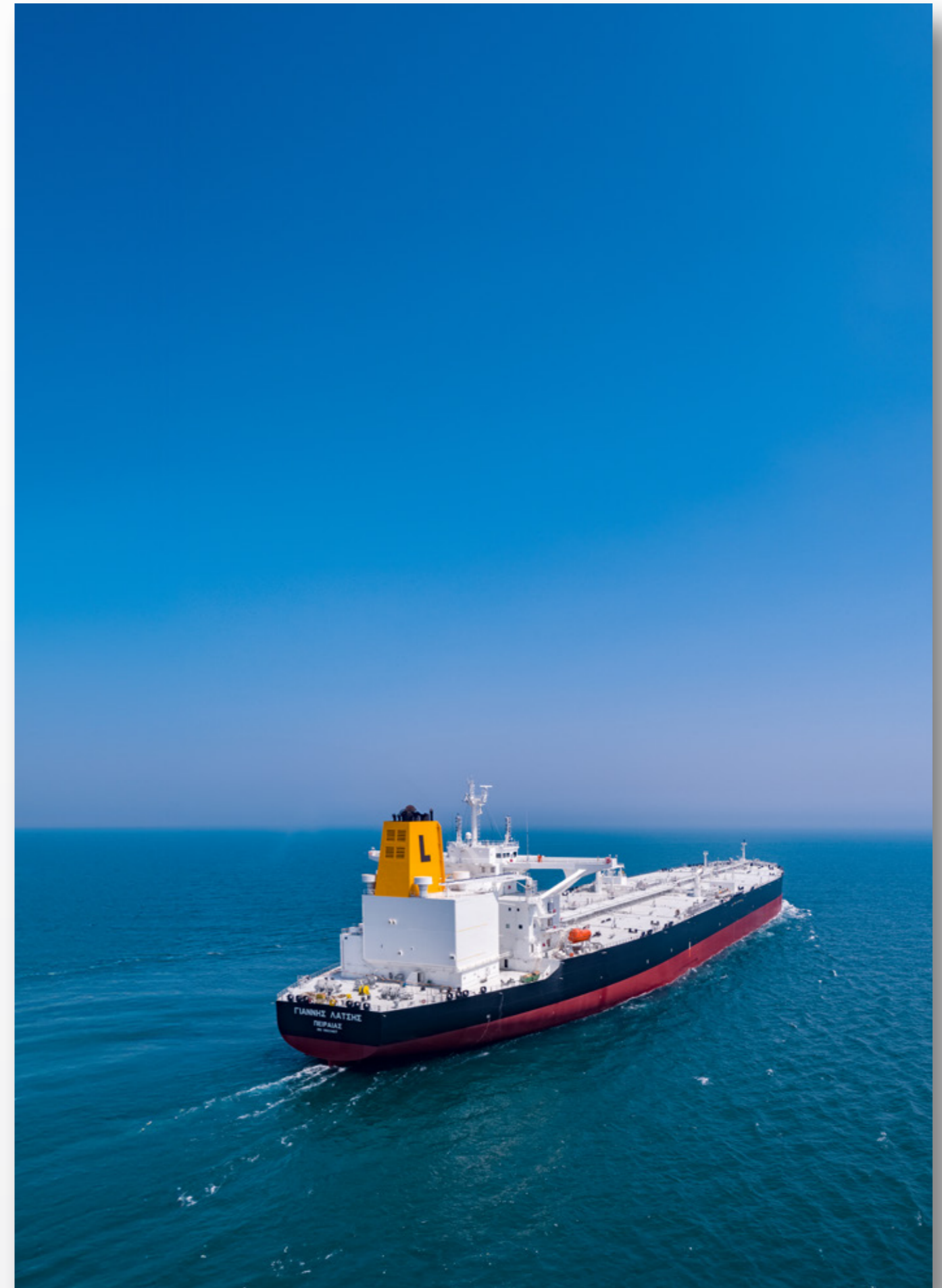
## AMVER Award

In 2023, we proudly received an Automated Mutual-Assistance Vessel Rescue (AMVER) Award, recognizing our company for its proactive role in protecting seafarers’ lives through the AMVER program. 100% of fleet vessels participate in the AMVER reporting system. The AMVER program, an international voluntary reporting system run by the United States Coast Guard, facilitates the coordination of maritime search and rescue operations by utilizing the capabilities of participating commercial ships to respond to distress calls and rescue people at sea. The award underscores our dedication to maritime safety and our commitment to rescuing those in need.



## Green Awards

We are proud to be a Green Award certified company, recognized as a leader in the maritime industry striving for excellence. Specifically, the Green Award certification demonstrates proactive implementation of industry best practices and internationally accepted legislation in the areas of operational safety, quality management, vessel arrangements and environmental protection. In 2023, 3 of our vessels, Captain Paris, Hellas Gladiator and Hellas Poseidon, were subject to the Green Award Scheme. One survey per vessel was carried out in accordance with the requirements of Annex 3 version 2023 and the results showed that no findings were issued.





## Responsible Supply Chain Practices

### Supplier Selection and Evaluation

At Latsco, we have developed a procurement process that not only meets but exceeds the highest international standards and best practices. Our commitment to sustainability within our supply chain is a fundamental aspect of our operations. To this end, we have implemented a comprehensive and rigorous supplier evaluation system. This system is designed to ensure that our business partners align with our stringent standards for quality, environmental responsibility, economic viability, ethical conduct, and social considerations. The evaluation criteria for our suppliers encompass several key areas:

- ✓ **Service Quality:**  
Ensuring consistent, high-quality service delivery.

