

# ENVIRONMENTAL SOCIAL AND GOVERNANCE (ESG) REPORT

# 2021



**IN THE NAME OF ALLAH  
THE MERCIFUL AND THE GRACIOUS**



**His Highness  
Sheikh Tamim Bin Hamad Al Thani**  
Amir of the State of Qatar



**His Highness  
Sheikh Hamad Bin Khalifa Al Thani**  
Father Amir

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# 1. INTRODUCTION

## 1.1 About this ESG Report

Nakilat (Qatar Gas Transport Company, Symbol: QGTS) is pleased to launch this annual ESG Report 2021 to inform our internal and external stakeholders about Nakilat’s management approach, strategy, and performance for key environmental, social and governance (ESG) risks and opportunities, and the progress made during the year 2021. This report complements Nakilat’s 2021 Annual Report and 2021 Corporate Governance Report, which integrate ESG information. Nakilat is committed to the public disclosure of transparent, accurate, and reliable non-financial performance data.



### Reporting Period

This 2021 annual ESG Report covers Nakilat’s performance in the context of its most relevant Environmental, Social and Governance (‘ESG’) topics for the financial year January 1<sup>st</sup>, to December 31<sup>st</sup>, 2021. The data published in this report, is intended to inform Nakilat’s stakeholders and the public of the implemented management approach for its key corporate ESG elements, and the progress made throughout the year of 2021, including strategies, progress against our ESG goals, and key challenges and trends. Our previous 2020 ESG Report was published in December 2021.

### Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards: core option, which is indexed on page 109. Additionally, our efforts contribute and align with other international recognized external frameworks and standards, including Sustainability Accounting Standards Board (SASB), UN Global Compact (UNGC), Sustainable Development Goals (SDGs), and the Poseidon Principles. Furthermore, the company has reported Greenhouse Gas (GHG)

emissions data based on the GHG Protocol Corporate Accounting and Reporting Standard; the European Union (EU) Monitoring, Reporting and Verification (MRV) of CO<sub>2</sub> emissions; and the International Maritime Organization’s (IMO) Data Collection System (DCS) on fuel consumption. This year’s report does not reflect any significant changes in reporting scope (the list of material topics and topic boundaries) compared to our previous ESG Report 2020.

### Scope and Boundaries

Our reporting principles are based on those set out in the GRI Standards and the report boundaries apply to all Nakilat Group entities, unless stated otherwise. In 2021, Nakilat’s shipping segment represented more than 90% of Nakilat’s revenues. In addition, Nakilat’s fleet internationally operates (load and discharge) at many different countries’ terminals, in Europe, Asia, and North America, among others. For more information regarding how the materiality principle was applied, kindly refer to the materiality assessment section within this report.

### Currency

All financial data, within this ESG Report, is shown in Qatari Riyal (QAR) unless stated otherwise.

### External Assurance

Our external auditor EY provided an independent limited assurance under ISAE 3000 (Revised) on the preparation of this ESG Report in accordance with the GRI standards. Furthermore, EY provided independent third-party assurance on Financial Statements and Corporate Governance Report for the year 2021.

Nakilat ESG Committee, composed of Nakilat executives, endorsed Nakilat’s ESG Report to receive external assurance.

### Feedback

We welcome feedback on this report and any aspect of our ESG performance.

#### Mr. Fotios Zeritis

Head of Investor Relations & ESG Reporting  
fzeritis@nakilat.com

#### Mr. Rabie Baijou

ESG & Investor Relations Senior Officer  
rbaijou@nakilat.com

### Qatar Gas Transport Company Ltd. (Nakilat)

Nakilat Headquarters  
Shoumoukh Towers B, C Ring Road  
PO Box 2227, Doha, State of Qatar  
Tel: +974 4496 8811, Fax: +974 4448 3111

## 1.2 MESSAGE FROM THE CEO

### 'JOURNEY INTO A BETTER SUSTAINABLE WORLD'



Eng. Abdullah Al-Sulaiti  
Chief Executive Officer

On behalf of Nakilat, I am pleased to introduce Nakilat's 2021 Environment, Social and Governance (ESG) Report to promote and strengthen key initiatives for sustainable operations, including climate change, social responsibility, supply chain management, cybersecurity, as well as good governance, for the purpose of contributing to a more inclusive and sustainable future for those we serve, the economies that rely on us and the communities in which we live and operate.

Despite the elevated inflation, tightening monetary policy, and geopolitical uncertainty which have recently rattled global markets, the focus on ESG issues

has become more important than ever. With ever-increasing attention on big challenges facing society, such as climate change, health and safety, and gender equality, Nakilat recognizes the increasing demand from our stakeholders for greater transparency and public disclosure on our impacts to the environment and society. This recognition comes as part of Nakilat's drive to become a global maritime sustainability leader.

As decarbonization and carbon neutrality have become urgent international agenda items, Nakilat is not only continuously supporting and committing to the International Maritime Organization's

(IMO) ambitions and targets to reduce carbon emissions across the industry, but also applies industry best practices and supports different initiatives to address climate-related risks and opportunities. Climate change is a critical environmental and business challenge and Nakilat has reported the carbon emission intensity of its fleet, encompassing both wholly-owned and joint venture operated vessels in our ESG Report.

Social integrity, inclusion, health, safety, and wellbeing are amongst the founding pillars of Nakilat and we consider employees as our most valuable asset. Nakilat supports and promotes healthy, balanced life and

an injury free atmosphere by providing the adequate tools and measures to its employees, crew, and subcontractors to prevent physical or mental related illness and ensures a healthy and safe workplace environment. Nakilat regularly assesses and implements required protocols to provide a safe work environment. I am proud to announce that Nakilat was awarded the 'Sword of Honour' by the British Safety Council (BSC) for the fourth consecutive year in 2021, demonstrating excellence in the management of occupational health and safety management systems at work.

In response to these increasing stakeholder demands and to enhance our resilience, we have not only revamped our ESG strategy in accordance with international standards and industry best practices, but anchored ESG criteria in our corporate strategy. This ensures that we continue to meet the growing expectations to strengthen our ESG governance structure, actively mitigate climate-related risks and explore new opportunities, while embodying Nakilat's vision to deliver clean, reliable, and sustainable energy to enhance the quality of life for everyone around the world.



## 2. BUSINESS OVERVIEW

### ONE OF THE WORLD'S LARGEST GAS FLEET

- Technologically Advanced
- Environmentally Sound
- Cost Efficient
- Majority on Long-Term Charter Agreements



**74** vessels

**69\*** LNG carriers

**4** LPG carriers

**1** FSRU

**NSQL** operated vessels

**24** LNG carriers

**4** LPG carriers

**1** FSRU

\*includes 1 newbuild

### 2.1 About Nakilat

Established in 2004, Nakilat is a shipping and maritime company based in the State of Qatar. A global leader in energy transportation, Nakilat owns one of the world's largest Liquefied Natural Gas (LNG) shipping fleet, consisting of 69 LNG carriers, 4 LPG carriers and one FSRU, providing the essential transportation link in Qatar's LNG supply chain. Through its wholly owned subsidiary, Nakilat Shipping Qatar Limited (NSQL), the company manages 24 LNG carriers, as well as it owns, manages and operates one floating storage regasification unit (FSRU) and four very large LPG carriers (VLGCs).

In addition to its core shipping activities, Nakilat operates the Erhama Bin Jaber Al Jalahma Shipyard in Ras Laffan Industrial City, providing comprehensive ship repair and offshore fabrication services via strategic joint ventures: Nakilat-Keppel Offshore and Marine (N-KOM) and Qatar Fabrication Company (QFAB). It also

provides shipping agency services through Nakilat Agency Company (NAC) at all Qatari ports and terminals, as well as towage and other marine support services through its joint venture Nakilat SvitzerWijismuller (NSW). The company's Vessel Support Unit (VSU) offers chandlery, storage, logistics services for vessels operating in Qatari waters.

#### Markets and Customers Served

Nakilat's headquarters is in Doha, Qatar, while transportation services are offered in various locations internationally. Nakilat's LNG vessels have loaded in 16 countries and discharged at 24 countries in more than 66 terminals in 2021.

Our customers are predominantly LNG producers and major international energy companies.

#### Customer Engagement

Nakilat's market dominance is a direct result of our commitment to customer centricity. Value creation for our customers is at the center of our operations, enabling us to make significant contributions to every aspect of the maritime services. Our strategic formula relies on continuous close customer engagement to further elevate our brand value. With the help of an annual customer satisfaction survey, we gather feedback of Nakilat's strategic and priority customers. This survey includes elements to capture our customers' insight into Nakilat's commercial operations, responsiveness to their needs, flexibility in meeting their market requirements, and our ability to provide proactive solutions to the customers' challenges. This enables Nakilat to recalibrate, aiming for continuous improvements while identifying and

monitoring our customers' expectations and needs, hence, providing them with high quality services and products.

Our customers have the flexibility to engage in open, direct, and seamless communication with respective stakeholders or counterparts within Nakilat. For instance, customers can directly communicate with Nakilat's operations team(s) for vessel operational matters, associated with specific voyages or the charter. Broadly and formally, the current typical channel of communication and escalations is Nakilat's commercial department. However, we are currently exploring the adoption of a formal management approach to customer engagements and managing customer relationships. The anticipated

enhancements in customer engagement would enable Nakilat to gain a deeper level of insight into the market forces, emerging technologies, risks and other factors affecting customer expectations and needs.

Nakilat is committed to providing superior customer service, and this approach involves delivering effective and reasonable solutions to their grievances. Historically, Nakilat's customer grievances have been addressed in a structured manner, with the establishment of an appropriate baseline honoring the mutually agreed contractual terms, and a further investigation into any concerns. Customer grievances are handled by qualified and experienced teams and escalated to appropriate levels of management as needed.

**760**  
LNG Cargos Shipped in 2021

**10%**  
Global LNG Shipping Capacity\*

**58+ million MT**  
Volume of LNG Shipped in 2021

**24**  
Countries Delivered to

**66**  
Ports of Call Worldwide

Note:

\*Global LNG Shipping Capacity: this calculation excludes FSRUs

## 2. BUSINESS OVERVIEW

(continued)



### Setting the Purpose, Values and Strategy

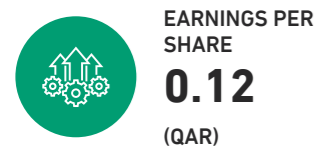
An annual off-site meeting is conducted with the CEO and the Senior Management Team (SMT) to review Nakilat's strategy and to discuss potential internal and external opportunities and business risks. Prior to the meeting, internal and external information is gathered from employees from different levels and departments and from key customers. The outcomes of the off-site meeting are documented and presented to the entire organization. These outcomes are a key element of the strategy refresh and the new business development plan.



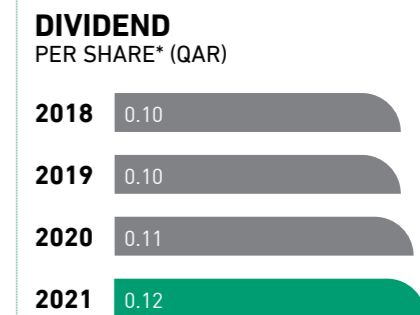
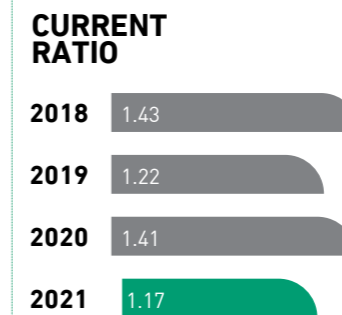
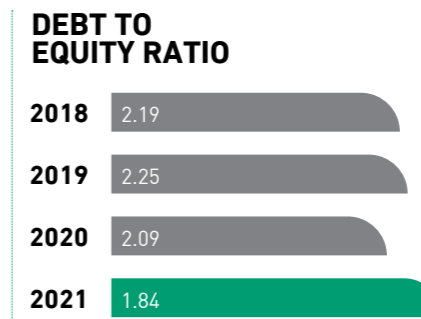
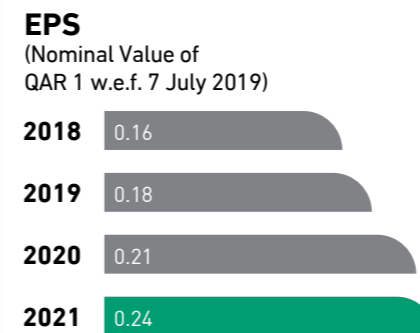
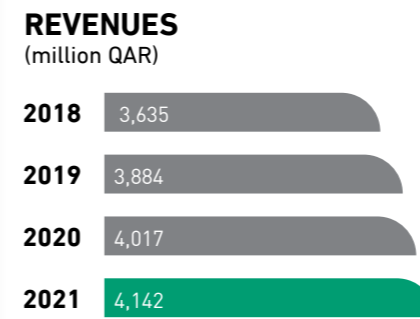
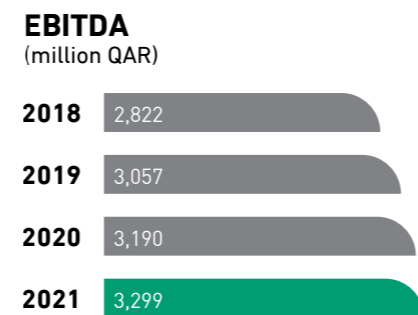
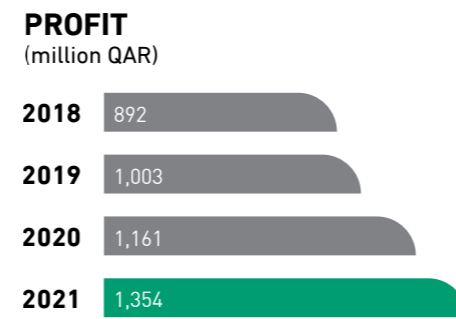
### Values

Values	Definition
<ul style="list-style-type: none"> <li>Integrity: Honesty with sound moral principles</li> </ul>	We are honest with others and ourselves. We meet the highest ethical standards in all business dealings. We accept responsibility and hold ourselves accountable for our work and our actions. Our leaders encourage this virtue within the workforce by fostering an open dialogue on all issues among all employees. At Nakilat, we regard and reward employees for demonstrating integrity.
<ul style="list-style-type: none"> <li>Respect: Value other's diversity and perspective</li> </ul>	We respect and support each other, and we strive to earn the complete trust of our colleagues and partners. We are committed to maintaining an environment of trust, built upon honesty, ethical behavior, respect, and candor.
<ul style="list-style-type: none"> <li>Safety: Incident and injury free</li> </ul>	We place the highest priority on the health and safety of our workforce and protection of our assets and the environment in which we operate. Nakilat's constant attention to safety is the cornerstone upon which we build success. We are committed, individually and as a team, to protecting the public health and safety, our team members, and our assets.
<ul style="list-style-type: none"> <li>Encouragement: Be motivated and motivate people around you</li> </ul>	We encourage and value the uniqueness of individuals and the varied perspectives and talents they provide. Nakilat's most powerful asset for achieving its mission success is a multidisciplinary team of diverse, competent individuals across the organization. Our approach to teamwork is based on the philosophy that each team member brings unique experiences and important expertise to the organization.
<ul style="list-style-type: none"> <li>Passion: Strong commitment towards continuous improvement</li> </ul>	We are committed to excellence and are passionate about achieving results that exceed expectations. To achieve the highest standards in safe energy transportation, Nakilat is committed to nurturing an organizational culture in which individuals make valuable use of their time, talent, and opportunities to pursue excellence.

## 2.2 FINANCIAL PERFORMANCE SUMMARY



- The company recorded net profit of QAR 1,354 million, the highest since its inception; demonstrating its strength as key player in the global LNG transportation.
- Total assets of Nakilat as of December 31, 2021, were QAR 32.3 billion compared to QAR 32.7 billion as of December 31, 2020. Current assets, including cash and bank balances stood at QAR 4.3 billion as of December 31, 2021. Noncurrent assets, consisting mainly of investments in LNG carriers, property and equipment and other assets were QAR 28 billion as of December 31, 2021. Total assets of Nakilat, including share of its joint venture assets were QAR 45.5 billion. In addition, Nakilat also has an economic interest, full operational and management responsibilities in the QAR 10.6 billion Erhama Bin Jaber Al Jalahma Shipyard, with funding by QatarEnergy in the Port of Ras Laffan, giving a total assets value of QAR 56.1 billion managed by Nakilat.
- Total borrowing as of December 31, 2021, was QAR 19.8 billion compared to QAR 20.9 billion as of December 31, 2020. QAR 1.2 billion loan was repaid during 2021.
- Total equity before hedging reserve and non-controlling interests as of December 31, 2021, QAR 10.8 billion compared to QAR 10.0 billion as of December 31, 2020.



\* 2016 to 2018 adjusted to nominal value of QAR1 per share w.e.f. 7 July 2019



## 2.2 FINANCIAL PERFORMANCE SUMMARY

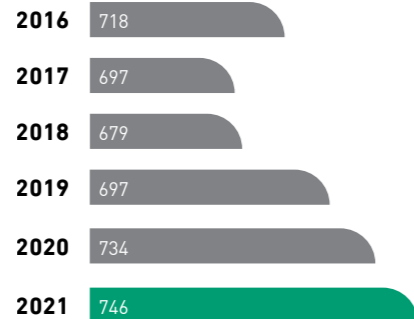
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### Direct Economic Value Generated and Distributed

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and in compliance with Qatar Commercial Law No. 11 of 2015, as applicable.

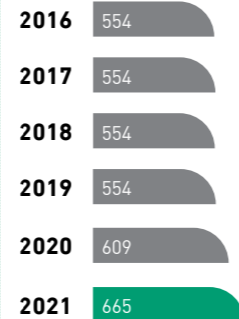
### Operating Costs

Millions Qatari Riyals (QAR)



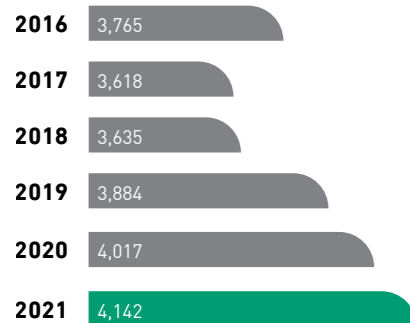
### Paid Dividends

Millions Qatari Riyals (QAR)



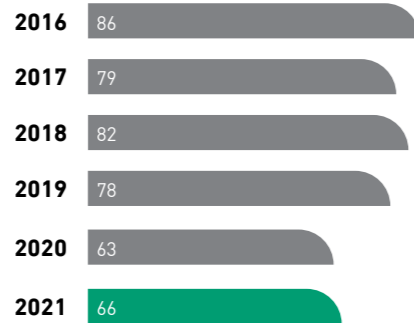
### Total Income

Millions Qatari Riyals (QAR)



### G&A Employees Costs\*

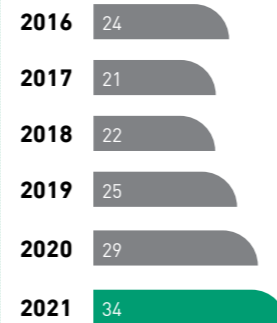
Millions Qatari Riyals (QAR)



\* G&A Employees Costs includes cost items directly related to the employee's job function, such as training.

### Social and Sports Fund Contribution

Millions Qatari Riyals (QAR)



## 3. APPROACH TO ESG MANAGEMENT

### 3.1 ESG Strategy and Statement

Our Environmental, Social and Governance (ESG) strategy consists of **four cornerstones to propel sustainable business practices** within our company and across our value chain. Our commitment to these strategic focus areas is formalized through our ESG statement.



#### ESG Statement

As the company with one of the world's largest gas fleet delivering clean energy globally, Nakilat is continuously committed to the Qatar National Vision 2030 to preserve the environment, its natural balance and protecting and promoting human rights, labor requirements and safe operations to achieve comprehensive and sustainable development for all generations and the communities we serve.

In line with Nakilat's Mission and Vision statements, Code of Business & Ethics and Safety, Health, Environment and Quality (SHEQ) policy, our ESG commitments cover all areas of operations, including:



#### Safety, Health and Environment:

- Ensure the health and safety of all staff, prevent occupational injuries, and ensure employees' well-being
- Adopt measures to minimize environmental impacts including energy, GHG emissions, waste, and biodiversity



#### Economic Impacts and Supply Chain:

- Improve and sustain our financial position to maintain the shared value with all the economies we serve, including the State of Qatar
- Ensure responsible sourcing of goods and services and prohibit any kind of human rights or environmental infringement in our supply chain



#### Employees:

- Ensure career development, training, life-long learning, and employability
- Provide an excellent workplace including to promote the respect of ergonomics and care for employee's wellbeing and reduce stress



#### Governance, Ethics and Compliance:

- Operate in an ethical manner by maintaining the highest levels of fairness, integrity, and responsibility in all markets where we operate
- Prevent any kind of misconduct including fraud, conflict of interest, corruption, or anti-competition

## 3.2 ESG GOVERNANCE



### ESG Committee Charter

Nakilat's ESG Committee is composed of Nakilat's Executives. The committee provides regular updates to the Board of Directors, who holds overall accountability of all ESG-related matters across the Group.

The ESG Committee meets regularly and at least twice a year responsible for maintaining oversight of the company strategies, policies and risks related to Environment, Social and Governance topics. This encompasses all those topics identified as having a material impact on the business such as climate change, GHG emissions, energy consumption, health and safety, human capital, human rights, good corporate governance, and community engagement.

Nakilat's ESG Committee is supported by an ESG Task Force composed of senior employees who represent each ESG pillar (Environment, Social, and Governance) and are responsible for the day-to-day management of Nakilat's ESG corporate reporting activities. The ESG Task Force reports to the ESG Committee and meets on a monthly basis to drive continuous improvement in the management of Nakilat's ESG performance. Further, the ESG Task Force also engages in discussions on the prevalent global and national ESG developments, disclosure requirements and their impacts on Nakilat.

In the reporting year 2021, Nakilat established the 'Environmental Working Group' (EWG), to further extend support to the ESG Committee, in the capacity of a subject matter expert for Environmental topics governing Nakilat. The EWG was established to provide relevant environmental information and recommendations to the ESG Committee, including policies, strategies, initiatives, measurements, and monitoring of actions to enhance the environmental component of Nakilat's ESG performance.

Nakilat seeks excellence in all areas across the organization by pushing the boundaries to explore opportunities over and above the compliance requirements with the aim to reduce the environmental impact in line with the Paris Agreement, IMO GHG strategy and Qatar Vision 2030.

Nakilat's ESG Committee has the following key responsibilities:

- Oversee the ESG strategy, policies, and business practices across the Group
- Oversee the ESG Reporting and external disclosures, in accordance with international standards and industry best practices
- Ensure that the group complies with applicable laws and regulations related to ESG
- Oversee the ESG due diligence process on any potential investment and provide recommendations on the outcomes
- Review and approve ESG topics that are of strategic importance to the company
- Review and assess feedback from external stakeholders in relation to material ESG topics and provide guidance and strategies to senior management to limit related risks that may arise
- The CEO, as Chairman of the ESG Committee, updates the Board of Directors on ESG topics impacting the company and progress on ESG risk mitigation at least once a year

The Committee may delegate all, or a portion of its duties and responsibilities, to one or more sub-committees when deemed appropriate. Each sub-committee shall have the full power and authority of the Committee, regarding the matters delegated.

### ESG Organogram










### 3.3 STAKEHOLDER MANAGEMENT

Nakilat's ESG strategy and approach was developed following extensive consultation with key internal and external stakeholders. Stakeholders engaged include customers, investors, shareholders, employees, suppliers, students, community members, and government entities.



The channels for engagement can be found in the figure below:

STAKEHOLDER GROUP	WHO THEY ARE	ENGAGEMENT PLATFORM ACTIVITIES
 Business Partners and Joint Venture Companies	Leading shipping and maritime companies from around the world who collaborate with Nakilat towards meeting our growth strategy	<ul style="list-style-type: none"> <li>Regular forums and meetings with business partners</li> <li>Close contact with charterers is maintained through regular meetings and participation in key industry events</li> <li>Periodic audits</li> </ul>
 Customers	Major charterers (local and international companies)	<ul style="list-style-type: none"> <li>Close contact with charterers is maintained through regular quarterly meetings and a customer satisfaction survey twice per year</li> </ul>
 Employees	Pillars of the organisation 200+ employees at Nakilat and 1100+ total crew	<ul style="list-style-type: none"> <li>Annual employee forum, regular surveys and questionnaires</li> </ul>
 Suppliers and Service Providers	Vendors and businesses whom we procure goods or services from 200+ suppliers	<ul style="list-style-type: none"> <li>Timely updates on business requirements, with an emphasis on procurement from the local market</li> </ul>
 Investors	Any person or other entity who commits capital with the expectation of receiving financial returns	<ul style="list-style-type: none"> <li>Nakilat is a Qatari listed company that owns, operates and manages LNG/LPG vessels and provides shipping and marine-related services to a range of participants within the Qatari hydrocarbon sector and serves international customers</li> <li>Nakilat strives to protect the interests of investors by way of following the Corporate Governance and keeps them informed about its financial state of affairs through publishing quarterly and annual financial reports on the Qatar Exchange and issuing annual governance report</li> </ul>
 Government and Regulatory Authorities	Policy makers	<ul style="list-style-type: none"> <li>Conformance to laws and regulations towards operating in safe, efficient and reliable manner, as well as spurring local socio-economic growth</li> </ul>
 Local Community	Communities within the area of our operations	<ul style="list-style-type: none"> <li>Implement various initiatives aimed at contributing to the society at large (corporate social responsibility)</li> </ul>

## 3.4 MATERIALITY ASSESSMENT



Nakilat undertakes a periodic evidence-based review of its material ESG topics in accordance with the GRI standards. This entails industry analysis, peer benchmarking, external stakeholder surveys, and internal validation by the ESG Committee. As part of the identification of key ESG risks and opportunities, Nakilat engages through a wide range of methods and processes transparently and through open communication with internal and external stakeholders every two years. These include shareholders, investors, suppliers, JV partners, charterers, classification societies, employees, ESG specialists and ESG rating agencies, among others. Through this stakeholder dialogue, we assess and map the relevance of ESG topics impacting our business and wider society.

This approach enables us to identify those topics of most importance to our stakeholders and forms the basis for the development of Nakilat's non-financial ESG Report and disclosures. The prioritization also helps inform the evolution of Nakilat's ESG strategy and level of ambition in certain topics.

In 2021, following the extensive industry benchmarking, analysis of selected international ESG rating agencies and assessment of stakeholder surveys, the generated Nakilat ESG materiality matrix plots the company's priority topics against the degree of stakeholder importance, and the significance of impact on Nakilat's business.

Nakilat's ESG materiality assessment process below illustrates how we identify, engage, and take action surrounding the key identified topics of greatest interest to our stakeholders regarding Nakilat's environmental, social, and governance performance.

### The Process of Nakilat's Materiality Assessment:



#### Benchmarking

Benchmarking was conducted encompassing shipping industry peers across sector leaders to identify relevant ESG topics and best practice. We utilize industry recognized external ESG rating assessments to assist this process.

#### Categories of the Universe:

1. Environment
2. Human rights
3. Human resources and labor practices
4. Corporate governance, compliance and risk management
5. Social and community relations



#### Stakeholder Engagement

We engaged with internal and external stakeholders through surveys and focus group sessions to prioritize key identified ESG topics.

#### Examples of External Stakeholder Groups:

1. Investors
2. Shareholders
3. Classification Societies
4. Suppliers
5. JV Partners
6. Charterers

#### Examples of Internal Stakeholder Groups:

1. C-Suite Executives
2. ESG Committee
3. ESG Task Force
4. Middle-Management
5. Employees

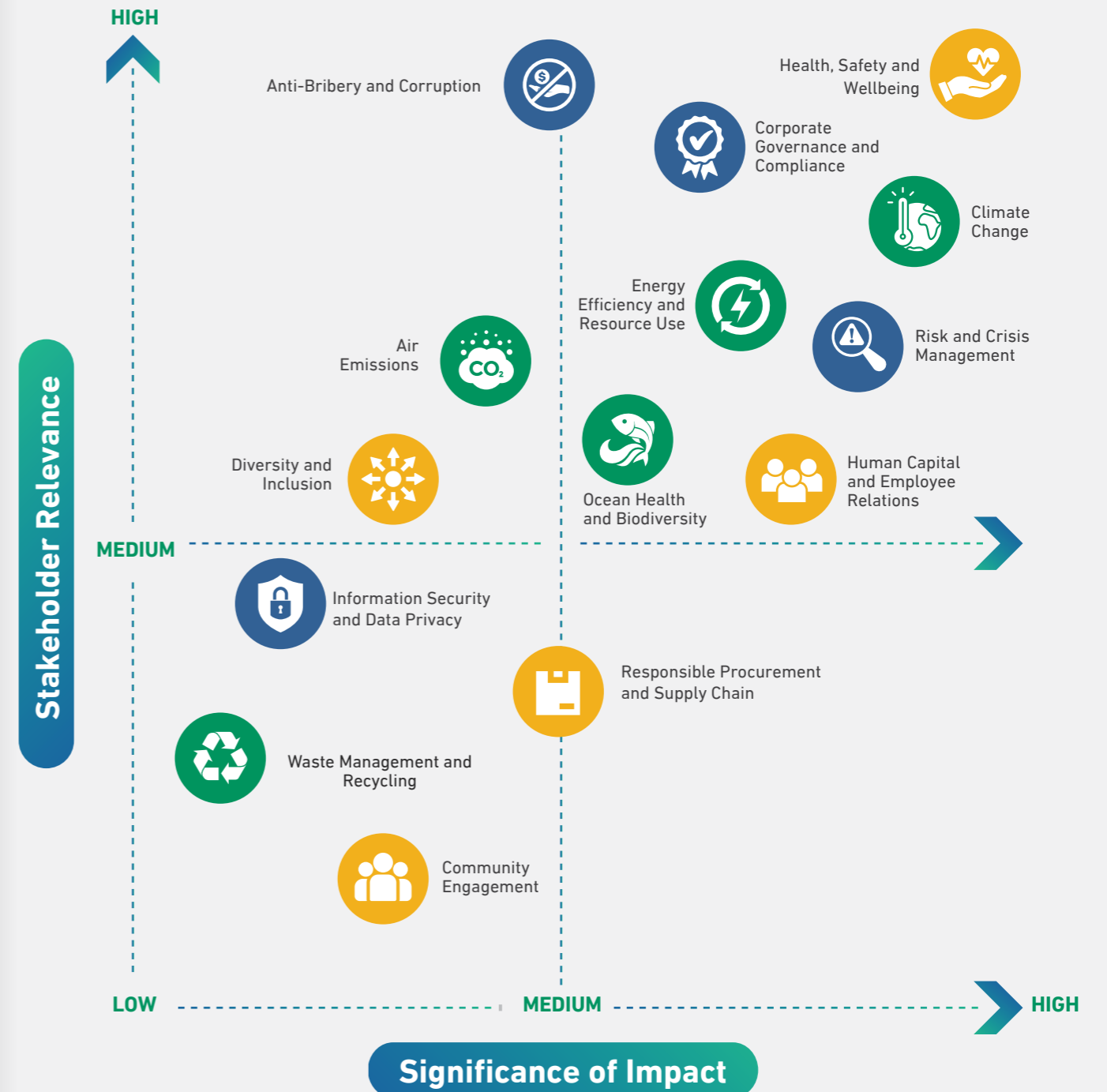


#### Validation of Materiality Matrix

The identified material ESG topics are mapped on a materiality matrix, based on a weighted score from internal and external stakeholders' engagement results.

The final materiality matrix is validated by the ESG Committee, based on the ESG risks and opportunities justifications.

# NAKILAT'S MATERIAL ESG TOPICS:



# 3.5 EXTERNAL ESG COMMITMENTS AND PARTNERSHIP

## International and National Frameworks

The State of Qatar has placed an emphasis on environmental protection and sustainable development, with all of the country's stakeholders committed to achieving the objectives of Qatar National Vision (QNV) 2030 and the United Nations' Sustainable Development Goals. At Nakilat, we are committed to the objectives of Qatar National Vision 2030 and the United Nations' Sustainable Development Goals, which is underscored by the fact that we have closely aligned and developed our corporate and ESG strategies to reflect and achieve these objectives.

### Qatar National Vision (QNV) 2030

Launched in October 2008 by the General Secretariat for Development Planning in the State of Qatar, QNV 2030 is a development plan aimed to 'transform Qatar into an advanced society capable of achieving sustainable development' by 2030. To aid with its implementation, QNV is supported by the National Development Strategy, which is set every 5 years. QNV 2030 consists of four interconnected pillars:

### PILLARS OF THE QATAR NATIONAL VISION 2030



#### Economic Development

Development of a competitive and diversified economy capable of meeting the needs of, and securing a high standard of living for, all its people both for the present and for the future



#### Environmental Development

Management of the environment such that there is harmony between economic growth, social development and environmental protection



#### Social Development

Development of a just and caring society based on high moral standards, and capable of playing a significant role in global partnerships for development



#### Human Development

Development of all its people to enable them to sustain a prosperous society

### United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs are the global framework for sustainability, with 17 goals underpinned by 169 targets through to 2030. The SDGs aim to mobilize efforts to end all forms of poverty, fight inequalities, tackle climate change and promote sustainable economic growth. The goals are universal and apply to all sectors. While our sustainability efforts contribute to the majority of the 17 SDGs, we drive progress by prioritizing the SDGs that have material alignment to our business priorities and our ESG strategy.

The International Maritime Organization (IMO) is the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. IMO's work directly supports the UN Sustainable Development Goals.

IMO has clearly defined goals, including a requirement to reduce carbon intensity by 40% by 2030 and 70% by 2050 compared with 2008 baseline figures, and has established a framework of regulations which Nakilat has embraced. The exact trajectory of carbon intensity reductions after 2026 has not been decided by IMO at this time.

The IMO regulatory framework ensures that a consistent set of standards is applied as an enabler for sustainable global trade.

### Crew Welfare

Crew safety and welfare have been at the top of the company's agenda, especially with the pandemic bringing about unprecedented challenges. Nakilat held active discussions on improving crew welfare and mental wellbeing with strong participation from its officers and joint-venture partners during the annual Fleet Officers e-Meeting (FOM) and Qatar Project Shipping e-Forum (QPSF). Through stringent measures and effective procedures in place, the company has successfully overseen the vaccination of about 90% of its seafarers. In addition, our commitment to crew welfare is underscored through our diverse initiatives and membership with relevant industry organizations.

### External Initiatives and Membership Organizations



#### The International Seafarers' Welfare and Assistance Network (ISWAN)

ISWAN is a membership organization that promotes and supports the welfare of seafarers all over the world. It has a 24-hour, multilingual helpline called 'Seafarer Help' which has been provided to Nakilat's seafarers as a direct welfare service that can help to support mental health onboard. ISWAN also provides routine health information that we share with the vessels to make seafarers aware of the issues affecting them and the support they can receive if required. Nakilat's wholly-owned subsidiary, Nakilat Shipping Qatar Limited (NSQL), has been an active member of ISWAN since 2018.



#### Society of Gas as Marine Fuel (SGMF)

Nakilat is a founding member of the SGMF, a nongovernmental international organization (NGO) established a decade ago to promote various gases as marine fuel with their environmental impacts, safety and industry best practice in their use. It has a consultative status with the International Maritime Organization (IMO) and is the definitive information resource for the industry. Nakilat's Chief Operating Officer, Mr. Samir Bailouni, is the President of SGMF. The UK-based SGMF is the leading international body for the use and adoption of gases as fuel for shipping and the associated supply infrastructure. Furthermore, the society is governed by a representative Board and driven by three principal Committees: Technical, Environmental and APAC. SGMF has several working groups at any one-time solving issues and producing outputs such as formal publications and technical guidance notices for the industry. In 2021, SGMF has published two new guidelines to improve the safety of LNG-fueled ships. The guidelines are intended to assist greater standardization in crew competency and vessel design.



#### The Society of International Gas Tanker and Terminal Operators (SIGTTO)

SIGTTO is an international organization established for the exchange of technical information and experience, between members of the industry, to enhance the safety and operational reliability of gas tankers and terminals. Nakilat has been a member since 2007.

### External Awards



#### British Safety Council

Nakilat has been awarded for the **fourth consecutive time, the 'Sword of Honour Award'** by British Safety Council UK. The 'Sword of Honour Award' is widely recognized as the pinnacle of achievement in safety across the world and is instituted to reward best practices in this field. To achieve the Sword of Honour Award, organizations should be fully committed to both excellent standards and continuous improvement.

At Nakilat, the health, safety and well-being of our employees and sub-contractors are paramount to our business. Throughout the pandemic, we have been taking extensive health and safety measures and continued the implementation of our 'Injury and Incident Free' campaign to embed a culture of zero harm. We continued to uphold exemplary commitment to operating to the highest international standards and effectively managing occupational health, safety, environment, and well-being within the organization.