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- ✓ **Product Quality:**  
Maintaining superior quality standards for all supplied products.

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- ✓ **Environmental Compliance:**  
Adhering to all relevant environmental regulations.

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- ✓ **Energy Efficiency:**  
Demonstrating ongoing efforts to improve energy efficiency.

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- ✓ **Certifications and Policies:**  
Holding relevant certifications and implementing robust policies.

When assessing new business partners, we prioritize suppliers who demonstrate a proactive approach to sustainability and social responsibility. Our selection process includes requiring new suppliers to possess the appropriate certifications and accreditations that demonstrate their competence and commitment to the highest environmental and social standards. By fostering these relationships, we ensure that our supply chain remains resilient, ethical, and sustainable, making a positive contribution to the wider community and the environment.

Our selection process includes:

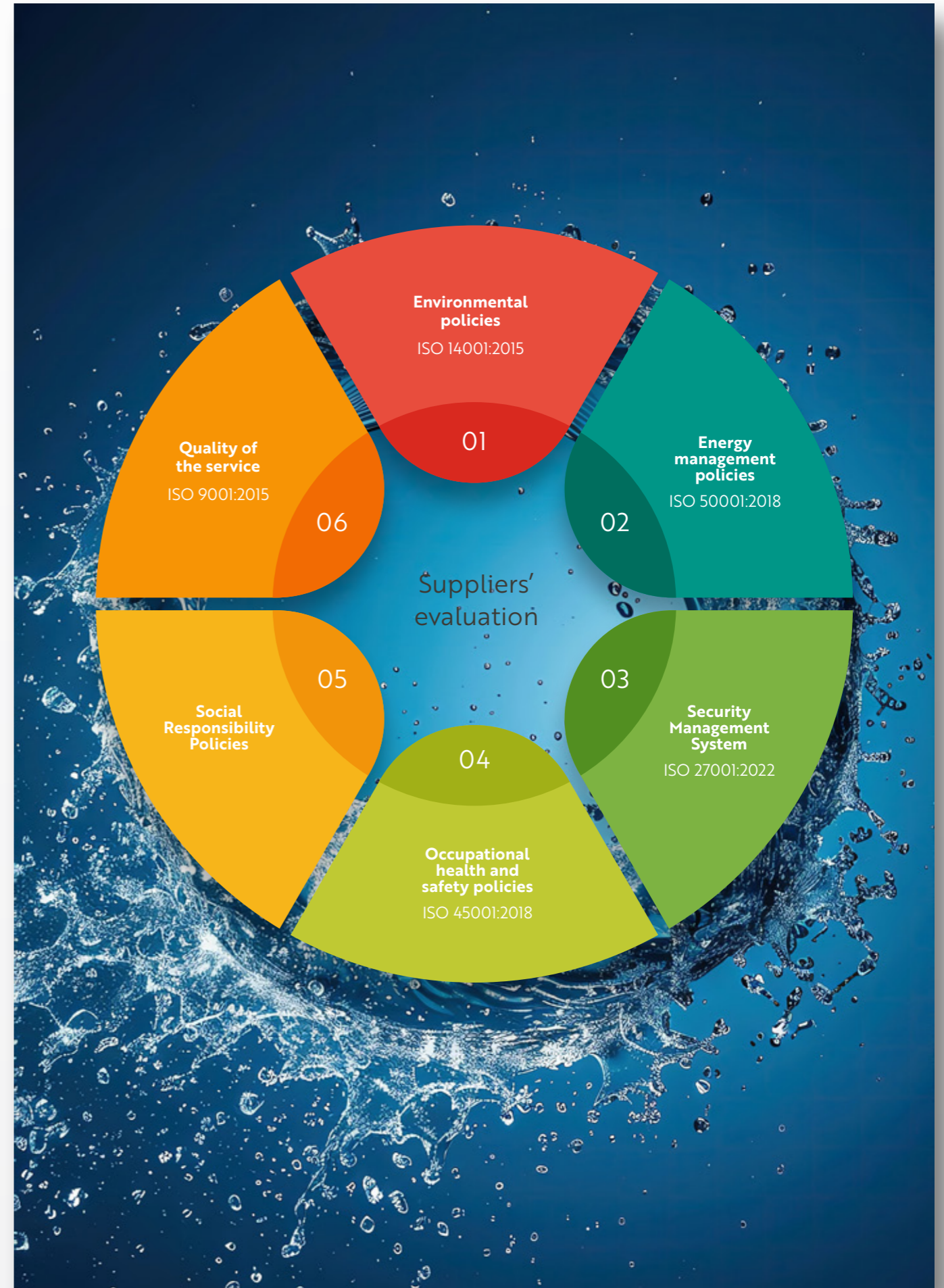
- ✓ **Environmental Standards:**  
Verifying compliance with established environmental standards and policies.

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- ✓ **Hazardous Materials Regulations:**  
Ensuring adherence to regulations governing the handling and disposal of hazardous materials.

---

- ✓ **Ethical Labor Practices:**  
Confirming a commitment to ethical labour practices and fair treatment of workers.



In 2023, we proceeded with 395 evaluations (20 more than in 2022) and evaluated 53 suppliers, reflecting our ongoing commitment to enhancing transparency within our supply chain. The total number of orders placed was 7,582, with forwarding cost amounting to \$1,019,082. Asia accounted for the largest proportion of these orders at 48%, while Europe accounted for 21%. Additionally, by choosing to deliver spare parts by sea rather than by air, we reduced our carbon emissions by 130,925 kg of CO<sub>2</sub>, signifying our commitment to sustainable practices.

**395**  
Supplier's evaluations  
performed in 2023

**7,582**  
Total Purchase Orders  
within 2023

**\$1,019,082**  
Total Forwarding  
Cost  
within 2023

**130,925 kg**  
CO<sub>2</sub> savings by delivering spare parts  
via sea instead of air  
in 2023

**Total purchase orders per region**

REGION	2022	2023
Asia	3,113	3,617
Europe	2,410	1,587
America	1,896	1,966
Africa	304	395
Oceania	6	17

**Supply chain management**

KPI	2022	2023
CO <sub>2</sub> saved by delivering spare parts & equipment via sea instead of air	283,902 kg	130,925 kg
Total forwarding cost	\$ 1,051,394	\$1,019,082
Forwarding consolidation ratio	6.17 orders per region	6.53 orders per region

We aim to strengthen communities and local economies in the areas where we operate. By promoting local economic growth through our procurement practices, we strive to create shared value and improve socioeconomic situations. In 2023, our main areas of activity were the United States, the Amsterdam-Rotterdam-Antwerp area in Europe, Singapore, Fujairah, Greece (for our LNG Carriers), Korea, Panama, Portugal and Gibraltar/Algeciras. The expenses in these locations accounted for 72% of the total procurement budget.



## Respect of Human Rights

At Latsco, the commitment to upholding and advocating for human rights is at the heart of our values and principles.

Many aspects of our business affect human rights, including employee working conditions, health and safety, ship recycling, the use of digital data and technology, and the business practices of our suppliers. We are committed to preventing all forms of discrimination throughout our organization and ensuring that human rights are respected throughout our value chain.

We conduct our business in accordance with the principles of the United Nations Global Compact and do not tolerate forced or compulsory labor, including child labor, or any other form of modern slavery. At Latsco, we are dedicated to creating a working environment and implementing business practices that uphold the rights of our employees and promote workplace safety, equality, and inclusion. Our zero-tolerance policy on human rights abuses reinforces this commitment. We also recognize our responsibility to proactively identify, address and mitigate any potential negative human rights impacts of our operations. To support this, we have established a comprehensive framework designed to ensure the dignity and respect of all individuals in our policies, procedures, and interactions with stakeholders.

**Our commitment to fair labor practices and collective bargaining empowers our employees and fosters an environment based on respect, collaboration, and social justice.**

0

**Human rights violations**

in 2023

100%

**Of our employees covered by collective bargaining agreements**

in 2023

0

**Incidents of child, forced or compulsory labor**

in 2023



# 5 Social Responsibility & Accountability

We are proud of our role in the community and actively participate in local community development.

At Latsco, we foster a strong sense of community and through active involvement we strive to improve social welfare through initiatives such as community contributions, grants, and sponsorships, as well as participating in volunteer activities and building meaningful partnerships with various organizations, associations, and universities. Our social responsibility is twofold: we focus on giving back to the communities in which we operate, and we aim to support young people in the shipping industry.

## Giving Back to the Community

Our commitment to collective well-being is reflected in our diverse corporate initiatives and partnerships with various organizations and associations. Our goal is to make meaningful contributions to society by supporting organizations and initiatives that align with our values and priorities.

### Philanthropic Activities



We continuously promote social responsibility through regular financial contributions to various non-profit, social welfare organizations, philanthropic foundations, and NGOs, including the **John S. Latsis Public Benefit Foundation**, the **Neraida Floating Museum** and the Greek Shipowners' Social Welfare Company **"SYN-ENOSIS"**.



Our support for **"ELEPAP"** is multi-faceted, ranging from sponsoring children's treatment and basic necessities through company and employee donations, to providing gifts for children receiving educational and therapeutic interventions at ELEPAP's center. We also participated in the 40th Authentic Marathon of Athens as proud members of ELEPAP's "Cool Runners".



In collaboration with the **International Propeller Club**, Port of Piraeus, and as part of the International Coastal Clean-up coordinated by HELMEPA - Hellenic Marine Environment Protection Association, we participated in the cleaning of Glystra Beach in Lagonisi in 2023. Together with family and friends, we gathered on the beach to support this important initiative, in line with our commitment to environmental sustainability. This event not only strengthened our team bond, but also reinforced our corporate responsibility to promote a cleaner and healthier environment.



We are Gold Sponsors of **"The Boardroom"**, a newly established initiative dedicated to empowering women to achieve their professional aspirations. With a mission to cultivate a robust pipeline of qualified female leaders, Boardroom aims to bridge the gender gap in corporate boardrooms by fostering an international community of women executives. We also encourage our female colleagues to participate in Boardroom's activities and meetings.





We support "Axion Hellas" in its mission to provide support to society, and especially vulnerable groups living in remote and inaccessible areas of the Greek islands and the mainland. Axion Hellas provides valuable medical services, as well as organises cultural and educational events aimed at entertaining, educating and informing the fellow residents of the remote Greek regions. Through their initiatives, we are able to extend our reach even further.



We support the work of "Symplefsi", a non-profit organization that aims to support and improve the living conditions of the inhabitants of Greece's remote islands. On a purely voluntary basis, it organizes initiatives to provide free medical examinations and infrastructure projects in local communities. It also organizes cultural activities and improves the educational facilities of local communities.