#### Voluntary Green Awards Program<sup>1</sup>

All of our LNG vessels, regularly calling NW (North West) Europe, are recipients of the Green Award, a voluntary program that signifies going above and beyond the industry standards in terms of safety, quality and environmental performance, and acts as a quality mark which brings benefits to its holders. This program is recognized and promoted by ports, shipping organizations and maritime service providers that want to support and enhance environmental and safety performance of ships and to promote the highest quality standards.



#### International Standards

Nakilat is certified to the following Integrated Management System (IMS) standards with Lloyds Register.

- ISO 9001:2015 (Quality Management)
- ISO 14001:2015 (Environmental Management) and
- ISO 45001:2018 (Occupational Health and Safety)

In addition, Nakilat is also certified to ISO 27001:2013 (Information Security Management) and ISO 22301:2019 (Business Continuity Management).

<sup>1</sup><https://www.greenaward.org/sea-shipping/certificate-holders-ships/list-of-certificate-holders/>

# 4. ENVIRONMENT

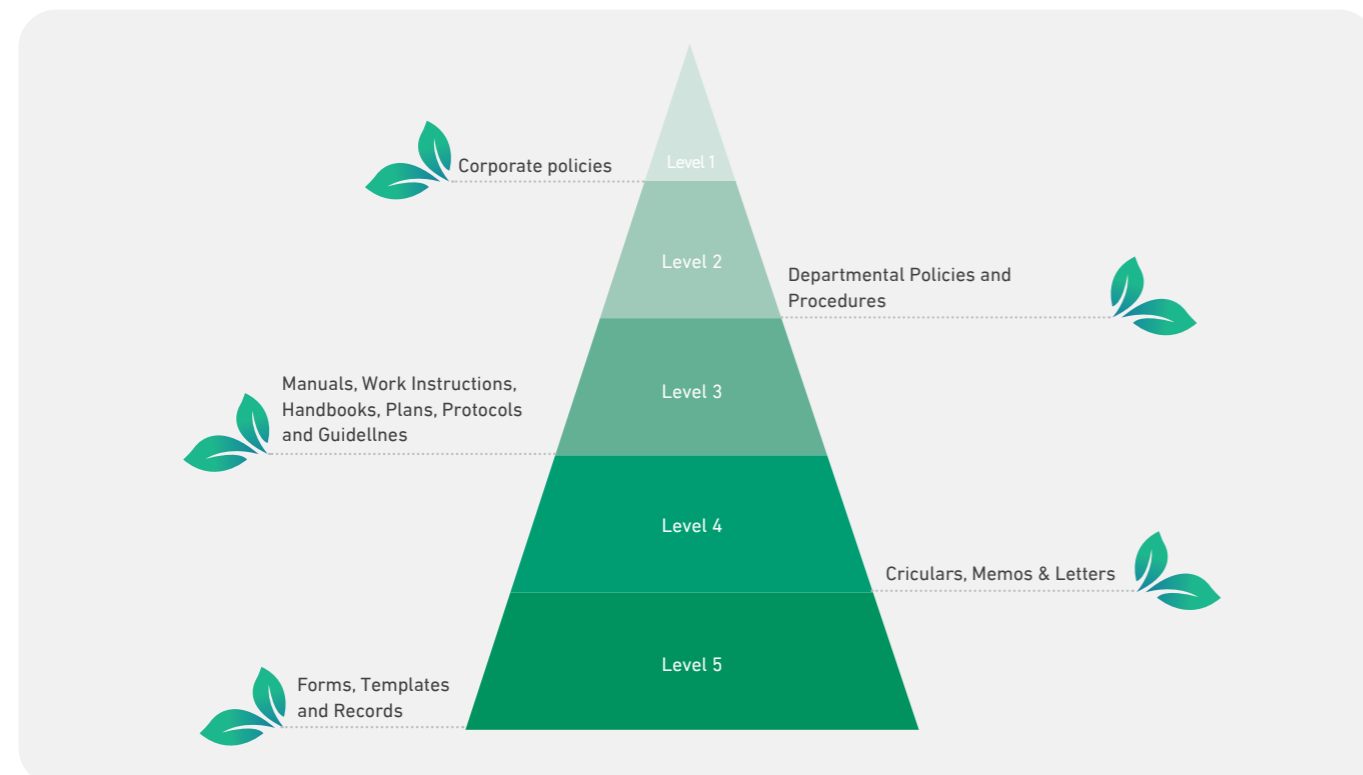


## 4.1 Environmental Management and Compliance

Environmental management is a growing concern that requires the immediate attention of all stakeholders. Nakilat is subject to a wide range of regulations and requirements related to environmental management due to our global LNG shipping network, and Nakilat strives to pursue the highest standard of compliance management in these areas. Guided by robust risk management practices and corporate policies, Nakilat implements various measures to protect the environment through compliance with international standards and internal governance mechanisms. Furthermore, Nakilat contributes to the development of industry best practices which includes the below mentioned a minimum:

- Responsible waste management and disposal both on-land and ships (off-shore);
- Proper policies and procedures to avoid oil spills and also to effectively deal with them with minimum impact;
- Prompt reporting of incidents followed by full investigation and lessons learnt;
- Proactive maintenance of equipment on vessel and in shipyards;
- Regular updating of environmental management system in line with Nakilat vision and local and international rules and regulations;
- Training shore and vessel staff;

Environmental Management at Nakilat is guided by our SHEQ Policy which defines the company's commitment towards 'Quality of Services', 'Health and Safety at Workplace' and 'Environmental Protection'.



The SHEQ policy was developed keeping Nakilat's vision and core values as a foundation incorporating all applicable elements of ISO 9001, ISO 14001 and ISO 45001. Nakilat is committed to a continuous improvement of the safety of our people, our customers, the communities, and environment in which we operate. This Policy applies equally to all employees whether temporary, permanent, office or site based, as well as service providers, clients, visitors, and company representatives. In brief, all persons who have an association with the company.

The policy considers the environmental impact of its operations and ensures the highest standards of quality are delivered across the business in all JVs and projects. The Policy is approved and formalized by the CEO, and accessible to all employees through the Nakilat's intranet. This Policy is reviewed annually by Senior Management and revised as necessary to reflect changing operational conditions, new technology, government policies and legislation.

The company has established and maintained procedures to identify the environmental aspects of its activities, products and services, that it can control and those that it can influence, to determine those which have or can have a significant impact on the environment, considering the life cycle perspective.

The procedure to identify the significant environmental impacts takes into account:

- Changes, including planned or new developments, and new or modified activities, products or services.
- Normal and abnormal conditions, and potential emergency situations.

The procedure to identify the significant environmental impacts considers, where relevant:

- Air Emissions
- Water Pollution
- Waste Management
- Contamination of Land
- Impact on Communities
- Resources Use (Raw Material, Energy, Water, Chemicals Etc.)
- Other Local Environmental Issues

The company maintains documented information of all environmental impacts and considers significant impacts in setting its environmental objectives.

The company communicates significant environmental aspects and impacts among the various levels and functions of the company, as required.

### Nakilat's SHEQ Management System and Integrated Management System (IMS)

In addition to the IMS, Nakilat has also established, documented, implemented, and maintained a SHEQ management system which is continually improved for its effectiveness in accordance with the requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. This is done through:

- Identification of processes needed for SHEQ and their application at all relevant places/situation/work in an organization.
- Determination of the sequence and interaction of SHEQ fundamental processes with each department.
- Determining and applying criteria and methods for effective operation and control of these processes. Nakilat ensures that both the operation and control of these processes are effective by monitoring, measuring, and having performance indicators in place.
- Ensuring the availability of resources and the information necessary to support the operations and monitoring of these processes.
- Assigning responsibilities and authorities for these processes.
- Implementing/undertaking actions necessary to achieve planned results and continual improvement of these processes.
- Identifying Nakilat's business risks and opportunities to improve their business performance.
- Improving the processes and the SHEQ management system.

Nakilat's SHEQ performance is enabled and guided by the use of an effective Integrated Management System (IMS) that incorporates Quality Management System (QMS), Environment Management System (EMS), and Occupational Health and Safety (OHS) Management Systems, in conformance with the respective internationally certified standards (ISO 9001:2015, ISO 14001:2015, ISO 45001). In accordance with such policies and regulations, each group company sets its compliance management items to be observed by its business divisions and sites.

**Auditing**

An annual management review of the IMS is conducted every first quarter of the financial year. Further, Nakilat's Corporate SHEQ department conducts annual internal and external audits of Nakilat's IMS, in conjunction with the International Safety Management (ISM) Code. While the annual internal audit of the IMS is conducted and verified by the Chief SHEQ Officer, the external audits are conducted by an external agency Lloyd's Register. Additionally, the group companies (N-KOM, QFAB and NSW) manage their own annual internal and external audit regime in line with IMS.

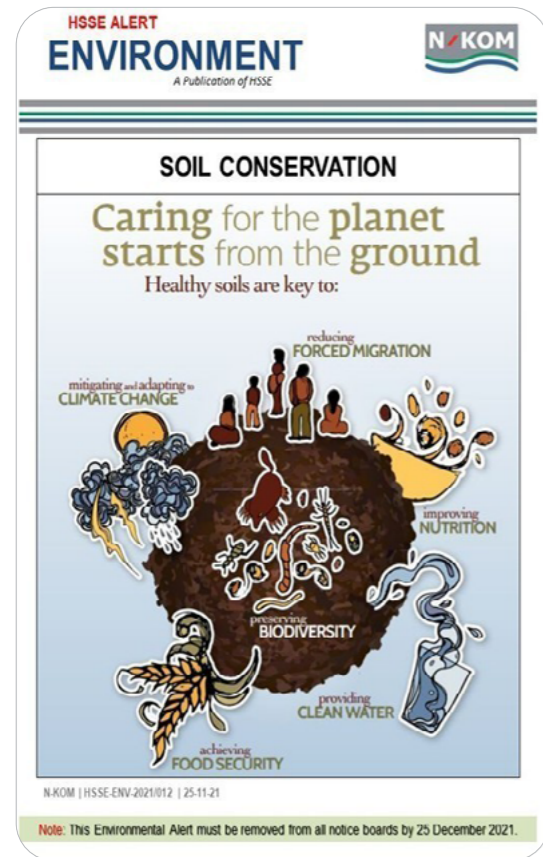
The scope of Nakilat's Integrated Management System is to 'Manage, operate, and provide corporate services and due diligence for a fleet of gas and related products' vessels, company joint ventures, agency and vessel support'. All Nakilat employees and contractors are responsible for complying with the requirements of the IMS. It is communicated through the following channels to ensure effective implementation:

- SHEQ committee meetings;
- Departmental meetings;
- SHEQ induction;
- Toolbox talks; and
- SHEQ policy and procedures communications

Trainings and mass toolbox talks are held a minimum of once every quarter and cover topics such as, waste management, control of substances hazardous to health, safety data sheets, reduce/reuse/recycle, environmental aspects and impact analysis, etc. This includes risk assessment, risk management and risk communication.

An annual management review is conducted, chaired by the CEO, to ensure the SHEQ Management System is fit for purpose and to drive continuous improvements throughout Nakilat.

**Communication**



**Toolbox Talks**



**SHEQ Induction**



**Environmental Compliance**

**Management Approach**

Environmental compliance is a material topic for our operations across all regions. However, regulations largely vary between regions and countries. Nakilat delegates the responsibility for environmental compliance to all operating joint venture entities. They all have to sustain a management system according to ISO 14001, which includes legal compliance and a compliance assurance mechanism with internal and external controls.

In a management review, each joint venture entity assures that no compliance failures have occurred, or fines have been incurred, and is verified periodically.

Nakilat perceives this approach as effective in view of the absence of legal action against the subsidiaries.

**Compliance**

Nakilat's takes a proactive approach to all compliance-related matters. With respect to environmental matters, Nakilat's OHS and Environment Procedures and Statutory, Regulatory and other OHS and Environmental Requirements Register are the guiding procedural documents, enabling Nakilat to remain compliant with the applicable laws, rules, and regulations. The following legal and other requirements are applicable to Nakilat:

- International Maritime Organization (IMO) Conventions
- Qatar Environment Protection Law
- Ras Laffan Port Information and Regulation Guide
- Mesaieed Port Information and Regulations
- Ras Laffan City (RLC) Health, Safety and Environment Requirements
- Environmental Regulations for Ras Laffan Industrial City (RLIC)
- Classification Societies
- United States Coast Guard (USCG)
- European Maritime Safety Agency (EMSA)

Nakilat has developed necessary mechanisms, for instance, ISO-certified management systems and related procedures, for identifying and accessing statutory, regulatory, and other applicable HSE and related requirements. Further, Nakilat remains updated with the regulations or requirements that may become applicable as a result of new legislation, or amendment of existing acts/rules.

Nakilat has identified the sources through which EMS/OHS, legal and other requirements are identified and regularly liaise with industry subject matter experts to keep abreast with amendments to the existing acts/rules or introduction of new legislation.



In line with the commitments to comply with all applicable regulatory and other OHS requirements, Nakilat has a procedure for internal audit which defines the SHEQ internal audit process and ensures conformance with:

- Nakilat’s own requirement related to its SHEQ management system are met.
- Planned arrangements and requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 are met.
- SHEQ management system has been properly implemented and maintained.

The audit and verification programs are planned, established, implemented, and maintained by Nakilat taking into consideration the quality, environmental, occupational health and safety importance of the operation(s) concerned, changes affecting the company and the results of previous audits.

Internal audits are planned to ensure that all SHEQ processes are audited, minimum once a year. These internal audits are conducted by qualified internal auditors, independent of the process being audited. Audit procedure(s) are established, implemented, and maintained that addresses:

- The responsibilities and requirements for planning and conducting audits, reporting results and retaining associated records.
- The determination of audit criteria, scope, frequency and methods.

The audit results are recorded and communicated to all concerned within due time to enable the relevant management and others for timely correction and corrective / preventive action and to allow for the verification of the effectiveness.

**Environmental laws and regulations:**

No relevant fines and no non-monetary sanctions were imposed on Nakilat due to non-compliance with environmental laws and regulations in the reporting year and years prior to this ESG Report. Nakilat strives for full legal and regulatory compliance, which are the foundation of its business. Therefore, all subsidiaries are ISO certified and have a process in place to help them understand regulatory requirements and changes. They maintain certified management systems according to ISO 9001 (Quality), ISO 14001 (Environment), and OHSAS 45001 (Health and Safety).

The management system according to ISO 14001 requires companies to follow up on new legislation and implement legal requirements accordingly. Subsidiaries are audited by legal and internal audit for compliance. Each joint venture is obliged to strictly adhere to applicable legislation and to supervise the subsidiary accordingly. Each year, they have to verify the level of compliance in their company together with their management teams and confirm it through a global reporting system (compliance confirmation).

**KPIs**

Environmental Compliance	2019	2020	2021	Scope
Noncompliance with environmental laws and regulations				
Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulation	0	0	0	Nakilat Group

**Regulations**

Nakilat Shipping Qatar Limited (NSQL) provides safe, competitive, and reliable shipping services, and meets the needs of its customers while minimizing the impact on the environment. As a socially responsible company, Nakilat adheres to all applicable environmental regulations.

**IMO and UN SDGs**

Nakilat complies with several IMO regulations and conventions, listed hereunder. We have hence, established the adequate controls mandated by IMO. Further, we have established the linkages between the organization’s technical assistance work and the UN SDGs with the help of the [IMO SDG brochure](#)

Fig 1. Overview of IMO regulations mapped against the United National Sustainable Development Goals (UN SDGs)

Category	Control in place	International convention / regulation	Sea area
 	EEDI (Energy Efficiency Design Index)	MARPOL Annex VI	Open Sea
	EEXI (Energy Efficiency Existing Ship Index)	MARPOL Annex VI	Open Sea
	CII (Carbon Intensity Index)	MARPOL Annex VI	Open Sea
	DCS (IMO Data Collection System)	MARPOL Annex VI (Fuel Oil Data Collection)	Open Sea
	MRV (EU Monitoring, Reporting and Verification)	Regulation (EU) 2015/757	Open Sea
	SEEMP (Ship Energy Efficiency Management Plan)	MARPOL Annex VI	All Areas
 	NOx (Nitrogen oxides)	MARPOL Annex VI	ECA
	SOx (Sulphur oxides)	MARPOL Annex VI	SECA (max 0.1% Sulphur) Open Sea (max 0.5% Sulphur)
	PM (particulate matter)	MARPOL Annex VI	SECA
  	SOPEP (Shipboard Oil Pollution Emergency Plan)	'MARPOL (Maritime Pollution) Convention - Annex I - Prevention of Pollution by OIL'	Open Sea
	Ballast Water	Ballast Water Management System (BWMS) Code	Open Sea
	Sewage Treatment	'MARPOL (Maritime Pollution) Convention - Annex IV - Prevention of Pollution by Sewage from Ships'	All Areas
	Garbage Management	'MARPOL (Maritime Pollution) Convention - Annex V - Prevention of Pollution by Garbage from Ships'	All Areas
	Hull Fouling	International Convention on the Control of Harmful Anti-fouling Systems on Ships (AFS), 2001	Open Sea
 	Ship Recycling	The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009	All Areas
	IHM (Inventory of Hazardous Material)	- Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on Ship Recycling (EU SRR) - Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 SR/CONF/45 (HKC)	All Areas
    	Regulatory Surveys (Annual, Periodical, Intermediate, Renewal 5 Yearly)	IMO and Flag State requirements (SOLAS, LSA, FSS, IGC, MARPOL, ISM, ISPS, COLREG)	All Areas
	Classification Surveys (Annual, Intermediate, Renewal 5 Yearly)	Classification Societies (ABS, BV, DNV, LR) and IACS (International Association of Classification Societies) Requirements	All Areas
	Ship Inspection Report Program (SIRE)	Oil Companies International Marine Forum (OCIMF) Requirement	All Areas

**Plans and Procedures**

In compliance with the above-mentioned regulations, Nakilat has established the following environmental plans and procedures to enable a robust management of the company’s shipping activities.

The plan is incorporated within the Fleet Management Manual (FMM) and includes, but is not limited to:

- Garbage management plan
- Shipboard Oil Pollution Emergency Plan (SOPEP) and Vessel Response Plan (VRP)
- Ship Energy Efficiency Management Plan (SEEMP)
- Emission reporting to regulatory authorities (IMO DCS and EU MRV)
- Emergency preparedness
- Navigation and passage planning to minimize environmental and risks
- Cargo handling and management
- Ballast water management
- Oily water separator operation
- Bunkering procedures
- Liquid waste discharges
- Discharges to atmosphere
- Recording of incidents and performance
- Use of refrigerants
- Reporting of environmental non-conformances
- Monthly environmental reports
- Contractor’s obligations and onboard Health, Safety and Environment (HSE) policy letters

The plan incorporated within the shore joint ventures includes, but is not limited to:

- SHEQ Policy
- Waste Management Plan
- Operation Environmental Management Plan
- Material Safety Data Sheets

**Objectives and Targets**

Nakilat establishes SMART (Specific, Measurable, Achievable, Relevant and Time Bound) objectives at all levels within the organization, which are derived from the company annual business plan and strategic corporate objectives, and ensures it is within the framework of SHEQ Policy. Based on these strategic objectives, the in-house SHEQ department sets specific targets and/or key performance indicators (KPIs).

These KPIs are monitored through our planned maintenance program modules ‘AMOS’. A monthly review is carried out for the entire fleet then shared through NSQL Fleet Scorecard with all the managed vessels. A monthly performance benchmark is also carried out among all the JV partners. During scheduled bi-annual management review the fleet scorecard is also reviewed, with new targets then set for the following year.



**Performance and Environmental Targets 2021-2022:**

CATEGORY	KPI*	2021	2022 TARGET
ENVIRONMENT		LPG <10	LPG <10
		DSME QMAX <13	DSME QMAX <13
		DSME QFLEX <12	DSME QFLEX <12
	Annual Efficiency Ratio (AER)	HHI QFLEX <12	HHI QFLEX <12
		SHI QFLEX <10.5	SHI QFLEX <10.5
		SHI QMAX <13	SHI QMAX <13
		GLOBAL <2	GLOBAL <2
	Garbage Reduction	5%	5%
	Oil Spill to Water	0	0
	Number of Environmental Incidents	0	NA
RELIABILITY and ASSURANCE	Availability	>99.5%	>99.5%
	Port Compliance	>98%	>98%
	SIRE Scorescore	1.6	1.6
	Navigational Audit Score	3.2	3.2
	PSC Detention	0	0
	No Delays to Load/Discharge Port	>99.5%	>99.5%
ASSURANCE	PSC Inspections Without Deficiency	100%	100%
	PSC Deficiency (Code 17)	0	0
	Flag State Inspection Without Deficiency	100%	100%

\*See appendix for KPI definitions

**Nakilat’s focus areas on environmental management include:**

In order to maintain our compliance to the applicable international standards, all the vessels managed by Nakilat Shipping Qatar Limited (NSQL) comply with international environmental standards, with a strategic focus on reducing the environmental impact of our current business.

Building on our ISO 14001 and IMO guidelines, we have carved out the following environmental focus areas to enable us to stay focused on Nakilat’s material environmental impacts:

- Energy efficiency - Optimize energy consumption and responsible sourcing of environmentally friendly materials
- Water management - Responsible and prudent water consumption
- Waste reduction - Increased recycling thereby reducing waste generated and sent for disposal
- Greenhouse gas emissions - Sustainable development in the shipping industry by supporting IMO’s efforts to reduce ship emissions, contributing to climate change

The above-mentioned focus areas were approved by Nakilat’s management in agreement with all Nakilat interest entities, i.e., key stakeholders.

An environmental report is generated by all Nakilat interest vessels for monitoring and measuring information to support performance of Nakilat environmental management. The report is structured as a minimum to:

- Provide status of environmental management programs designed to fulfil environmental objectives and targets
- Provide status of performance indicators as related to targeted timeframes
- Provide compliance status of environmental operating permits issues by environmental regulatory agencies

For the Nakilat shore entities, environmental data is regularly compiled and monitored through established mechanisms and environmental reporting is performed during management review meetings.

Nakilat undertakes planned inspections of its premises on a regular basis and as necessary. Line supervisors and managers or nominated persons conduct regular checks at work sites to monitor the implementation and effectiveness of key operational procedures. Regular inspections facilitate dialogue between the supervisor/manager and the work group (outsourced company/contractor, if any) and enables the sharing of best practices.

Internal audits and annual ISO 14001 audits are also used for monitoring and measurement of processes.

Output of these audits/inspections are taken for management reviews, corrective/preventive action, review of risk assessments and analysis of data.

**Environmental Aspects and Effects**

Nakilat has effective procedures, such as Nakilat OHS and environment policy and procedure that enable us in identifying the environmental aspects of relevance to our business activities, products, and services. Using these procedures guide us in controlling and determining the best practices for the environment, considering a life cycle perspective.

The aspects (interaction with the environment) and impacts (any change to the environment) of Nakilat’s core business activities are assessed and appropriate operational controls are established to introduce any opportunity of improvement. To ensure effective implementation of the Nakilat OHS and environment policy and procedure, monitoring processes are in place to check and measure the efficiency of our controls. The company communicates the identified significant environmental aspects among the various levels and functions of the company, as required.

In Nakilat’s shipping and fleet division, the key environmental aspects identified that require specific monitoring to enable evaluation of environmental performance are:

- Air emissions and pollution: NOx, SOx, CO<sub>2</sub>, CHFCs, HCFCs, CFCs, VOCs
- Fuel consumption, energy efficiency and associated GHG emissions
- Potential cargo and bunker spills harmful to marine life and biodiversity
- Waste disposal: solid, liquid, special and hazardous

With respect to Nakilat’s non-shipping segment, various programs are undertaken to support the initiatives on environment, such as, monitoring of environmental parameters, reducing electricity consumption and plastic usage, water conservation, digitization of records, beach cleaning, tree planting, minimizing office paper usage. In addition, waste segregation and disposal are carried out in an environmentally friendly manner and Nakilat enforces the ‘3R’s’ waste hierarchy principles of ‘Reduce, Reuse and Recycle’ while handling its waste.

The SHEQ manual maintained at Nakilat covers all of the above elements in detail. Nakilat maintains documented information of all environmental impacts and considers significant impacts when developing management plans and setting its environmental objectives.

Nakilat has established, documented, implemented, and maintained a SHEQ management system which is continually improved for its effectiveness in accordance with the requirements of ISO 14001:2015. To achieve environmental excellence, Nakilat consistently maintains communication and constructive relation with internal and external stakeholders for the identification of statutory, regulatory, and voluntary guidance related to Nakilat environment aspects.

Nakilat management, employee and contractors are committed to the protection of environment. We provide appropriate and sufficient resources, including training to comply with legal and other requirements in order to achieve set environmental targets and objectives.

Periodic audit and review of the environmental management system are carried out to identify opportunities for improvement of the system and environmental performance.

Nakilat **cares** about Health and Safety, Environment and Quality and conveys a strong message of its commitment through following.



## 4.2 CLIMATE CHANGE AND EMISSIONS TO AIR

### Management Approach and Progress

Nakilat is committed to sustainable development in the shipping industry and supports IMO's efforts to reduce ship emissions. Our efforts are concentrated on optimizing the fuel efficiency of the fleet, where our largest carbon dioxide (CO<sub>2</sub>) emissions occur. This is achieved through detailed attention to engine/boiler performance, hull/propeller fouling, speed policy, and schedule optimization.

### Greenhouse Gases and their Global Warming Potential

Nakilat has completed the process of transitioning to zero ODP in 2020. All refrigeration systems using refrigerant HCFC R22 have been upgraded to use R410A which is classed as a zero ODP refrigerant.

However, Nakilat's newbuild vessels have onboard systems that use HFCs such as R407C, R410A, R417A and R134A (HFCs) which are all zero-ozone depleting, but they still have GWP of around 1,300-1,600 (CO<sub>2</sub> GWP = 1). R404A has a very high GWP of 3260 and is not acceptable to Class for EP notation. Currently, there are no restrictions on equipment or use of the above-mentioned refrigerants.

Nakilat aims to minimize any losses from the systems by continuous monitoring. The vessels are reporting their refrigerant inventory monthly. Any losses are considered as a loss of primary containment (LOPC) triggering an internal deficiency. Each deficiency requires an investigation, corrective, and preventive measures to be satisfactorily closed.

### Sulphur Oxides (SOx) and Low Sulphur Fuels

The main changes to MARPOL Annex VI have seen a progressive reduction in SOx emissions from ships, with the global sulphur cap reduced initially to 3.5%, effective from 1 January 2012; then progressively to 0.50%, effective from January 2020. The limits applicable in Sulphur Emission Control Areas (SECA) reduced to 1.00%, from 1 July 2010, then further reduced to 0.10%, effective from 1 January 2015 onward.

All vessels in Nakilat's fleet are in compliance with the new sulphur caps using compliant low-sulphur fuels, as mandated by IMO Sulphur 2020. To comply with these new global sulphur caps set under the regulations, the transition to low-Sulphur fuels posed certain risks arising from strict regulatory requirements, as identified below:

- 1 - Risk of fuel supply shortage due to new IMO fuel sulphur caps
- 2 - Compatibility issues of new low sulphur (LS) fuels
- 3 - Combustion/operational issues of new LS fuels

To manage the risks identified as a result of a change to SOx emissions regulatory requirements, the organization has taken the following steps to reduce the impact of the subject regulations on its operations:

- 1 - An independent study was carried out by Lloyd's Register across the fleet to assess market availability, compatibility issues and operational issues related to new low sulphur fuel. The study highlighted the challenges of compatibility between fuels of different origin and production from different processes. Nevertheless, the proposed operational mitigation measures found to be robust to address any compatibility issue that might arise. Our operational procedures have been amended to reflect Lloyd's study findings and recommendations
- 2 - A local supply agreement for low sulphur fuels has been secured in collaboration with our main charterer
- 3 - The possibility of carrying modifications on existing fuel storage, transfer and treatment systems was assessed

### Nitrogen Oxides (NOx)

Nakilat complies with IMO Marpol Annex VI regulation 13 NOx Requirement on all new ships built after 1 January 2000 (Part of EP notation). All our vessels built after this date must have an Engine International Air Pollution Prevention (EIAPP) Certificate or International Air Pollution Prevention Certificate (IAPP) Certificate. Measurements have been done on board NSQL vessels to enable calculations to be made of the NOx emissions per vessel.

In the reporting year, there were no significant VOC emissions across our shipping fleet.

### Nakilat Shipping Fleet Annual Efficiency Ratio (AER) and Energy Efficiency Operational Indicator (EEOI)

In support of the IMO's carbon intensity reduction targets, to reduce CO<sub>2</sub> emissions per transport work by at least **40%** by **2030**, and **70%** by **2050** compared to 2008 baseline figures, tracks and monitors the energy efficiency of the fleet.

Nakilat reports metrics of technical relevance such as AER and EEOI, in accordance with the Poseidon Principles, as provided in the Appendix of this ESG Report.

### KPIs (Shipping)

Climate Change and Emissions to Air	2019	2020	2021	Scope
Greenhouse Gas (GHG) emissions				
Gross direct (Scope 1) GHG emissions (TCO <sub>2</sub> ) <sup>2</sup>	5,167,254	5,470,881	5,362,365	Shipping
GHG emissions intensity <sup>3</sup> (TCO <sub>2</sub> /Nm)	0.82	0.91	0.82	
Organization-specific metric chosen to calculate the intensity ratio: Total Sailing Distance <sup>4</sup> (Nautical Mile [Nm])	6,282,661	6,023,833	6,579,066	
Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions				
NOx	128,017	138,292	128,580	
SOx	257,455	133,152	6,562	
Particulate matter	11,023	11,980	10,888	

Note: This data represents our entire shipping fleet. Our reported GHG emissions data are based on the GHG Protocol, European Union (EU) Monitoring, Reporting and Verification (MRV) of CO<sub>2</sub> emissions, and IMO Data Collection System (DCS) on fuel consumption.

It is to be noted that GHG emissions data for 2019 and 2020 have been restated as some vessels managed by our partners have been reporting based on IPCC 684 standard instead of MEPC 684.

The calculation of these data uses conversion factors from the following standards: IPCC 2006 / ENTEC / CORINAIR / MEPC 686 and ISO conversion factors for Lower Calorific Value (LCV) indicated below: LCV MGO= 42.7GJ/T, LCV HFO= 40.6GJ/T, LCV Fuel Gas= 50.0GJ/T. The GHG accounting and disclosure is based on equity share.

### KPIs (Non-Shipping)<sup>5</sup>

Climate Change and Emissions to Air	2019	2020	2021	Scope
Greenhouse Gas (GHG) emissions				
Gross direct (Scope 1) GHG emissions (TCO <sub>2</sub> ) <sup>6</sup>	24,976	20,834	22,935	Non-shipping

Note: Note: This data represents emission from fuel used by our non-vessel joint ventures including fuel used for business purpose by corporate office. Majority of non-shipping fuel is used by tugs for harbour operations and so the calculation of these data uses conversion factors for MDO from the following standards: IPCC 2006

\*\* This is only non-shipping data under scope 1. Types of fuels included within figures: Diesel (Density-0.8213) and LPG (Conversion Factor-MJ to KG: 1 MJ = 0.02 kg of LPG).

### N-KOM Ambient Air Quality Monitoring

In order to ensure that emissions to the ambient air are within statutory limits, N-KOM monitors several ambient air quality parameters. Through regular monitoring, N-KOM tracks and ensures that its operations produce minimal pollutants as demonstrated in the data provided below. In 2021, Nakilat has successfully managed to keep emission values for NOx, SOx, PM<sub>2.5</sub> and PM<sub>10</sub> well within limits prescribed by Qatar's Ministry of Environment and Climate Change (MOECC) with the help of initiatives, detailed in the 2021 objectives and targets table below.

This reporting year, we shall also begin disclosure on carbon monoxide (CO), volatile organic compounds (VOC) and aromatic hydrocarbons for N-KOM. Nakilat aims to achieve air emissions reductions and remain well below the prescribed limits by Qatar's Ministry of Environment and Climate Change (MOECC).

<sup>2</sup> Shipping data is declared only under scope 1 as all GHG emissions are produced by the vessels when generating their own energy to sustain their respective operation. Only CO<sub>2</sub> is included in this calculation. Declaration is based on equity share.

<sup>3</sup> For ships: Emissions Intensity = Total Emissions / Total Sailing Distance. Equity share doesn't apply to intensity.

<sup>4</sup> Total Sailing Distance SASB (TR-MT-000.B). Equity Share doesn't apply to distance sailed.

<sup>5</sup> 2019 and 2020 CO<sub>2</sub> emission figures are restated, and difference can be noted due to Diesel Oil consumption figures which are made available by NKOM for 2018 onwards.

<sup>6</sup> Non-Shipping data shown separately under scope 1.

Emissions to Air	2019	2020	2021	MME Limits <sup>7</sup>	Scope
Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions <sup>8</sup>					
NOx	24.25 ug/m <sup>3</sup>	20.75 ug/m <sup>3</sup>	27.00 ug/m <sup>3</sup>	150 ug/m <sup>3</sup>	Non-shipping
SOx	14.75 ug/m <sup>3</sup>	12.50 ug/m <sup>3</sup>	24.75 ug/m <sup>3</sup>	365 ug/m <sup>3</sup>	
Particulate matter (PM2.5)	23.25 ug/m <sup>3</sup>	22.75 ug/m <sup>3</sup>	18.25 ug/m <sup>3</sup>	35 ug/m <sup>3</sup>	
Particulate matter (PM10)	67.5 ug/m <sup>3</sup>	72.75 ug/m <sup>3</sup>	77.00 ug/m <sup>3</sup>	150 ug/m <sup>3</sup>	
CO	n/a	n/a	423.5 ug/m <sup>3</sup>	10,000 ug/m <sup>3</sup>	
VOC	n/a	n/a	11.75 ug/m <sup>3</sup>	160 ug/m <sup>3</sup>	
Aromatic hydrocarbons	n/a	n/a	8.54 ug/m <sup>3</sup>	160 ug/m <sup>3</sup>	

Note: N-KOM data only. The source of NOx, SOx, PM, CO, VOC and aromatic hydrocarbon are due to air emissions from the shipyard's operations. Monitoring requirements and the respective limits are prescribed by the Qatar Ministry of Environment and Climate Change (MOECC).

2021 objectives and targets (N-KOM):

EMP* Risk Focus Area	Objective	Target/KPI	Negative environmental impact mitigation measures
Emissions to air	To ensure control measures are in place to mitigate risks associated with emissions to air.	To ensure that air emissions from the yard are within the legislative limits and implement mitigation measures if results are above regulatory limits.	<p><b>(a) Air Pollutants</b></p> <ul style="list-style-type: none"> <li>- Activities which produce air pollutants are controlled via enclosed chambers, extraction systems and filtration. Examples: blasting chamber, fume hoods and extraction fan</li> <li>- Machinery and equipment which produce air pollutants are serviced and maintained on a stipulated basis as per government regulations/OEM guidelines</li> </ul> <p><b>(b) Spray painting at open locations</b> - performed under encapsulation of canvas cover</p> <p><b>(c) Grit blasting outside the docks</b> - performed either under encapsulation or using wet grit blasting medium</p> <p><b>(d) Ambient air quality</b> - monitoring is done by 3rd party contractor</p> <p><b>(e) Quarterly Environmental Monitoring Report</b> - monitoring requirements and the respective limits are prescribed by the Ministry of Environment and Climate Change (MOECC) and stated in the Consent to Operate (CTO) License granted to the shipyard</p>

\*Environmental Management Plan

<sup>7</sup>Ministry of Environment and Climate Change (MOECC).  
<sup>8</sup>Each parameter is averaged for the year 2019 & 2020.

Emissions of ozone-depleting substances (ODS)- Exclusive to NKOM

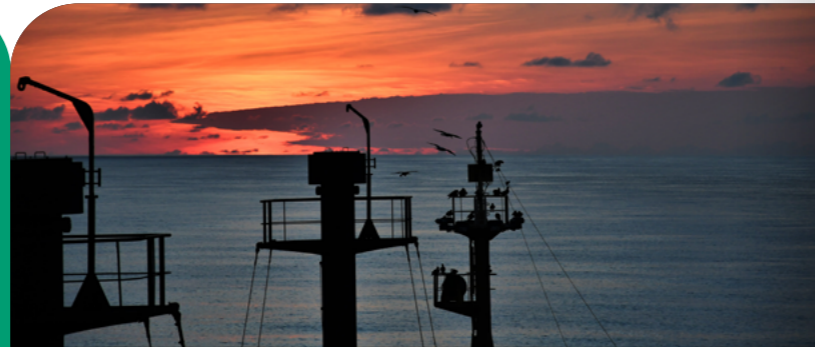
N-KOM neither produces, imports, or exports any ODS. The details of all refrigerant products procured in Y2020 and up to date in Y2021 are tabulated below. Ozone Depleting Substances are Refrigerants used in the Yard HVAC systems.