We support the work of "Save a Greek Stray", a non-profit organization that aims to protect animals and educate children to appreciate and respect animals. We contribute to a number of ways, including donations, participation in events and raising awareness of the work of the organization, its programs and the operation of its shelter.



We support the efforts of "Hara", a Greek non-profit organization that accommodates people with special needs such as autism, cerebral palsy, Down's syndrome and mental retardation, as well as those with an IQ of 30 or less. Hara provides year-round care in a clean and safe environment by an experienced and dedicated team of medical, nursing and support staff.



Every year, we contribute to the work of "Pediatric Trauma Care (Pedtrauma)". Pedtrauma is a non-profit, non-governmental organization whose sole purpose is to raise awareness of childhood accidents in Greece, to reduce the number and severity of accidents and to improve post-accident care. We sponsor Pedtrauma to equip hospitals with the necessary equipment and to fund seminars aimed at training staff on how to help injured children as quickly and effectively as possible.



In an effort to promote the development of sports and youth talent, we began sponsoring the "Zaon Basketball Team" and the "Foivos Volleyball Team". The financial support helps the teams to cover essential costs and enhances their overall performance and visibility.



## Supporting Thessaly's Flood Recovery

In 2023, Latsco made a significant donation to support the victims of the Thessaly floods in Central Greece and to address the consequences of this social, economic, environmental, and public health disaster, through an initiative coordinated by SYN-ENOSIS.



We encourage our employees to participate in blood donation, a vital aspect for public healthcare. We organize blood donations at our premises twice per year in collaboration with the Athens General Hospital "Laiko", where the company keeps a blood bank.



## Community Contribution Leader Award

We are honored to have received the **Gold Community Contribution Leader Award** at the 2024 ESG Shipping Awards International, which recognizes our corporate responsibility actions and ongoing support for **local communities** and the **new generation in the shipping industry**. This award underlines our collective efforts to foster a strong sense of community involvement and actively engage in corporate and volunteering initiatives, community contributions and sponsorships, while supporting and raising awareness on the impactful work of various important organizations.

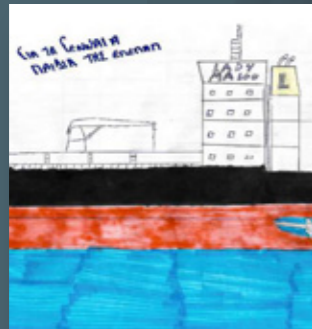
## Supporting Youth in Shipping

We firmly believe that educating and supporting the new generation is crucial for creating a sustainable future for the maritime industry and society as a whole. To this end, we have developed specific initiatives to support Greek youth in the maritime sector, with the genuine aim of inspiring them by showcasing Greece's esteemed maritime heritage. Our efforts are centered on three key pillars:

### 1. Initiatives to engage students with the maritime world

We create programs that introduce students to the vibrant field of the shipping at an early age, with the aim of attracting talent and fostering enthusiasm for maritime careers. Specifically:

- For the past few years, we have been participating in the innovative **"Adopt A Ship"** program, which aims to connect schoolchildren with seafarers and educate them about the shipping industry. During 2023, five of our vessels were "adopted" by primary and secondary schools in Greece. Throughout this period, students communicated with the vessels' Masters, gaining insights into the daily duties and activities and life onboard. In return, the students shared moments from their everyday school life. Furthermore, in 2023, we established another meaningful partnership with ELEPAP to extend this initiative to the brave 5-year-old children under their care.



- We actively endorse the initiatives of the **"Yes Forum,"** a platform that facilitates dialogue in the Greek shipping industry between companies, university students, graduates, and young executives. By funding their programs and participating in career events and open days, we aim to contribute to their mission of passing on knowledge, experience, and the rich history of shipping to the next generation.
- We actively participate in reputable panels such as those of **Safety4Sea, Green4SEA, Greener Shipping Summit** and **Naftika Chronika**, which underline our commitment to the human element. By actively taking part in these panels, we make a meaningful contribution to the sharing of knowledge and to important discussions and developments within the maritime sector.
- We support the efforts of the **Panorama of Entrepreneurship & Career Development**, an initiative aimed at educating and informing young people about current trends and career opportunities; this year we participated in the 13th Panorama of Entrepreneurship & Career Development.
- In 2023, we sponsored the inaugural **"Blue Horizons – Next generation Shipping"** initiative. This three-day workshop gave participants aged between 15 and 25 the opportunity to interact directly with industry professionals and explore career paths in the shipping industry.

### 2. Educational and training opportunities for youth in shipping

We provide educational and training opportunities to young individuals interested in the shipping industry. This includes awarding scholarships, providing training programs to Merchant Academies, donating digital learning tools, and offering financial support to students participating in international competitions.



- Scholarships:** Our commitment to academic excellence is demonstrated through the provision of two scholarships at the University of Aegean. These scholarships include financial support for outstanding students and a six-month fully paid job placement for top graduates. Additionally, in collaboration with the International Propeller Club, Port of Piraeus, we awarded one full scholarship to cover the tuition fees for the full-time program "MSc in International Shipping, Finance, and Management" of the Athens University of Economics and Business. This initiative aims to support youth in advancing their academic knowledge and skills, addressing both academic merit and socioeconomic barriers to postgraduate education.



- Training sessions:** Throughout 2023, our colleagues conducted tailor made training sessions at Merchant Marine Academies in Hydra, Chios, Oinousses, and Syros. These sessions focused on imparting valuable insights into sea conditions, the role of Safety Officers onboard, and the commitment required from future officers to establish a robust safety culture.