These substances are regularly monitored during Preventive and Corrective.

No	Material Description	Tank Size (s)	Quantity Purchased / under order	Y2020 Total Quantities	Y2021 Total Quantities
1	R-22 (Chlorodifluoromethane)	13.6KG	210 CYL	120 CYL	130 CYL
2	R-22 (Chlorodifluoromethane (Halocarbon 22)) – CHCLF2				
3	R-134A (Tetrafluoroethene), Norflurane, HFC-134a-P, Refrigerant Gas R134a, HFC134a, HFC134a-P, F134a, Dymel®134a/P.	13.6KG	150 CYL	90 CYL	72 CYL
4	R-404A (Pentafluoro ethane (HFC-125) 1,1,1-Trifluoroethane (HFC-143a) 1,1,1,2-Tetrafluoroethane (HFC-134a)	10.9KG	40 CYL	30 CYL	8 CYL
5	R-407C (Difluoromethane (HFC-32) Pentafluoro ethane (HFC-125) 1,1,1,2-Tetrafluoroethane (HFC-134a)	13.0KG	105 CYL	50 CYL	50 CYL
6	R-410A (Difluoromethane) (Pentafluoro ethane)	11.0KG	180 CYL	110 CYL	80 CYL



## 4.3 ENERGY EFFICIENCY AND WATER CONSUMPTION



### Energy Efficiency

#### Management Approach and Progress

In line with the Nakilat general business principles, we continually look for ways to reduce the environmental impact of our operations, products, and services. All managed ships must therefore be operated in the most energy efficient and safe manner possible.

#### Ship Energy Efficiency Management Plan (SEEMP)

Each vessel shall develop, maintain, and comply with a SEEMP. SEEMP's are developed as a ship-specific plan by Nakilat, which seeks to improve a ship's energy efficiency through four steps: planning, implementation, monitoring, self-evaluation and improvement. These components play a critical role in the continuous cycle of improvements that lead to effective ship energy management.

Fleet energy targets are set during the scheduled annual management review. Depending on vessel type, trade pattern and each vessel's operational profile, a set of measures are adopted to meet the set KPIs. Some of the operational energy efficiency measures implemented for Nakilat's fleet are:

- Voyage management in close cooperation with charterers
- Cargo conditioning management
- Trim optimization
- Weather routing
- Switching off lights during Unattended Machinery Space (UMS) periods

#### Environmentally Friendly and Higher Performance Hull Coating Systems

As a result of a continuous advanced voyage performance analysis of an upgraded coating system trialed over five years on one ship, the hull fouling was found to be very limited, resulting in only 1.5% speed loss over five yearly period without hull cleaning. All Nakilat's LNG vessels' hulls have been coated with this upgraded coating system since 2012.

#### Enhanced and Integrated Hull Performance Monitoring

In line with the ISO 19030: Ships and Marine Technology standard on performance monitoring, Nakilat's integrated hull performance monitoring regime was enhanced. Existing onboard performance monitoring equipment was first upgraded to ensure timely recording and forwarding of data to shore at established intervals for selected performance parameters. Shore analysts then produce either a monthly or per-voyage performance monitoring reports primarily focusing on emissions related performance. Guided by the performance reporting, the vessels' hull scrubbing can then be decided and documented. An average hull clean interval was established and triggered using the most advanced ocean environmentally-friendly remotely operated vehicle (ROV) system as soon as the performance deteriorated to a predetermined set point.

#### Innovative Remote Operated Vehicle (ROV) Solutions

In addition to the established hull performance monitoring process, Nakilat together with Ras Laffan Industrial City (RLIC), QatarEnergy and the Ministry of Environment and Climate Change (MOECC), have worked on assessing the viability to introduce an innovative means of hull cleaning within the Qatari territorial waters and port facilities. The ROV system comprises of a high-pressure water jet and vacuum, associated with an on-barge separation system to collect the fouling without adverse impact to the environment. This environment permit was granted, and the system has proven successful within the Ras Laffan Port limits.

### Fleet Digitalization

Innovations and inventions provide technology to make sailing safer and more efficient. The dynamic growth and application of technology and innovation, there are chances to improve or adapt inventions or systems on board of vessels.

Digitalization in this context is about making the current systems on our vessels more efficient, by developing new systems to improve performance and minimize the risk of human interventions. Fleet digitalization enhances vessel performance through effective monitoring and timely evaluation, and is therefore of strategic importance to the company, our partners, and customers. It allows Nakilat to continuously improve its service efficiency to achieve operational excellence. In addition, automation of processes onboard allows the crew to operate the vessel in a safer and more efficient manner.

The future maritime regulatory frameworks embracing technology innovation and digitization incentivized Nakilat to expand the scope of our own digitization programs to incorporate high frequency data acquisition and machine learning. These solutions are expected to offer enhanced emissions intensity reductions and thus, to provide the broadest scope of ship's operational profile for our customers. Insights from upgraded digitization will allow rapid assessments of maturing technologies which can be offered to customers of the group N-KOM shipyard. Retrofit of existing technology energy saving devices and ballast water treatment systems are already catered for, and actively marketed.

#### Joint Development Project CO<sub>2</sub> capture onboard LNG vessels

In 2021, Nakilat has engaged in a collaboration with a major LNG shipping company, a major classification society and a Korean shipyard to work on the next generation of carbon capture systems and further contribute to the classification society rules for LNG vessels funnel emissions.

#### Propeller Super-Polish and Edge Modification

Our twin-engine, twin-propeller LNG vessels were delivered with coated propellers which faced the same fouling issue similar to the hull whilst in operations. In 2012, an independent study was conducted to determine the root cause of premature overloading of the engines in slight sea conditions, as additional fuel consumption had been observed to achieve the vessels' design revolutions per minute (rpm). After due diligence and consultation with the original makers, a decision was made to remove the propeller coating and super-polish the surfaces to further improve vessel performance. Upon recommendation, vessels underwent propellers blade edges modification to 'lighten' the propellers, a process also known as increasing LRM (Light Running Margin). Adequate LRM indicates better propeller performance. These refits ensure that our vessels operate more efficiently with lower fuel consumption to achieve the design speed. For some vessels, this was accomplished while the vessel was in service through utilization of certified underwater diving companies. Meanwhile for other vessels, this has been carried out during their routine dry docking.

#### N-KOM: Power Demand Protocols

There are maximum demand level requirements agreed and set within the Bulk Supply Agreements for Power from the national government supplier, Kahramaa. In 2021, due to project load requirement, N-KOM exceeded the maximum demand level by an average 3.4 MW for 7 out of 12 months. The requisite management control protocols have been initiated to ensure Nakilat's high consumption/demand assets such as the two dry docks and the floating dock are not operated simultaneously, as it would result in over consumption.

**KPIs (Shipping)**

Energy	2019	2020	2021	Scope	
<b>Energy consumption</b>					
Total fuel consumption within the organization from non-renewable sources (GJ) <sup>9</sup>	69,610,610	74,015,625	73,694,908	Shipping	
Total fuel consumption within the organization from renewable sources (GJ)	0	0	0		
Total energy consumption within the organization (GJ)	69,610,610	74,015,625	73,694,908		
<b>Energy intensity</b>					
Energy intensity ratio <sup>10</sup> (GJ/Nm)	15.98*	17.30	15.79		
Organization-specific metric chosen to calculate the intensity ratio: Total Sailing Distance <sup>11</sup> (Nautical Mile [Nm])	6,282,661	6,023,833	6,579,066		

Note: This data represents our entire shipping fleet.

\* It is to be noted that Energy Intensity data for 2019 have been restated to capture the entire distance travelled in our joint venture fleet.

**KPIs (Non-Shipping)<sup>12,13</sup>**

Energy	2019	2020	2021	Scope	
<b>Electricity consumption</b>					
Total electricity consumption (kWh) Corporate	1,237,412	935,517	1,169,485	Non-Shipping	
Total electricity consumption (kWh) N-KOM	68,500,000	63,400,000	69,400,000		
Total electricity consumption (kWh) QFAB	n/a	7,460,000	6,505,700		
Total electricity consumption (kWh) NSW	n/a	n/a	1,956,150		
TOTAL ELECTRICITY CONSUMPTION (kWh) Corporate, N-KOM, QFAB and NSW	69,737,412	71,795,517	79,030,635		
Total electricity consumption (GJ) Corporate	4,455	3,368	4,210		
Total electricity consumption (GJ) N-KOM	246,600	228,240	249,840		
Total electricity consumption (GJ) QFAB	n/a	26,856	23,418		
Total electricity consumption (GJ) NSW	n/a	n/a	7,042		
TOTAL ELECTRICITY CONSUMPTION (GJ) Corporate, N-KOM, QFAB, NSW	251,055	258,464	284,510		
<b>Fuel consumption</b>					
Total fuel consumption (GJ) Corporate	415	734	329		
Total fuel consumption (GJ) N-KOM	112,049	37,339	43,147		
Total fuel consumption (GJ) QFAB	n/a	393	333		
Total fuel consumption (GJ) NSW	278,711	287,742	315,385		
TOTAL FUEL CONSUMPTION (GJ) Corporate, N-KOM, QFAB, NSW	391,174	326,208	359,194		
<b>Total energy consumption (electricity + fuel)</b>					
Total energy consumption (GJ) Corporate	4,869	4,102	4,539		
Total energy consumption (GJ) N-KOM	358,649	265,579	292,987		
Total energy consumption (GJ) QFAB	n/a	27,249	23,751		
Total energy consumption (GJ) NSW	278,711	287,742	322,428		
TOTAL ENERGY CONSUMPTION (GJ) Corporate, N-KOM, QFAB, NSW	642,229	584,672	643,705		
<b>Energy intensity<sup>14,15</sup></b>					
Energy intensity ratio (Electricity + Fuel consumption (GJ) / per employee) Corporate	19.4	16.6	16.5		
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) Corporate	250	250	275		
Energy intensity ratio (Electricity + Fuel consumption (GJ) / employee N-KOM	275.9	204.3	225.4		
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) N-KOM	1,300	1,300	1,300		
Energy intensity ratio Electricity + Fuel consumption (GJ) / per employee) QFAB <sup>16</sup>	n/a	317.2	349.3		
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) QFAB	n/a	86	68		
Energy intensity ratio (Electricity + Fuel consumption (GJ) / per employee) NSW <sup>17</sup>	819.7	846.3	942.8		
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) NSW	340	340	342		
Total energy intensity ratio (Electricity Consumption + Fuel (GJ) / per employee) Corporate, N-KOM and QFAB and NSW	280.3	295.9	324.3		
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) corporate, N-KOM, QFAB, NSW	1,890	1,976	2,016		

<sup>12</sup> 2019 and 2020 fuel figures are restated, and difference can be noted due to diesel oil consumption figures which are made available by N-KOM for 2019 onwards.

<sup>13</sup> This is only non-shipping data under scope 1. Types of fuels included within figures: Diesel (Density-0.8213) and LPG (Conversion Factor-MJ to KG: 1 MJ = 0.02 kg of LPG).

<sup>14</sup> All energy intensity ratios represent electricity and fuel usage, except for QFAB and NSW (see below).

<sup>15</sup> Energy Intensity Ratio has been restated in GJ/No. of employee for alignment.

<sup>16</sup> QFAB Electricity data not available for 2019 and so only fuel data used.

<sup>17</sup> NSW Electricity data not available in 2019 & 2020 and so only fuel data used.



<sup>9</sup> This is only shipping data under scope 1. Types of fuels included within figures: HFO, MGO, LNG.

<sup>10</sup> For SHIPS: Energy Intensity = Total Energy/ Total sailing Distance. Intensity is declared in total.

<sup>11</sup> Total sailing Distance SASB (TR-MT-000.B). Equity Share Doesn't apply to distance sailed.

Reduction of energy consumption	2019	2020	2021	Scope
Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives (fuel and electricity)				
Total energy reductions (GJ) Corporate	2,501	2,501	2,363	Non-Shipping
Total energy reductions (GJ) N-KOM	16,804	16,804	16,804	
Total energy reductions (GJ) QFAB	n/a	26,856	24,048	
Total energy reductions (GJ) NSW	n/a	n/a	n/a	
Total energy reductions (GJ) Corporate, N-KOM, QFAB and NSW	19,305	46,161	43,112	

Electricity sold	2019	2020	2021
Total electricity sold (GJ)- (N-KOM)*	6,755	5,246	25,029

\*Electricity sold to vessels in dock via metered connections

## WATER CONSUMPTION



### Management Approach and Progress

#### Shipping

Nakilat adopts a responsible and prudent approach to water consumption. Our vessels do not withdraw or discharge any fresh water, nor consume water from a third party. Fresh water is produced on board from waste heat energy. We do not withdraw from or discharge in any water stressed areas. Water fountains are fitted onboard. We have discontinued single-use plastic water bottles, and water samples are regularly landed ashore for analysis to ensure quality onboard.

#### Non-Shipping

Potable water for domestic use is supplied by Kahramaa, via Ras Laffan Industrial City infrastructure controlled by QatarEnergy to Nakilat's office. All Sewage water is discharged into the Municipal sewage system in accordance with Ministry of Environment and Climate Change regulations. QatarEnergy provides treated industrial water for the use of Nakilat's operating units in industrial processes. Industrial water runoff

within the docks is treated via our Contaminated Water Treatment Plant (CWTP).

N-KOM's CWTP plant facilitates contaminated water generated from washing of vessels at the dry docks to be filtered, purified, and tested for conformance (as per Qatar's Ministry of Environment and Climate Change (MOECC) guidelines and parameters) before discharges of water are released into the sea as per the Consent to Operate (CTO) certificate requirements. N-KOM also submits quarterly reports of CWTP treatment to MOECC.

#### KPIs (Shipping)

Water	2019	2020	2021	Scope
Water withdrawal and discharge				
Total seawater withdrawal (megaliters)	30,007,243	29,250,355	25,808,027	Shipping
Total seawater discharge (megaliters)	30,007,243	29,250,355	25,808,027	

Note: This data represents our entire shipping fleet. The reported data are aggregated values from wholly owned and JV vessels for seawater used for ballasting the vessels. The ballast water used has either been treated according to IMO Ballast Water Convention D2 for vessels fitted with a treatment system. For other vessels which are still to be fitted with a treatment system the ballast water has been replenished through exchange during the voyage as per IMO Ballast Water Convention D1. The same quantity of seawater that is loaded in discharge ports is discharge afterwards in loading ports. Only seawater for ballasting is discharged. Calibrated remote sounding system and approved ballast tank tables have been used to calculate ballast water quantities declared. Seawater salinity and density is determined from international oceanographic tables.

#### KPIs (Non-Shipping)

Water	2019	2020	2021	Scope
Water consumption				
Freshwater/ Potable water consumption (megaliters) Corporate	1.69	0.73	0.61	Non-shipping
Freshwater/ Potable water consumption (megaliters) NSW	11	11	11.49	
Freshwater/ Potable water consumption (megaliters) N-KOM	375	248	304	
Freshwater/ Potable water consumption (megaliters) QFAB	n/a	52.2	33.65	
<b>Total Freshwater/ Potable consumption</b>	<b>388</b>	<b>312</b>	<b>350</b>	
Industrial water consumption (megaliters) N-KOM	83	100	100	
Industrial water consumption (megaliters) QFAB	n/a	52	0.03	

\*Water is supplied by Kahramaa, a third-party.



## 4.4 OCEAN HEALTH AND BIODIVERSITY



### Management Approach and Progress:

#### Spill Management

Oil and chemical spills may arise from many different sources and activities in the shipyard, such as the oil discharged from vessels, facility maintenance, blasting and painting operations, yard's machinery, and mobile equipment operation and maintenance, as well as administrative processes. To mitigate this risk, Nakilat has developed oil and chemical spill contingency plans covering the entirety of our vessels; operations and the Erhama Bin Jaber Al Jalahma Shipyard. These plans detail ways to minimize potential harm of oil and chemical spills to people and the environment by ensuring timely and coordinated responses. All JVs have developed an emergency preparedness procedure in alignment with these plans.

There are seven spill kits of different sizes located in strategic places around the whole yard which are inspected every month and replenished as and when necessary. Throughout the year 2021, we have not recorded any spill.

#### Ballast Water Treatment System (BWTS)

In order to meet the recommendations of the IMO assembly resolution A.868(20), 'Guidelines for the control and management of ships' ballast water to minimize the transfer of harmful aquatic organisms and pathogens', Nakilat's fleet of vessels have ship-specific Ballast Water Management Plan(s), approved by class.

Nakilat is 100% compliant with the Ballast Water Management System (BWMS) Convention. Newbuild vessels were fitted with a BWTS at the shipyard, and BWTS systems are being retrofitted to existing ships.

#### Low Sulphur Fuel Selection

Nakilat complies with sulphur emissions caps by using lower sulphur fuels rather than employing exhaust gas scrubber systems which have the potential to increase pollutant discharges to the ocean environment.

#### N-KOM's Marine Water Quality Monitoring to Protect Ocean Health

N-KOM conducts water quality monitoring at five locations along its shore. Water samples from each location are tested for the same parameters such as Total Suspended Solids (TSS) and pH value. On average, N-KOM's TSS value did not cross 5.0 mg/l when compared with the Ministry of Environment and Climate Change (MOECC) limit of 35 mg/l. Also, NKOM pH value has always been within 6-9, as per the Qatar's MOECC regulation.

The full list of limits are as follows: pH - 6.5 - 9.0; TSS - 400 mg/l; TDS - 1750 mg/l; BOD - 260 (average) - 400(max) mg/l ; COD - 760 mg/l; Oil and Grease - <10 mg/l; NH3-N- 40 mg/

### KPIs (Non-Shipping)

2021 Objectives and Targets (N-KOM):

EMP* Risk Focus Areas	Objective	Target	Negative Environmental Impact Mitigation Measures
Environmental Impact Assessment (EIA)	To ensure that environmental aspects of activities, products and services from the company are controlled and mitigated so that there is no potential for adverse impacts to the environment.	(a) To have zero high environmental impact rated operational activities.  (b) To reduce environmental impacts of high and medium rated activities to as low as reasonably achievable.	(a) EIA - covers all activities per production section (b) HSSE Audit - conducted annually for each production section  Reference for (a) <ul style="list-style-type: none"> <li>IMS-HSSE-P-0003, identification and analysis of environmental aspects and impacts procedure</li> <li>IMS-HSSE-F-0014, environmental aspects and impacts identification and assessment form</li> </ul>
Discharges to Sea	To filter waste / contaminants of water from dry docks 1 & 2	To maintain the discharged water at environmentally acceptable / regulatory limits as per MME.	(a) Contaminated water from dry docks and phase 5 washing bay undergo- regular treatment at the Contaminated Water Treatment Plant (CWTP). Within the CWTP contaminated water is processed through several stages of purifications  (b) Treated water - Prior to discharge, samples are sent to third party laboratories for verification of water constituents. Treated water is discharged to the sea only if results are within the regulatory limits.  (c) Environmental monitoring report - Quarterly monitoring requirements and respective limits are prescribed by the Ministry of Environment and Climate Change (MOECC) and stated in the Consent to Operate (CTO) License granted to the shipyard
Marine Water Monitoring	To monitor marine water quality at different locations.	To ensure concentrations of pH and Total Suspended Solids (TSS) of the marine water are within the Ministry of Environment and Climate Change (MOECC) regulatory limits.	(a) Vessels are under RLC and N-KOM regulations - No discharges allowed to sea other than treated ballast water  (b) Vessel activities which produce pollutants that can contaminate marine environment and docks. Within the dry docks all liquid and semi-solid discharges are contained within incorporated systems of the docks which either treat or hold pollutants for collection  (c) Waste disposal requirements - managed via licensed waste management contractors  (d) Environmental monitoring report - Quarterly monitoring requirements and respective limits are prescribed by the Ministry of Environment and Climate Change (MOECC) and stated in the Consent to Operate (CTO) License granted to the shipyard

N-KOM only

\*Environmental Management Plan

Description	Target / KPI	2021 performance
<b>Marine Water Quality Monitoring at different locations</b> To ensure concentrations of pH and Total Suspended Solids (TSS) of marine water are within the Ministry of Environment and Climate Change (MOECC) regulatory limits	Levels should not cross: TSS = 35 (mg/l)	TSS = <5 (mg/l) (see note below)
	pH: 6 - 9	pH = 8.0 (see note below)
<b>Contaminated Water Treatment</b> To ensure that contaminated water from dry docks 1 and 2 are filtered of waste/contaminants before the water is released back into the sea	pH: 6 - 9	pH: 7.4 (see note below)
To maintain the discharged water at environmentally acceptable/regulatory limits as per the Ministry of Environment and Climate Change (MOECC)	BOD: 50	BOD: 25 (see note below)
	COD: 150	COD: 100 (see note below)
	TSS: 50	TSS: <2 (see note below)
	Oil and grease: 10	Oil and grease: <1 (see note below)
To ensure that contaminated water from dry docks 1 and 2 are filtered	Cd: 0.1	Cd: <0.02 (see note below)
To maintain the discharged water at environmentally acceptable/regulatory limits as per the Ministry of Environment and Climate Change (MOECC)	Pb: 0.1	Pb: <0.01 (see note below)
	Ni: 0.5	Ni: 0.009 (see note below)
	Cu: 0.5	Cu: 0.08 (see note below)
	Cr: 0.2	Cr: <0.001 (see note below)
	Fe: 1	Fe: 0.09 (see note below)
	Mn: 0.05	Mn: <0.01 (see note below)
	Phosphate: 30	Phosphate: 2.3 (see note below)
	Sulfide: 0.1	Sulfide: <0.1 (see note below)

N-KOM only. Note: Monitoring requirements and the respective limits are prescribed by Qatar's Ministry of Environment and Climate Change (MOECC) and stated in the Consent to Operate (CTO) License granted to the Shipyard.

\* PM<sub>10</sub>, SO<sub>2</sub> and NO<sub>x</sub> - 99.7% of all daily measurements taken during the period of one calendar year

\*\* CO - 99.8% of all eight (8) hour measurements taken during the period of one calendar year

\*\*\* Aromatic Hydrocarbon - Ras Laffan Industrial City (RLIC) Standards for non-methane hydrocarbons

\*\*\*\* PM<sub>2.5</sub> - United States Environmental Protection Agency (USEPA) Standards for PM<sub>2.5</sub>

## 4.5 WASTE MANAGEMENT AND SHIP RECYCLING



### Management Approach and Progress

#### Making Ship Recycling Safer with Inventory Hazardous Materials (IHM)

The European Union (EU) pursues an ambitious policy to make ship recycling greener and safer. The recently introduced EU legislation on Inventory Hazardous Materials (IHM) came into force on 30<sup>th</sup> December 2020. IHM is a structured system to control hazardous materials onboard ships. Occupational health risks can be identified during ship operations to inform crew, as well as repair and conversion yards about any hazardous materials onboard for incident preparedness and response. This enables advanced planning to ensure that ship decontamination activities must be deployed by trained workers, appropriate equipment and adequate plans for the removal and disposals of any hazardous materials (HAZMATs). Nakilat has obtained the IHM certification for fleet vessels and is continuing to achieve alignment with the EU legislation, which requires ships to have an inventory of hazardous material on-board. Nakilat has also conducted extensive surveys involving the assessment of the hazardous materials samples in the laboratories for potential risks.

In addition to all mandatory certifications, our vessels maintain voluntary compliance certification with Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. Compliance with this requirement enables Nakilat to maintain a record of all potentially hazardous materials onboard is maintained throughout the operational life of the ships.

#### Shipping (Onboard) Waste Management

Waste generation, and its subsequent impacts, are related to domestic waste generated by onboard crew during the ship's operational activities, such as plastic, paper, metal, and food waste. The waste is collected onboard and segregated as per the approved vessel's garbage manual. The data is then reported on the vessel's flag approved garbage logbook maintained onboard.

All the waste generated onboard our vessels is segregated before being disposed ashore to an approved facility. Only a fraction of this waste is incinerated onboard in an IMO-approved incinerator.

#### Non-Shipping Waste Management

Nakilat has made conscious efforts to reuse and recycle waste where possible to reduce the amount of waste generated or disposed. There are seven major types of waste generated by Nakilat and its local joint venture partners' operational activities, which are categorized as follows:

General, wood, food, hazardous, metal, paper, electrical / electronic. Nakilat has a contractual agreement with approved local contractors for the transportation and disposal of all types of wastes. Recycling is in line with the local regulatory requirements.

At N-KOM, all major blasting activities are conducted at graving docks and floating dock; grit blasting is suspended during high wind speed conditions above 25 knots to prevent the spread of grit dust. When grit blasting is performed on small vessels at the phase 5 washing bay area, wet blasting technique is applied.

For blasting of loose items, outfitting and other small structures, blasting chamber facility is used while onsite ballasting operation of small items requires encapsulation of the full structure along with engineering controls - dust collector, dehumidifier and vacuum machine that are mandatory, as open blasting is not allowed.

N-KOM has a contract with the Ministry of Environment and Climate Change (MOECC) approved waste treatment factory to collect and dispose waste. As per contract, the contractor is required to collect, transport, and dispose waste as per established local authority (MOECC) regulations. The respective N-KOM Sections' Person in Charge are responsible for daily waste collection at yard and coordination activities with the third-party contractors for waste disposal.

All wastewater from vessels washing at the shipyard is treated via the shipyard's contaminated water treatment plant and returned to the sea within the regulatory limits. Monitoring of environmental parameters are performed for treated water, sea water, drinking water and air quality. All analyses are performed and validated by third party contractors. All contractors to the company are pre-audited and assessed based on set criteria covering necessary environmental certifications and compliance.

QFAB has implemented a waste management plan to specify a waste management system for all QFAB processes that produce waste to ensure that the waste is effectively controlled, handled, transported, and responsibly disposed to protect and safeguard the environment and to further reduce the risk of current and future liabilities. In all instances and in line with the QHSES policy and procedures, the most environmental-friendly approach will be utilized as far as reasonably practicable. The fabrication operations general superintendent is considered as the principal waste producer for all construction activities within the QFAB and has a 'Duty of Care' to ensure that all wastes generated are properly handled and disposed complying with the applicable regulatory requirements.

NSW has implemented initiatives such as eliminating the use of single use plastic water bottles and instead provided all employees with dedicated approved drinking bottles.

**KPIs (Shipping):**

Waste	2019	2020	2021	Scope	
<b>Waste generated</b>					
Total weight of waste generated (m3), and a breakdown of this total by composition (CAT <sup>18</sup> ) of the waste <sup>19</sup>	<b>Total = 7,363 m3</b> Cat 1 = 2,155 m3 Cat 2 = 329 m3 Cat 3 = 2,273 m3 Cat 4 = 222 m3 Other = 2,246 m3	<b>Total = 6,895 m3</b> Cat 1 = 2,044 m3 Cat 2 = 333 m3 Cat 3 = 2,233 m3 Cat 4 = 155 m3 Other = 2,129 m3	<b>Total = 6,879 m3</b> Cat 1 = 1,939 m3 Cat 2 = 326 m3 Cat 3 = 2,199 m3 Cat 4 = 161 m3 Other = 2,254 m3	Shipping	
<b>Waste disposal</b>					
Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste <sup>20</sup> .	<b>Total = 7,363 m3</b> Cat 1 = 2,155 m3 Cat 2 = 329 m3 Cat 3 = 2,273 m3 Cat 4 = 222 m3 Other = 2,246 m3	<b>Total = 6,895 m3</b> Cat 1 = 2,044 m3 Cat 2 = 333 m3 Cat 3 = 2,233 m3 Cat 4 = 155 m3 Other = 2,129 m3	<b>Total = 6,879 m3</b> Cat 1 = 1,939 m3 Cat 2 = 326 m3 Cat 3 = 2,199 m3 Cat 4 = 161 m3 Other = 2,254 m3		
Incineration onsite (without energy recovery) (m3)	1,163	775	1,061		
Total waste disposal offsite (m3) <sup>21</sup>	6,200	6,120	5,818		

Note: This data represents our entire shipping fleet

It is to be noted that 2020 data has been re-categorized between the Joint Venture partners to align with NSQL. Nevertheless, the total waste generated remains the same.

<sup>18</sup>Garbage on ships is classified into the following categories (Cat): 1-Plastics; 2- Floating dunnage, lining, and packing material; 3- Ground down paper products, rags, glass, metal bottles, and crockery; 4-Domestic waste; 5- Incinerator ash; 6- Normal paper products, rags, oily rags, glass, and metal scrap; 7-Operational waste; 8-Animal Carcasses onboard livestock carrier; 9- E-Waste; 10- Cooking oil waste produced in the galley; 11- Cargo residues onboard ships carrying solid cargo in bulk which are not harmful to the marine environment (Non-HME); 12- Cargo residues onboard ships carrying solid cargo in bulk which are harmful to the marine environment (HME); Others' encompass all what is not listed between cat 1 and cat 12.

<sup>19</sup>Total waste (disposed to sea + incinerated + landed ashore) in m3. Data provided in cubic meter and not in tons as reported by the vessels and approved by the flag state.

<sup>20</sup>Bilge doesn't fall under garbage requirement.

<sup>21</sup>The rest of the segregated waste is disposed to an approved shore facility for processing.

**KPIs (Non-Shipping)**

Waste	2019	2020	2021	Scope
Total weight of waste generated (m3 or Tons), and a breakdown of this total by composition (CAT <sup>22</sup> ) of the waste - N-KOM	<b>Total = 21,130 m3, 16,393 tons &amp; 1,110,000 gallons</b> Cat A, B, C & F (General)= 16,443 m3 Cat C & F = 3,540 m3 Cat C & F = 2,999 tons Cat I = 34.22 tons Other = 947 m3 Other = 13,360 tons Other = 1,110,000 gallons	<b>Total = 16,271 m3, 7,082 tons &amp; 365,000 gallons</b> Cat A, B, C & F (General) = 12,817 m3 Cat C & F = 2,360 m3 Cat C & F = 2,104 tons Cat I = 12.62 tons Other = 1,094 m3 Other = 4,965 tons Other = 365,000 gallons	<b>Total= 19,200 m3 &amp; 9,681 tons</b> Cat A, B, C & F (General)= 13,566 m3 Cat C & F= 3,520 m3 Cat C & F= 3,077 tons Cat I= 22.86 tons Other= 2,114.16 m3 Other= 6,581.36 tons	Non-shipping
Total weight of waste generated (m3 or Tons), and a breakdown of this total by composition (CAT) of the waste - NSW	<b>Total = 65.08 m3</b> Cat C & F (General) = 16.938 m3 Cat A (Plastic)= 4.266 m3 Others (oily waste) = 43.876 m3	<b>Total = 67.86 m3</b> Cat C & F (General) = 18.297 m3 Cat A (Plastic)= 4.361 m3 Others (Oily waste) = 45.20 m3	<b>Total = 125.11 m3</b> Cat C & F (General) = 30.691 m3 Cat A (Plastic)= 9.59 m3 Others (Oily waste) = 84.825 m3	
Total weight of waste generated (m3 or Tons), and a breakdown of this total by composition (CAT) of the waste - QFAB	NA	<b>Total = 48.98 m3 &amp; 2.85 tons</b> Cat A, B, C & F (General) = 48.98 m3 Cat C & F=2.58 m3 Cat C & F= 2.85 tons Cat I= 0 tons Other= 0 m3 Other= 0 tons Other= 0 gallons	<b>Total = 18.88 tons &amp; 264 Gallons</b> Hazardous waste= 2.16 Tons CAT A & B (General)= 10.785 Tons Cat C & F= 5.94 Tons Other (Oily waste) = 264.0 gallons	
Total weight of waste generated (m3 or Tons), and a breakdown of this total by composition (CAT) of the waste - Corporate	<b>Total = 1.08 m3</b> Cat C&F (General) = 1.05 m3 Cat I = 0.03 m3	<b>Total = 2.73 m3</b> Cat C&F (General) = 0.51 m3 Cat I = 2.22m3	<b>Total = 0.59 m3</b> Cat C&F (General)= 0.56 m3 Cat I = 0.012 m3 Hazardous waste= 0.02 m3	

<sup>22</sup> Garbage on shore is classified into the following categories (CAT A & B: General; CAT C & F: Wood & Metal; CAT I: Batteries; CAT OTHER- Spent Grit, Paint Drums, Sludge, Oily Water & Oily Rags).

Waste	2019	2020	2021	Scope
Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste. - N-KOM	NA	NA	<b>Total = 3,099.86 Tons</b> CAT C & F= 3,077 Tons CAT I = 22.86 Tons	Non- Shipping
Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations -SOLD- N-KOM	NA	NA	<b>CAT I = 22.86 Tons</b>	
Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations SOLD- N-KOM	NA	NA	<b>CAT C &amp; F= 3,077 Tons</b>	
Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste - N-KOM	<b>Total = 20,930 m3, 16,393 tons &amp; 1,110,000 gallons</b>	<b>Total = 16,271 m3, 7,082 tons &amp; 365,000 gallons</b>	<b>Total= 19,200.16 m3 &amp; 9,681.22 Tons</b> Cat A, B, C & F (General)= 13,566 m3 Cat C & F= 3,520 m3 Cat C & F= 3,077 Tons Cat I= 22.86 tons Other= 2,114.16 m3 Other= 6,581.36 Tons	
Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste - NSW	Other (Oily waste) = 43.876 m3	Other (Oily waste) = 45.20 m3	<b>Total = 125.11 m3</b> Cat C & F (General) = 30.691 m3 Cat A (Plastic)= 9.59 m3 Others (Oily waste) = 84.825 m3	
Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste - QFAB	NA	NA	<b>Total = 18.88 tons &amp; 264 Gallons</b> Hazardous Waste = 2.16 Tons CAT A & B (General)= 10.785 Tons Cat C & F= 5.94 Tons Other (Oily waste) = 264.0 gallons	
Total waste disposal – landfill (m3 or tons) N-KOM	General = 16,443 m3 Wood = 3,540 m3 Spent Grit = 13,079 tons	General = 12,817 m3 Wood = 2,360 m3 Spent Grit= 4,903 tons	<b>Total: 17,086 m3 &amp; 6,425.74 Tons</b> CAT A, B, C & F (General) = 13,566 m3 CAT C & F = 3,520 m3 Other = 6,425.74 Tons	
Total waste disposal – landfill (m3 or tons) QFAB	NA	NA	12.945 Tons	
Total waste disposal – recycling (m3 or tons) QFAB	NA	NA	60.225 Tons	

2021 Objectives and Targets (N-KOM):

EMP Risk Focus Areas*	Objective	Target	Negative environmental impact mitigation measures
Waste	To ensure that, in accordance with legislation, waste will be managed in a sustainable manner following the waste hierarchy of prevention, reuse, recycling, and disposal to ensure the reduction in waste is sent to landfill.	To maintain baseline waste recycling rate of 80% for recyclable waste.	Waste management plan: (a) Contracts - in place with licensed waste contractors to dispose waste at government approved waste treatments centres. (b) Scrap metal - sold to interested companies for reuse (c) HSE walkthroughs and environmental inspections - conducted to ensure waste is managed in a sustainable manner.  Reference <ul style="list-style-type: none"> <li>IMS-HSSE-F-0120, Health and Safety Inspection Record</li> <li>IMS-HSSE-F-0131, Environmental Inspection Report</li> <li>IMS-HSSE-P-0004, Waste Management Procedure</li> </ul>

N-KOM only

\*Environmental management plan

Materials (Non-Shipping):

Nakilat's facilities do not consume or use raw materials in its operations, given the nature of its business offerings. The recurring materials employed are limited to corporate-use or specific material use. Materials are sourced from Original Equipment Manufacturers (OEMs) and other suppliers. These materials, such as paper, are used to support the retail and service nature of the entity operations.

Materials	2019	2020	2021	Scope
Material used by weight and volume				
Paper (kg) - Corporate	6,098	2,216	1,248	Non-shipping
Paper (kg) - N-KOM	18,317	6,394	6,475	
Copper Slag (Tons)	11,156	4,928	12,857	
Paper (kg) - QFAB	n/a	n/a	570	

Note: Nakilat office, N-KOM and QFAB data only

Materials that have a high impact on the environment are monitored. Nakilat is constantly exploring more environmentally-friendly products/materials where available.

## 5. SOCIAL



### 5.1 Health, Safety and Wellbeing

#### Management Approach and Progress

Nakilat and its joint ventures (JVs) are committed to health and safety at the workplace in line with the requirements established under Qatar National Vision 2030 and Nakilat’s Safety, Health, Environment and Quality (SHEQ) policy. We ensure our compliance with applicable Health and Safety legal and other requirements related to our activities.

#### Policy

For SHEQ Policy, please refer section 4.1 of this ESG Report.

We place SHEQ at the top of our agenda to ensure that we operate in a safe, reliable, and efficient manner within our society and natural environment. The fundamentals of how we deliver safe and reliable operations remain our number one priority. We believe that all incidents and injuries are preventable, hence we strive to create an Incident and Injury Free (IIF) environment, both at the workplace and at home. Our SHEQ policy ensures the achievement of these commitments within the organization. It is accessible to all employees and contractors within Nakilat, and is also publicly displayed at several prominent locations. Nakilat ensures the policy’s compliance, effectiveness, and suitability by continuously reviewing it during the Management Review Meetings.