- Donations to academic institutions:** In 2023, our company made a significant contribution to AEN Oinousson by donating computer hardware equipment. This donation was warmly received by the Academy and the Ministry of Maritime Affairs and Insular Policy, who recognized its positive impact on both students and teachers.

- Sponsorships:** We proudly sponsored and supported the participation of the **Oceanos team** of the School of Naval Architecture and Marine Engineering of the National Technical University of Athens (NTUA) in the international competition "Monaco Energy Boat Challenge (MEBC 2023)". The team excelled, winning 2nd place overall and 1st place in the Slalom and Championship events. Their project focused on constructing an electric single-seater boat, demonstrating in-depth research into energy storage systems, power transmission, and propulsion.



### 3. Events and opportunities to enhance employability of youth in shipping

We actively participate in various career events and host business days at our premises in and offer internship programs within our company. Our aim is to bridge the gap between education and the job market, provide access to potential job openings, introduce young people to different career paths and offer networking opportunities.

- ✓ **Internship program:** Our internship program offers hands-on experience and exposure to the shipping industry, providing valuable insights into our company's operations, values, and team dynamics. Interns actively contribute to project work, gain practical skills, and interact with professionals from different departments. To enrich their experience, we organize a comprehensive two-day induction session where interns learn about departmental collaboration and ask questions.



- ✓ **Business days and networking events:** In 2023, we hosted two business days in collaboration with the MSc in Shipping Management program at the University of Piraeus and the Panorama of Entrepreneurship & Career Development. More than 70 students and recent graduates from variety of academic backgrounds experienced our office environment, how shipping departments work, and attended networking sessions where our colleagues from different departments shared insights into their career paths and responsibilities.

- ✓ **Participation in career events:** Throughout 2023, we engaged in events such as the Reverse Open Day organized by the Yes Forum and a two-day online career event hosted by the University of West Attica. We also welcomed MBA students from the University of Louisville to our premises, giving them the opportunity to interact with our team members from different departments.

- ✓ **Isalos.net events:** For several years, we have participated in the "I choose shipping" events organized by Isalos.net. These educational events bring together students from Merchant Marine Academies across the country, providing them with valuable insights into career opportunities at Latsco and fostering discussions on the future of the shipping industry.

During the year, we also conducted in-depth interviews with the cadets, through Isalos events and ensured their smooth integration into our company. More than 40 cadets were selected after further interviews / criteria and completed their first voyage onboard fleet vessels. In addition, a Cadets' Day was organized on our premises where the best performers from previous years were awarded by the Top Management.



# 6 Governance & Ethics

We are dedicated to achieving our long-term goals by maintaining the highest standards of integrity, compliance, and fairness. Our focus is to embed sustainable practices in all our operations and business processes.



## Corporate Governance

Our commitment to effective corporate governance forms the bedrock of our organization, nurturing a culture rooted in equity, integrity, teamwork, transparency, and trust. By upholding these principles, we strive to achieve long-term sustainability and value creation in an increasingly complex and competitive business landscape. The initiation of corporate governance takes place at the highest level, with the Board leading its implementation, while the CEO sets the daily responsibility for its performance. Our robust governance framework establishes an environment which aims to operational excellence and continuous improvement, ensuring that our strategic goals align with both present and future opportunities, challenges, and risks.

## Board of Directors

Our Board of Directors is responsible for directing our company's sustainability and growth strategy, as well as reviewing the formulation of policies. The Board, which includes distinguished professionals with vast shipping experience and knowledge, brings important insights and diverse perspectives to our decision-making processes. This collective knowledge of maritime operations, commercial and financial strategy, ESG practices and technological advances guide the strategic direction of our company and ensure its adaptability and responsiveness in an ever-changing business environment. By providing guidance and leadership on impact management, the Board ensures that our commitment to responsible and sustainable business practices benefits both our stakeholders and the community.

## Board Composition

BOARD MEMBERS	ROLE
Demetrius Dragazis	Director / Chairman
Christian Paris Kassidokostas	Director / Deputy Chairman
George Margaronis	Director
Christos Triantafillidis	Director
Nikoletta Fouska	Director
Apostolos Tamvakakis	Director

The shareholders are responsible for nominating and selecting the highest governing body, which should reflect their interests and uphold the company's principles. Our selection framework is thorough and fair. In addition, the Board is evaluated on a regular basis, focusing on its effectiveness, leadership, and decision-making ability in managing the direction and policies of our company. Besides improving accountability and transparency and ensuring sound corporate governance, the evaluation also serves as a key tool to enhance the effectiveness of the Board, leading to the long-term success and sustainability of Latsco.



## Risk Management

The shipping industry is exposed to many threats, from safety and environmental concerns to regulatory compliance and data protection issues due to the operation in a global and dynamic environment. To ensure proactive and effective risk management, we have implemented a strong risk management system and internal control frameworks. All risks are systematically identified, assessed, managed, and monitored in order to develop and implement appropriate risk responses to mitigate them. By continually monitoring and adapting to changing market conditions, regulatory changes, and other potential risk factors, we safeguard our business and protect the interests of our stakeholders.

Our top risks include:

- |  |   |
|--|---|
| <p><b>1</b> Stricter regulation relevant to GHG emissions may have a negative impact on the demand for crude oil and products.</p>   | <p><b>5</b> Interest rate and foreign exchange risk could result in significant costs.</p>  |
| <p><b>2</b> Disruption in global financial and commodity markets along with economic conditions, may influence our outcomes.</p>   | <p><b>6</b> Operational risks may result in unexpected dry-docking costs, delays, affect earnings and cash flow.</p>  |
| <p><b>3</b> Prolonged disruption in the global supply chains may adversely affect our performance.</p>   | <p><b>7</b> Failure to protect the information systems against security breaches and exposure to cyber-security risks could adversely affect our operations.</p>      |
| <p><b>4</b> Delay in the evolution of fuel and vessel technology. We are closely monitoring the development of new technologies for the maritime industry and our shipping portfolio specifically.</p> | <p><b>8</b> Additional costs or risks due to increased scrutiny and changing expectations from lenders and other market participants with regard to ESG policies.</p> |

Disruptions to global financial markets and economic conditions due to geopolitical factors such as the war in Ukraine, the Gaza conflict, and Houthi attacks on vessels in the Red Sea and Gulf of Aden, as well as protectionist trade policies and other government actions, could have a material adverse effect on our operating results and cash flows. We closely monitor such geopolitical tensions and regulatory changes and proceed to appropriate adjustments when necessary to ensure minimal disruption to operations and commercial commitments.

### Sanctions

We remain steadfast in our commitment to identify and mitigate potential sanctions risks, including using a number of different sanctions software programs and the use of external professionals like law firms. In 2023, we performed 197 sanction checks using the internet portal "Sanction Search". No trade or potential client was discovered or became sanctioned prior to the conclusion of the trade.

## Ethics Policy & Practices

At Latsco, we are deeply committed to honoring the vision of our founder, John S. Latsis, by maintaining his unique ethos and passion in all our endeavors. Our success is built on doing the right thing, which goes far beyond mere compliance. We believe in fostering an environment where integrity and adherence to our values and ethical principles are essential. By establishing shared values, we create a workplace that recognizes and rewards positive behavior and is based on shared trust, respect, and team spirit. In this context, we prioritize open communication and empower our employees to report any misconduct or violations they observe. By placing ethical behavior at the forefront, we aim to build strong relationships with our stakeholders and mitigate potential legal and operational risks.

We live by our value "One Team," communicating openly and professionally, and supporting each other in our daily activities. We have adopted an open-door policy to create an environment of listening and questioning, where everyone can give and receive constructive feedback and is encouraged to take initiative and raise any workplace issues or concerns.

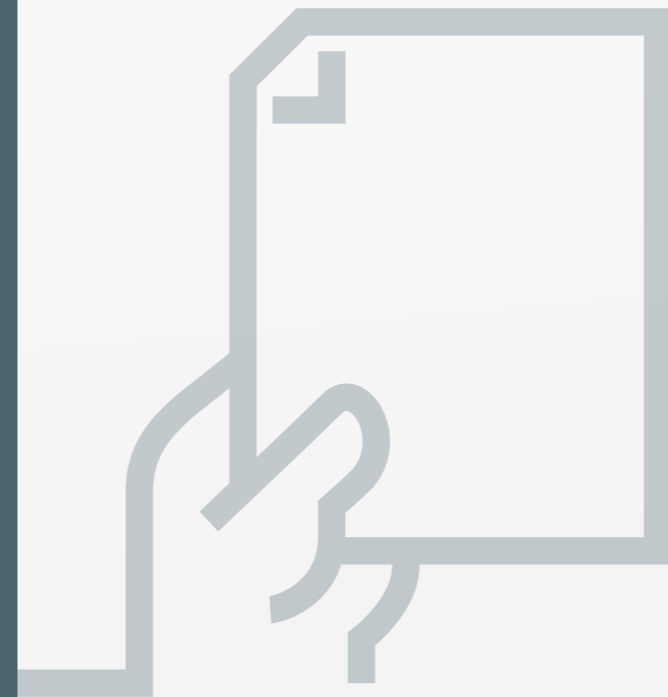
All complaints and reports, whether received through internal or external channels, are treated with the utmost seriousness and confidentiality. Such reports prompt appropriate actions in accordance with our Code of Conduct and Ethics, as well as applicable laws and regulations. This enables us to prevent, detect and correct behavior that may violate our ethical standards.

In 2023, we recorded no incidents of bribery or fraud, demonstrating our commitment to conducting business fairly, honestly, and transparently. In addition, there were no reported violations of our Code of Ethics and Anti-Corruption Policy.

### Whistleblowing Policy

Latsco has adopted the Whistleblowing Policy, through which, procedures are established for the submission of confidential reports or comments by any party, anonymously or not, which might indicate the existence of misconduct, serious irregularity or violation of the applicable law, as well as the internal policies and procedures. Latsco has appropriate whistleblowing channels that ensure the confidentiality and privacy of these reports, as well as the protection of anyone who in good faith voices concerns for breaches of conduct, illegal behavior, discrimination, or other misconducts/serious irregularities from any acts of retaliation. In 2023, the Whistleblowing Policy was revised with a view to further strengthen the existing procedures for the submission of whistleblowing reports and the protection of whistleblowers.

During 2023, in total one (1) substantial report of potential misconduct, breach or serious irregularity was received through the available whistleblowing channels of Latsco and further investigated. However, no evidence was identified to verify the existence of any irregularity, misconduct, and/or breach of any nature, yet in other cases improvement/corrective actions were taken by Latsco.