#### Governance

Nakilat’s SHEQ committee, consisting of all department Chiefs and the CEO, governs occupational health, safety, wellbeing, and environment in the organization. The SHEQ Committee is responsible for decision making and implementation of key OHS strategies within the organization. Nakilat has an Occupational Health and Safety Management System (OHSMS) in place, and it is certified against ISO 45001:2018 standard by Lloyd’s Register as a third-party certification body. The certificate is valid for 3 years with annual audits. Hazard identification, Incident investigation and risk assessments are carried out in accordance with a detailed procedure.

Regarding incident updates, Nakilat JV partners and NSQL share these updates on a weekly and a monthly basis along with exposure hours and other information related to near miss/unsafe act/condition reports in a running log. Nakilat’s SHEQ department is responsible for the verification of the incident information, categorization and follow-up on the incident investigation and sharing the lessons learnt.

Additionally, the Senior Management Team (SMT), which includes all departments’ Chiefs and the CEO, is responsible for following up on all the HSE matters on a weekly basis and the actions taken as well as providing high level guidance.

As for the safety performance, the SMT, headed by the CEO, conducts a performance review twice a year where the overall safety performance is discussed and actions to be taken are identified to close the gaps as part of investigations. The board is then responsible for reviewing the safety performance where it is presented to them on a quarterly basis including the follow-up actions that were taken during that period of time. The safety performance presented includes both overall performance and that of individual entities within Nakilat.

Further, Nakilat underwent the British Safety Council’s Five Star OHS audit and achieved a 5-Star rating with a score of 95.67%. The audit focused on key aspects of managing occupational health and safety in the workplace and offered a structured path for continual improvement towards best practice status. This audit is the most comprehensive, contemporary, quantified audit process available, which allows any organization to test their health and safety performance against the latest legislation, recognized standards and best practice techniques. It provides a quantified outcome with detailed recommendations against a contemporary best practice specification (including the requirements of ISO 45001) over and above the current Occupational Health and Safety Management Systems (OHSMS) standard requirements.

#### Safety performance track record for the Nakilat Group (Nakilat, NSQL, shore and fleet JVs and Nakilat wholly owned vessels):

Nakilat has made significant investment in our people, processes, and equipment, which directly impacts Nakilat’s safety performance. We have witnessed a continuous improvement of our safety performance, leading to the achievement of better results in comparison to the benchmarked average of our peer group and ITOSF.

LTIF (Lost Time Injury Frequency)	2019	2020	2021	Scope
Benchmark-ITOSF*	0.55	0.39	0.41	All Nakilat and NAC and Joint Ventures (JVs)
Nakilat - KPI**	0.45	0.43	0.41	
Actual	0.38	0.39	0.19	

TRCF (Total Recordable Case Frequency)	2019	2020	2021	Scope
Benchmark-ITOSF*	1.26	1.03	1.16	All Nakilat and NAC and Joint Ventures (JVs)
Nakilat - KPI**	1.27	1.21	1.15	
Actual	0.86	0.63	1.11	

\*ITOSF- Informal Tanker Operators’ Safety Forum

\*\* KPI- Key Performance Indicator



**Key Safety Performance Highlights**

The company's solid safety performance reflects the effort and dedication of staff both at sea and ashore.

Nakilat's prime objective is to achieve an 'Incident and Injury Free (IIF)' work environment and our 2021 safety results greatly complement our commitment toward being IIF.

Nakilat's wholly-owned, joint venture and in-house operated vessels have demonstrated first-class operational and safety performance despite the demanding operations worldwide. Key highlights of our industry-leading vessel safety performance are as follows:

Nakilat's Fleet	<b>0.21 LTIF and 1.10 TRCF</b> Nakilat's Fleet achieved an overall LTIF of 0.21 and a TRCF of 1.10, both below the benchmark averages of those metrics.
Nakilat Agency Company (NAC)	<b>16 years LTI-free</b> NAC continued its track record and remained LTI-free for 16 years since its inception.
Nakilat Svitzer-Wijsmuller (NSW)	<b>11 million safe man-hours</b> NSW accumulated more than 11 million exposure hours with zero LTIs and TRCs in 2021.

**Case Study: Cultivating IIF Culture**

Nakilat continued to implement its IIF campaign, a safety leadership program that empowers people to foster a safer working environment through the company.

- Conducted online e-learning and training programs as part of its commitment towards being IIF. Six mandatory e-learning programs were launched for shore-based employees.
- Training sessions to raise awareness of employees and to enhance their knowledge on the respective subjects:
  - Understanding of health and safety risk assessment.
  - Difference between SHEQ audit and internal audit.
  - Familiarization of SHEQ mandatory trainings/programs.
- The company's efforts at being IIF were recognized with Nakilat being awarded the Sword of Honor by the British Safety Council for the fourth consecutive year. This award represents the pinnacle of achievement in the world of Health and Safety Management and is also a recognition of the company's commitment towards effectively managing its health and safety risks.



**Case Study: Nakilat Safety Climate Survey**

Nakilat uses the United Kingdom (UK), Health and Safety Executive (HSE, UK) to conduct the Safety Climate Survey tool. The safety climate survey tool provides powerful insights into the safety climate of a workplace.

This tool, which used a simple online questionnaire, has been carefully designed by scientists to assess the attitudes of individuals and perceptions in key areas of health and safety, while guaranteeing anonymity within an organization.

The safety climate tool delivers an objective measure of Nakilat's safety culture - the 'way things are done' in the organization when it comes to health and safety. This is a powerful tool to continually improve and raise standards.

The survey is conducted for shore employees as well for ship crew at Nakilat. Once the survey is completed, it generates a comprehensive report and provides guidance that helps Nakilat to develop action point for each factor in collaboration with all department managers.

Based upon the result, a detailed presentation is drawn up along with an action plan to address areas where improvements can be made. All employees are then given a proper cascade of the results and planned action which also includes action owner and timeline for completion.

**DEPARTMENT ANNOUNCEMENT - SHEQ**

Title :	Nakilat Safety Climate Survey 2021-22: Results and Action Plan
Description	All Staff who have not attended the earlier sessions are advised to attend one of the upcoming debriefing sessions on the Survey results and actions planned based on your recommendations.

Details :

**Nakilat Safety Climate Survey 2021-22: Results and Action Plan**



Thank you all for participating in the Safety Climate Survey Conducted during Jan. - Mar. 2022. Your valuable suggestions and feedback have been taken onboard for further improving the Safety Climate within Nakilat.

All Staff who have not attended the earlier sessions are advised to attend one of the upcoming debriefing sessions on the Survey results and actions planned based on your recommendations.

These sessions will offer a platform to further engage and be aware of actions planned against the recommendations provided by you during the survey.

Following are the session timings. All staff are strongly advised to ensure their participation in one of these sessions by blocking your calendars:

<b>All Nakilat Staff:</b>
02 <sup>nd</sup> Aug.: 1000 - 1100 Hrs.
02 <sup>nd</sup> Aug.: 1330 - 1430 Hrs.
09 <sup>th</sup> Aug.: 1000 - 1100 Hrs.



Nakilat SHEQ Dept.

02nd Aug. (Morning Session): [Click here to join the meeting](#)

02nd Aug. (Afternoon Session): [Click here to join the meeting](#)

Click below to Register:

[CORPORATE STAFF](#)

[NAC & DEPOT STORE STAFF](#)

**Customized E-Learning**

Using the existing partnership with external agencies, Nakilat has added more E-learning modules of established occupation health and safety awareness programs for its employees.

Course modules that were added in 2021 include:

- Life saving rules
- Fire safety
- Integrated Management System (IMS)
- Management of Change

These training courses were introduced in a phased manner, through the company’s online learning module.

**Conducting Tabletop Exercises On COVID-19 Pandemic Response**

A comprehensive tabletop exercise was conducted with all stakeholders involved in the Pandemic response. The drill focused on business continuity in the event of an outbreak. Actions assigned to each department were defined and established during the exercise. Specific measures tested and successfully implemented include:

- Identification and contact tracing of close contacts
- Disinfection routines
- Back to office guidelines
- Fit to work screening post quarantine
- Awareness sessions for frontline staff (ex: housekeeping staff, security, IT servicedesk support staff, etc.)

**Comprehensive Risk Assessments**

Specific risk assessments were carried out to identify the risks, arising as a result of the pandemic, and appropriate mitigation actions that were required to be implemented. A detailed action plan with timelines were assigned against each control. Risk assessments that were undertaken include:

- Risk assessment for Nakilat agents boarding vessels at Ras Laffan
- Review of biological risks in the wake of the pandemic
- Assessment on crew transfer between Doha and Ras Laffan and related transportation arrangements
- Evaluation of risks for operations and measures post de-escalation

**KPIs**

With the help of the Lost Time Injury Frequency (LTIF) indicator, we are able to record the rate of work-related injuries or illnesses that renders the injured person temporarily unable to perform his work on the day after the day on which the injury occurred. On the other hand, the Total Reportable Case Frequency (TRCF) indicator allows us to record all work-related incidents. The latter are defined as injuries that result from an event or exposure in the work environment and occurred during the course of work being done or aggravated a pre-existing injury or illness. Work-related accidents are considered relevant if they occur on the vessels, on business premises or during business travel.

**Objectives and Targets**

KPI	2020 Target	2021 Target	2022 Target	2023 Target
Loss Time Injury Frequency (LTIF)	0.43	0.41	0.31	0.29
Safety Climate Survey	3.85	3.90	3.95	4.0
Number of major safety incidents	0	0	0	0
Percentage compliance with select international industry standards (British safety council: membership, 5-star rating, sword of honour)	BSC 5 Star rating – 96% Obtain Sword of Honour Prepare for Globe of Honour	Obtain BSC Sword of Honour and Globe of Honour Award	Participate in Royal Society for Prevention of Accidents Award Scheme	Participate in Royal Society for Prevention of Accidents Award Scheme
% of Number of completed recommendations on Nakilat incidents, CPARS, and Audit	100%	95%	95%	95%

Nakilat SHEQ policy applies to all Nakilat personnel, including contractors and visitors on all our sites, without exceptions. Sites are audited on a regular basis for compliance with health and safety regulations as well as policies. These audits are conducted by internal and third-party auditors. Lessons learned and best practices are shared across the wider business.

Occupational Health and Safety	2019	2020	2021	Scope
<b>For all employees and workers</b>				
Number of lost time injuries <sup>23</sup> /incidents	12	10	5	All Nakilat and NAC and Joint Ventures (JVs)
Lost-time injury rate (LTIF) <sup>24</sup>	0.38	0.39	0.19	
Number of work-related fatalities	0	0	0	
Number of recordable Cases	27	16	29	
Total Recordable Case Frequency <sup>25</sup> (TRCF) <sup>26</sup>	0.86	0.63	1.11	
The main types of work-related injury	Sprains / Minor Cuts and Bruises / Pinch Injuries	Minor Cuts and Bruises/Sprains and Strain/ Foreign Particle in eye	Caught in/ Between, Cuts/ Laceration/ Puncture, Heat Exhaustion, Strain/Sprain and Struck by / Against	
The number of hours worked <sup>27</sup>	31,416,743	25,526,586	26,027,630	

<sup>23</sup> Lost-time Injury represents the high-consequence work related injuries.

<sup>24</sup> Injury Rate at 1,000,000 hours worked.

<sup>25</sup> Excluding first-aid incidents as they do not result in more than one day of absence or do not impose restriction on the working ability.

<sup>26</sup> First-aid incidents are not included in the TRCF since these usually do not result in more than one day of missed work or impose any restriction on the working ability of an employee.

<sup>27</sup> Exposure hours shows the time an employee is exposed to work related hazards and risks. Data is submitted by each entity on monthly basis.

403-10: Work related Ill Health	2019	2020	2021	Scope
For all employees and workers				All Nakilat and NAC and Joint Ventures (JVs)
Fatalities as a result of work-related ill health- Number	0	0	0	
Fatalities as a result of work-related ill health-Rate	0	0	0	
Recordable work-related ill health-Number	0	0	0	
Recordable work-related ill health-Rate	0	0	0	
Main types of work-related ill health	There were no cases of work-related ill health reported			

Nakilat has procedures in place for the ongoing identification of hazards, assessment of risks, and implementation of necessary control measures. We proactively identify sources or situations arising from the company's activities, procedures, and services, with potential to cause work-related injury or ill health using proactive tools such as process hazard analysis, prestart-up safety review and job safety analysis, additionally post-event hazard analysis is conducted using root case analysis to identify action to prevent recurrence.

Nakilat maintains risk registers that document all identified hazards and responsible persons who ensure risks associated with each hazard are managed to 'As Low as Reasonably Practicable' (ALARP).

A Safety climate survey was also completed to identify opportunities and develop actions to address the improvement areas.

Nakilat 10 golden rules were developed and adopted across the organization which are about changing how we act as individuals and as a team.

Nakilat life saving rules are for mandatory compliance by all employee and contractors while on Nakilat business.

There has been significant drop in LTIs observed in 2021 as compared to 2020 which is 50% reduction and thereby also leading to 83% reduction in lost workdays which was a result of various measures being taken to manage workplace hazards as below:

- Health surveillance enhancement program
- Safety campaign: hand and finger safety and dropped object campaign
- Enhanced near miss reporting
- Enhanced quality of toolbox talks (TBT)
- HSE Training Programs - risk assessment and risk management training, COSHH (Control of Substances Hazardous to Health) assessment training and defensive driving training, to name a few
- Advanced firefighting training and basic life support/first aid course/training (CPR, AED and First Aid) for HSSE personnel
- Development and sharing of heat index forecast followed by implementation of effective controls in the workplace
- HSSE inspections and walkthroughs
- Safe worker awards presentation and commendable performance - rewards and recognition
- Core HSE trainings to N-KOM identified workforce
- HSSE audits of departments/sections and contractors
- Safety campaigns/programs
- Health campaigns/programs
- Environment campaigns/programs
- Sharing of lessons learnt and working on actions.
- Visible felt leadership tours (Senior Management)

**Health and Safety Trainings**

Nakilat, encourages employees to enhance their skills and knowledge with an extensive array of training courses. We provide our employees with several health and safety trainings to educate and empower them to ensure their behaviors are safe at all times, while present on Nakilat's premises.

Please refer the case study for more information on Nakilat's N-KOM Shipyard training center.

**Case Study: N-KOM Shipyard Training Center**

The shipyard is a manpower-centric organization and training is a critical node in ensuring the desired safe performance of shipyard activities.

The training center was established since the beginning of the shipyard, and it was revamped in 2019 as the Shipyard training centre (STC). It delivers competency requirements for the organization, develops internal training contents on safety awareness and facilitates skills trainings that are required to elevate the competence status of our workforce.

STC continues to deliver health, safety and environment training and other technical/ operation training to the employees.

In addition, STC conducts safety induction on HSSE and International Ship and Port Facility Security Code (ISPS) awareness for all newcomers to the Shipyard including sub-contractors and business partners engaged in our business.

Based on competency requirements identified annually by department managers and as per changing business requirements pertaining to health, safety and environment, trainings needs are identified and organized as per below:

Total No. Trainings Conducted in 2021		
S/n	Type of Courses	Total Personnel Trained*
1	HSSE Induction and ISPS Awareness Training	4,293
2	Fire Watchman Training	522
3	Shipyard Safety Supervisor Course	14
4	Confined Space Attendant / Rescue and Gas Meter Carrier Training	431
5	Shipyard Safety Training	63
6	Work at Height Training	8
7	Advanced Fire Fighting Training	8
8	Hydrogen Sulphide / Breathing Apparatus Training (OPITO**)	36
9	Tropical - Basic Offshore Safety Induction Emergency Training (OPITO**)	28
10	Basic Life Support (BSC) and First Aid Course	26
<b>TOTAL TRAINED</b>		<b>5,429</b>

\* Including employees and sub-contractors

\*\* Offshore Petroleum Industry Training Organization (OPITO)

**CONFINED SPACE RESCUE TRAINING**



**FIRE WATCHMAN TRAINING**



**SHIPYARD SAFETY TRAINING**



**FLANGE FIRE ISOLATION**



**WORK AT HEIGHT-TRAINING**





## 5.2 HUMAN CAPITAL AND EMPLOYEE RELATIONS



### Management Approach and Progress

#### Employment – Attracting, Recruiting and Retaining Talent

Nakilat’s organizational values aptly reflect our belief that our employees are the most powerful asset, enabling Nakilat to achieve its mission success. The multidisciplinary team of diverse, competent individuals across the organization, are the driving force behind the growth and impact of Nakilat. This requires us to not only, retain our best talent, but to continue attracting, young, fresh, and further, experienced talent as needed.

The Human Resources (HR) department governs employment, and it is guided by the recruitment policy which covers the compensation, allowance and benefits offered to its employees at all levels. Nakilat conducts reviews of policies, procedures, processes every three (3) years, in line with the company’s standard, and career plans annually to achieve its commitments towards its employees. This policy also guides our in-house recruitment team which is responsible for acquiring new talent through a robust recruitment process that ensures hiring qualified, competent, and skilled talent.

Nakilat also believes that the retention of talent is paramount to its success, and it strives to surpass the career aspirations of its employees to support the achievement of its vision and mission. We also strive to maintain a competitive position as the employer of choice for our employees. Nakilat is committed to motivating and recognizing its employees for their contributions and commitments as well as aligning their annual compensation with the company’s long-term interest. Retention is managed by implementing industry best practices, exposure to cutting edge projects and the latest technology systems, offering attractive and competitive salary packages and career progression, enabled by systematic and transparent processes.

Nakilat extensively works on enhancing its Employer Value Proposition (EVP) by utilizing a combination of platforms to attract and hire best talents such as, internal talent pool, corporate website, online recruitment portals, newspapers, online media, social media, career fairs, as well as employee referrals. Job applications are accepted all year round to maintain a strong pool of potential candidates.

Significant investment is made in developing Nakilat employees by providing a variety of learning solutions throughout the year with QAR 2,362,963 being utilized in 2021. Our interventions include e-learning, virtual learning, peer learning and performance coaching with courses addressing all proficiency levels within Nakilat. Additionally, competence development plans for postholders and developpees are designed collaboratively with line managers and employees, ensuring dedicated focus to career planning for its employees. Developpees are Qatari nationals that hold a university degree with less than two years’ experience that are developed to fit into specified target positions.