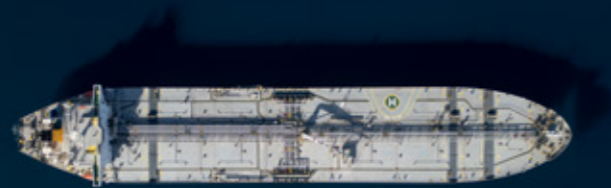
## Code of Conduct and Ethics

Our Code of Conduct and Ethics serves as a guiding framework, promoting a value-driven employee culture and supporting our unwavering commitment to managing our business with the utmost integrity. It defines our expectations for all employees, full-time, part-time and interns as well as officers, directors and third parties relating to:

- ✓ Compliance with applicable laws, rules and regulations
- ✓ Avoidance of conflicts of Interest
- ✓ Gift Policy and Anti-Bribery
- ✓ Protection and Proper Use of Company Resources and Assets
- ✓ Protection of Confidentiality and Privacy

We hold a zero-tolerance policy when it comes to any form of discrimination, harassment, or inappropriate behavior that may compromise the well-being of our employees. Anchored in our values and ethical principles, we have established the following policies to ensure a respectful and equitable workplace:

- ✓ Diversity and inclusion
- ✓ Open Communication and Sharing of Information
- ✓ Equal Opportunity and Impartiality (e.g., fair pay and treatment across job roles)
- ✓ Respecting & Working with our stakeholders
- ✓ Safe & Healthy Working Environment.

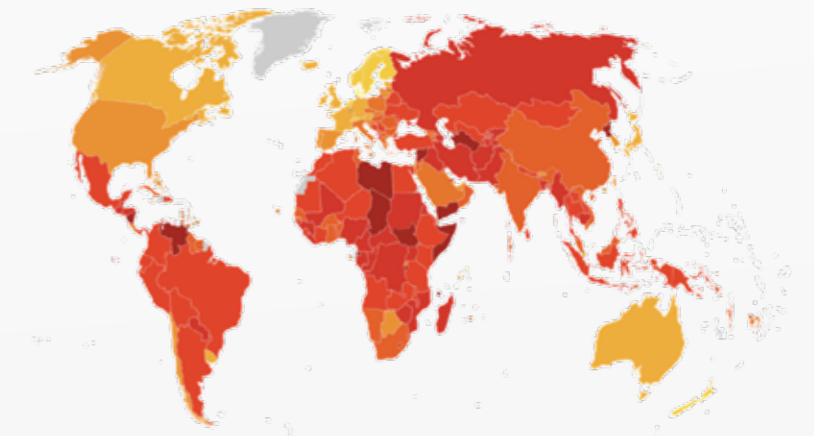


0 Violations of our Ethical Code & Anti-Corruption policy

0 Bribery and Fraud incidents

## Corruption Perception Index

Geographical location is an important determinant of our exposure to corruption risk as our fleet operates all over the world. The Corruption Perceptions Index (CPI) assesses and ranks 180 countries around the world according to their perceived levels of public sector corruption. In 2023, 11.9% of our vessel's port calls were in areas that are listed in the 20 lowest rankings of the Transparency International's Corruption Perceptions Index, while in 2022, the respective percentage was 13.7%.



11.9%

of port calls  
in countries with the  
**20 LOWEST RANKINGS**  
in CPI





## Cybersecurity and Data Privacy

Protecting personal information, our networks and technology infrastructure from cyber threats or attacks is a top priority. Beyond being a legal requirement, it is an integral part of our corporate governance and responsibility to foster trusted relationships with our employees and business partners. We are dedicated to adhering to relevant regulations, such as Regulation (EU) 2016/679, the UK Data Protection Act 2018, Law 4624/2019, and other applicable laws in Greece, the UK, and the EU. In addition, we continue to improve our cybersecurity measures by ensuring business continuity through risk control processes and contingency plans and keeping up to date with all upcoming legislation and developments regarding cybersecurity.

Latsco has established an Information Security Management System (ISMS) to manage and monitor our cybersecurity practices. This system aligns with our business processes, strategic goals, and industry standards. The ISMS includes a comprehensive cybersecurity policy supported by numerous standards and procedures, which are reviewed annually to keep pace with evolving threats and best practices.

### Robust Cybersecurity Framework for Maritime Safety

In the face of increasingly sophisticated cyber threats, investing in robust cybersecurity is critical for our long-term success and resilience. Acknowledging the cyber risks in maritime operations, we strive to protect our people, customers, ships, cargo, environment, and operational continuity. Our cybersecurity framework adheres to international standards such as the NIST Cyber Security Framework and ISO 27001:2022, ensuring superior protection. Our initiatives include:

- Allocating adequate resources and establishing procedures to mitigate risks in our operations, both onboard and onshore.
- Conducting Cyber Risk Assessments to address safety and security and implementing appropriate technical and procedural measures.
- Regularly assessing our Operational Technology (OT) and Information Technology (IT) systems for potential threats and implementing mitigation measures.
- Promoting a culture of cybersecurity awareness and enhancing skills among our employees.
- Developing contingency plans for effective response to cybersecurity incidents.

In 2023, we recorded zero cybersecurity incidents and zero complaints regarding customer privacy breaches and data loss. Four distinct cybersecurity systems are in place, including the Endpoint Detection Response solution. Moreover, annual penetration tests are performed on both our offices and vessels, by an external team helping us to identify potential vulnerabilities, gaps and areas for improvement, and to take appropriate action to mitigate them. We expect our employees, third parties and contractors to strictly adhere to our cyber security policies and procedures, and they are required to report any phishing emails, incidents or concerns that may threaten our cyber security or information assets, so that we can prevent malicious attacks.

## Cyber Security Training

All new employees ashore and onshore receive Cyber Security Awareness training. This training aims to familiarize seafarers with our cyber security policies and procedures and includes briefing and debriefing sessions for all Masters joining or leaving our vessels. In 2023, members of our Cyber Security department were certified as ISO 27001:2022 Lead Auditors.

OBJECTIVES	KEY RESULTS
Mitigate Critical Cybersecurity Incidents Affecting Key Operational Activities	Advanced solutions that detect threats in real-time and automate incident response.
Maintain Excellent Cybersecurity Performance for Key Company Operations	Strengthened vulnerability management process to reduce the time required to identify and address critical vulnerabilities in corporate systems.
Continually Improve the Suitability, Adequacy, and Effectiveness of the Cybersecurity Framework	Compliance with industry standards.
Enhance Security and Ensure Unified Cybersecurity Standards Across All Offices	Decrease in number of non-conformities and observations during external onboard audits.
	Regular assessments of the cybersecurity framework to identify strengths and weaknesses.
	Physical audits onboard three vessels and at the Athens offices in 2023.
	New cybersecurity policies and security baselines to ensure secure migration to M365 for all offices.
	Cyber security services for the group's offices centralised and placed under the administration of the Cyber Security department.

**0**  
Substantiated complaints

concerning breaches of customer privacy and losses of customer data

**\$65,000**  
Amount spent in cyber security

**0**  
Cyber Security Incidents

# Appendices

## GRI Contents Index

Statement of use	Latsco has reported with reference to the GRI Standards from 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI STANDARD	DISCLOSURE TOPIC	SECTION	PAGE
<b>GRI 2: General Disclosures 2021</b>	<b>2-1</b> Organizational details	About Latsco Shipping Limited	6, 11-12
	<b>2-2</b> Entities included in the organization's sustainability reporting	About Latsco Shipping Limited	
	<b>2-3</b> Reporting period, frequency and contact point	About this report / Contact Information	6
	<b>2-4</b> Restatements of information	Latsco has not made any restatement in the reporting period	
	<b>2-6</b> Activities, value chain and other business relationships	About Latsco Shipping Limited	26
	<b>2-7</b> Employees	Our People	71-74, 80-84
	<b>2-9</b> Governance structure and composition	Governance & Ethics	115
	<b>2-10</b> Nomination and selection of the highest governance body	Governance & Ethics	
	<b>2-11</b> Chair of the highest governance body	Governance & Ethics	
	<b>2-12</b> Role of the highest governance body in overseeing the management of impacts	Governance & Ethics	
	<b>2-13</b> Delegation of responsibility for managing impacts	Governance & Ethics	
	<b>2-14</b> Role of the highest governance body in sustainability reporting	Governance & Ethics	
	<b>2-15</b> Conflicts of interest	Governance & Ethics	

GRI STANDARD	DISCLOSURE TOPIC	SECTION	PAGE
<b>GRI 2: General Disclosures 2021</b>	<b>2-16</b> Communication of critical concerns	Governance & Ethics	117
	<b>2-17</b> Collective knowledge of the highest governance body	Governance & Ethics	115
	<b>2-18</b> Evaluation of the performance of the highest governance body	Governance & Ethics	90
	<b>2-19</b> Remuneration policies	Our People	
	<b>2-20</b> Process to determine remuneration	Our People	
	<b>2-22</b> Statement on sustainable development strategy	Message from our CEO	5
	<b>2-23</b> Policy commitments	Environmental Stewardship/ Our people/ Governance & Ethics	47, 66-68, 94, 104, 117-118, 120
	<b>2-24</b> Embedding policy commitments	Environmental Stewardship/ Our people/ Governance & Ethics	
	<b>2-25</b> Processes to remediate negative impacts	Governance & Ethics	116-117
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## Sustainable Development Goals Table (17 SDGs)

The 17 United Nations Sustainable Development Goals (UN SDGs) are the blueprint to achieve a better and more sustainable future for all. Latsco supports all the 17 UN SDGs. Our business activities and operations are most aligned with the UN SDGs listed below.

SUSTAINABLE DEVELOPMENT GOALS (SDGS) RELATED WITH OUR OPERATIONS		SECTION	PAGE REFERENCE
	<b>Goal 3:</b> Ensure healthy lives and promote wellbeing for all at all ages	Our People / Social Responsibility & Accountability	75, 87-88, 94-96, 98, 107-109
	<b>Goal 4:</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Our People / Social Responsibility & Accountability	76-79, 85-86, 110-112
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	<b>Goal 7:</b> Ensure access to affordable, reliable, sustainable and modern energy for all	ESG at Latsco Shipping Limited / Environmental Stewardship	37, 54-57
	<b>Goal 8:</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Our People / Social Responsibility & Accountability / Governance & Ethics	71-75, 80-84, 87-92, 112, 117-118
	<b>Goal 9:</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	ESG at Latsco Shipping Limited / Governance & Ethics	16-21, 27, 34-38, 120-121
	<b>Goal 10:</b> Reduce inequalities within and among countries	Our People / Social Responsibility & Accountability	71, 104, 107-112
	<b>Goal 12:</b> Ensure sustainable consumption and production patterns	Our People	100-103
	<b>Goal 13:</b> Take urgent action to combat climate change and its impacts	ESG at Latsco Shipping Limited / Environmental Stewardship	29-38, 47, 58-59
	<b>Goal 14:</b> Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Environmental Stewardship / Social Responsibility & Accountability	66, 107
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# ESG Report 2023

ENVIRONMENTAL, SOCIAL & CORPORATE GOVERNANCE



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