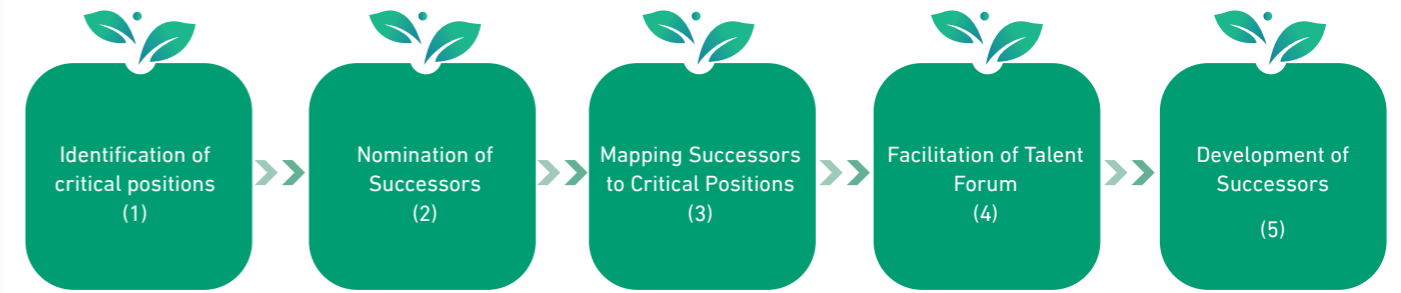
#### Case Study: Nakilat’s Approach to Succession Planning

##### Phase 1:

- Evaluate senior positions, specifically at Chief (N-1) and Manager (N-2) levels, to identify the critical positions by evaluating each position in terms of their business impact.
- Screen and ratify the employees that were nominated.
- These successors complete the development center’s assessments, including personality, ability and competency-based assessments.
- In conjunction with the results of these assessments as well as the input from the learning needs analysis, development plans are developed to address technical and behavioral competency gaps to facilitate their growth and leverage their potential for possible future opportunities.
- Development is on-going and will continue with regular reviews and revalidations to ensure readiness.

##### Phase 2:

- This phase is for N-3 level positions where the latter were reviewed, and successors were nominated for these positions.



#### Key stakeholders:

Activity / Step	Facilitated by	Participants
• Identification of critical positions	• Head of L&D and HRM	• Chiefs / Line Manager
• Nomination of potential successors and mapping	• Head of L&D, and L&D Team	• Chiefs / Line Managers
• Talent Forum	• HRM and Head of L&D	• Chiefs
• Development of Successors and monitoring of progress on development plans	• L&D Specialist	• Line Managers and Employees

- During 2021, the implementation of succession planning continued in terms of assessing successors to identify development needs and to generate comprehensive development plans to facilitate their growth and leverage their potential for possible future opportunities. Based on the extensive analysis, development of the nominated successors is ongoing and will continue with regular reviews and revalidations conducted to ensure readiness. Phase 2 of the roll out was also initiated in identifying potential successors for additional roles in the organization.

#### KPIs

Total Number of Employees / Workforce	2019	2020	2021	Scope
Total number of employees	275	270	278 <sup>(1)</sup>	All Nakilat and NAC employees
Full time	275	270	278	
Part time	0	0	0	
Breakdown by contract type				
Indefinite or permanent contracts	211	213	216	
Fixed term or temporary contracts	64	57	62 <sup>(2)</sup>	
Breakdown by career level				
Senior management	12	12	12	
Middle management	54	59	51	
Non-management	209	199	215	

(1) Total employee in Nakilat and NAC (direct hire and through third party agency)

(2) Secondees (6) to JVs are included

### Employee Benefits

Nakilat provides its employees with competitive benefits in line with its HR – Rewards and Organizational Development (R&OD) Policy to compensate for their efforts and to ensure their commitment to achieve the company's goals. These benefits include:

- **Educational Assistance** - The main objective of this benefit is to secure a level of schooling for all its employees (both nationals and expats) with standards comparable to which the children would have received in their home country. Nakilat supports them financially in school education and hostel facility dues.
- **Life Insurance** is provided to all employees in both cases, death and disability.
- **Health Insurance** is provided to all employees and their dependents where they receive medical treatment/coverage.
- **Pension Contribution** is provided to Qatari and GCC nationals within the company.
- **End of Service Benefits (EBS)** are provided to both expatriate employees and national employees where upon separation, expatriate employees are entitled for these benefits for all the years that they served in the company, whereas national employees are entitled for these benefits after completing 20 years of service. EBS is commonly known as a gratuity or severance payment, and it is paid by Nakilat to its employees upon the completion of the work relationship where the leave and notice periods are inclusive whether they were worked or not.
- **Monetary and non-Monetary Awards** such as long service awards, team awards, outstanding achievement awards, etc.
- **Annual Merit and Performance Bonus** are determined based on Nakilat performance on the qualifying year, employees' performance, set budget and applicable eligibility criteria.

### Notice Period

The notice period for both the company and the employees, either due to resignation, or new acquisition and business restructuring is established contractually and in line with the Recruitment policy. The established notice period, unless defined otherwise in the employment contract, is as follows:

- On probation to 1 year of employment: Notice period of 1 month
- 1 year and up to 5 years of employment: Notice period of 2 months
- Exceeding 5 years of employment: Notice period of 3 months

### KPIs

The total number of new hires increased little higher than the average (39), due to the restricted mobilization activities during 2020 due to COVID19. The new hires were 100% males in 2021 with an increase of 126% of male new hires in comparison to that of 2020 due to the fact that most of the new positions were highly technical and requires marine experience, where the female labor market minimum globally. Although the percentage of new hires increased with the majority being males, the turnover rate increased by 33% in comparison to 2020 with 88% of employees leaving in 2021 being males due to the global trend impacting because of the COVID 19, where people preferred moving to their home countries and companies began optimizing their manpower costs, resulting in a high number of redundancies.

New Hires and Turnover	2019	2020	2021	Scope	
<b>Number of new hires</b>					
<b>Breakdown by Age</b>					
18-30 years old	12	3	3	All Nakilat and NAC employees	
31-50 years old	19	17	33		
51+ years old	2	2	7		
<b>Breakdown by Gender</b>					
Male	27	19	43		
Female	6	3	0		
<b>Total number of new hires*</b>	<b>33</b>	<b>22</b>	<b>43</b>		
<b>Number of employees leaving employment during the reporting period (voluntary and involuntary)</b>					
<b>Breakdown by Age</b>					
18-30 years old	5	1	7		
31-50 years old	18	19	20		
51+ years old	9	4	7		
<b>Breakdown by Gender</b>					
Male	28	18	30		
Female	4	6	4		
<b>Total number of employees leaving employment during the reporting period (voluntary and involuntary) *</b>	<b>32</b>	<b>24</b>	<b>34</b>		
<b>Employee turnover rate (voluntary and involuntary)</b>	<b>12%</b>	<b>9%</b>	<b>12%</b>		
<b>Number of employees leaving employment during the reporting period (voluntary)</b>					
<b>Breakdown by Age</b>					
18-30 years old	3	0	3		
31-50 years old	18	5	9		
51+ years old	3	1	2		
<b>Breakdown by Gender</b>					
Male	20	4	11		
Female	4	2	3		
<b>Total number of employees leaving employment during the reporting period (voluntary) *</b>	<b>24</b>	<b>6</b>	<b>14</b>		
<b>Employee turnover rate (voluntary)</b>	<b>8.73%</b>	<b>2.22%</b>	<b>5%</b>		

\*All Nakilat's employees are based in the region of Middle East (Qatar)

**Parental Leave**

Nakilat offers maternity and paternity leaves for its female and male employees. In the case of female employees, this leave is to enable their recovery following their delivery and to take proper care of their new-borns. Paternity leave, i.e., the parental leave for male employees, is to support their family and their new-borns. In addition, Nakilat grants its female employees a one-hour nursing time daily after getting back from their maternity leave for a period of one year.

Nakilat grants its employees a maternity leave of 60 Calendar days and a paternity leave of 1 days.

**KPIs**

Parental Leave	2019	2020	2021	Scope	
Number of employees that were entitled to parental leave					
<b>Breakdown by Gender</b>					
Female	50	46	25 <sup>(1)</sup>	All Nakilat and NAC employees	
Male	225	224	202 <sup>(1)</sup>		
Number of employees that took parental leave					
<b>Breakdown by Gender</b>					
Female	2	5	3		
Male	7	4	4		
Number of employees that returned to work after parental leave					
<b>Breakdown by Gender</b>					
Female	2	5	3		
Male	7	4	4		
Retention Rate					
Total number of employees returned from parental leave who were still employed twelve months after return to work	9	9	7		
Return to work rate	100%	100%	100%		
Retention rate	100%	100%	100%		

(1) The number are reported for all married employees only. Numbers reported in past years includes all employees, irrespective of their marital status.

**Human Rights and Grievances**

Nakilat respects and upholds international standards on human rights and does not engage in any conduct that hinders or interferes with them. Nakilat avoids infringing on the human rights of others and endeavors to address adverse impacts, which the company may be associated with as part of the operations. Nakilat is committed to human rights where it will not engage, tolerate, or work with business partners that employ children or minors or engage in human trafficking, forced, bonded or compulsory labor.

Nakilat also believes that its employees must be treated fairly and equally in order to achieve its commitments towards integrating a multinational group of employees into a cohesive and effective workplace, establishing a healthy working environment and maximizing employee's contribution to the efficiency and productivity of the company.

Nakilat's Code of Business Ethics and Conduct ensures its commitment to human rights and summarizes the standards that guide our actions towards achieving these commitments. These standards represent the company's policy and establish conditions for Nakilat's employment. Additionally, Nakilat adopts a policy of fair dealing and integrity in all aspects of its business. It is the responsibility of Nakilat's employees to comply with human rights laws, behave with integrity, and treat all organizations and people in a fair and honest manner. Nakilat's suppliers and contractors are expected to adhere to the Code of Conduct equivalent to the provisions of the adopted policy. The Learning and Development policy refers to the Grievance Policy under the Employee Relations Policy and Procedures manual for details on the grievance handling procedure.

In order to achieve fairness and equality among its employees, the company has established proper communication channels for dealing with employees' individual problems and grievances and has established a clear policy and procedure for corrective guidance and disciplinary procedure, subject to a review once in 3 years.

At Nakilat, the performance management grievances are raised when employees disagree with the final rating that has been provided to them after the calibration process that is conducted with divisional Chiefs. To resolve these grievances, input is required from the employee and the line manager to validate the ratings that have been provided and to clarify the differences in ratings. Recommendations are then made to Human Resources Manager (HRM) and Chief Administration Officer (CAO) to review this evidence before a final decision is made in resolving the disagreement.

**KPIs**

Nakilat ensures to treat all employees equally and there has been no incident of discrimination reported in 2021.

Grievances*	2019	2020	2021	Scope
Number of grievances filed in the reporting period	9	5	6	All Nakilat and NAC employees
Number of grievances addressed or resolved	9	5	6	
Number of grievances filed prior to the reporting period that were resolved during the reporting period	0	0	0	

\*Grievances listed in the table are in relation to performance management grievances only and raised at the end of the performance management cycle of each year (in December of each reporting year)

**Security (CONTRACTORS)**

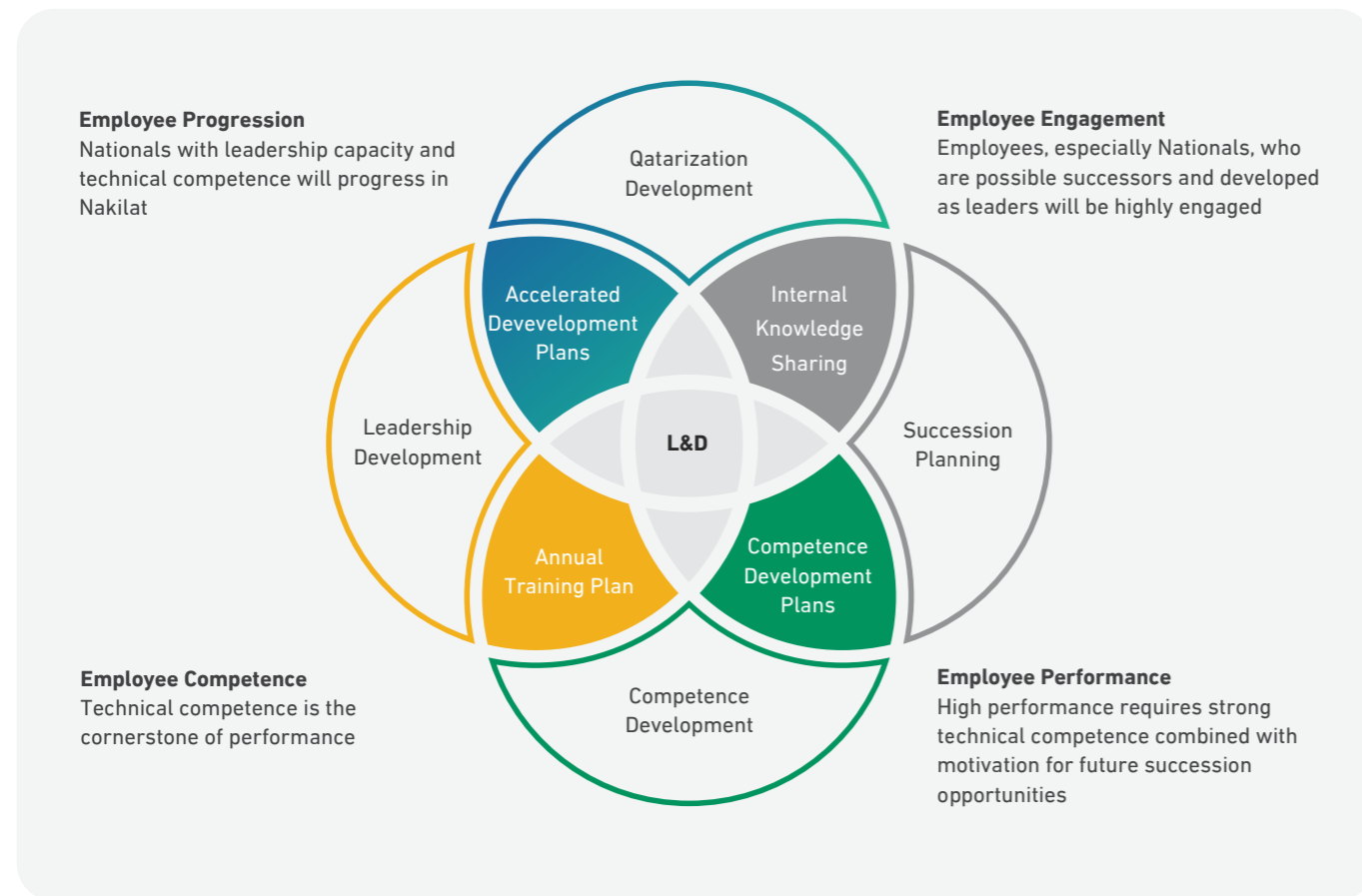
Security services for Nakilat headquarters in Doha are outsourced to trusted third party contractors through rigorous technical and commercial exercises. Crisis communications response training and awareness session was conducted for all the security personnel. These contractors are managed by general services department within Nakilat.



**Learning and Development**

Nakilat is committed to develop and retain talent and to fulfill employee potential that will support Nakilat in its achievement of its strategic direction and operational requirements. All learning and development initiatives ensure support the engagement, retention, and competence of employees as per the illustration below.

Nakilat’s Learning and Development Policy guides these initiatives by defining the processes related to performance management and learning and development requirements of learning needs analyses, annual training plan, certifications, management of training service providers, training evaluations, and learning management system. The policy is reviewed every 3 years by the Head of Learning and Development and Human Resources Manager. Any changes to the policy are then managed and updated through the SHEQ MOC process. The implementation of the policy is managed by the Learning and Development team and the Head of Learning and Development.



To achieve these objectives, we provide our employees with world-class learning and development opportunities across all aspects of our business. A foundational process in this regard is the learning needs analysis where we conduct a detailed gap analysis for both technical and behavioral competencies of our staff. This analysis is conducted on an annual basis whereby line managers evaluate the proficiency level of the behavioral and technical competencies of our staff and as defined by the employee’s job description. After identifying these gaps, the development approach to address them is indicated by the line manager, and development interventions are defined accordingly including training, coaching, and mentoring and/or on the job training.

Given Nakilat’s aim to develop a culture of high performance and continuous learning, this assessment of learning and development needs, as well as additional mandatory business training requirements informs the customization of development opportunities to enhance employee competencies for current and future organizational needs. In this regard, learning interventions align to the following framework.

1. Technical Training
2. Behavioral and Interpersonal Skills Training
3. Safety, Security and Compliance Training
4. Induction, Orientation and New Joiner Mandatory Training
5. Leadership and Personal Effectiveness Training
6. Language Training
7. Information Technology and Risk Management Training
8. Internal Knowledge Sharing and Capabilities Training

Training Categorization	Applicable Population	Learning Objectives	Assessment Method	Types of Trainings	2021 Update
Technical Training	All Staff	Technical competencies for each role are at the required level	Learning Needs Analysis	Financial Analysis and Reporting, GTT FSRU Operations, GTT Cargo Operations, Cyber Security and Compliance, Financial Risk Management and many more	- Delivered 85 technical training programs to 92 employees with 158 training occurrences - Our Shipyard Training Centre delivered technical training programs for staff working on our shipping Joint Venture companies in areas such as mechanical, piping, electrical, welding and maintenance
Behavioral and Interpersonal Skills Training	All Staff	Behavioral competencies for each role are at the required level	Learning Needs Analysis / Development Centre	Soft skills of and technical competence applications with each role.	80 courses were offered in 2021 with topics such as team effectiveness, feedback skills, development of trust, communication skills, project management etc.
Safety, Security and Compliance Training	All Staff	Ensure the continuation of an Incident and Injury Free workplace. Compliance with safety standards and legislation	Mandatory SHEQ Training Curriculum	Health and safety training programs, delivered by internal trainers and external consultants.	Delivered 18 mandatory courses which equated to just over 2000 hours of training. Courses included topics such as defensive driving, incident and accident reporting, and information security.
Induction, Orientation and new joiner mandatory Training	New Staff	Integration of new joiners into the organization culture and familiarization of critical training programs	Mandatory Learning Foundations Training Curriculum	Health and safety trainings, courses for all new staff according to their role and seniority.	Completed 44 new joiner mandatory training from ER, as well as the Learning Foundation Programme.

Training Categorization	Applicable Population	Learning Objectives	Assessment Method	Types of Trainings	2021 Update
Leadership and Personal Effectiveness Training	Management Grades (Managers/Heads and high potential managing leaders)	Enhancement of management core competencies and the development of leadership capabilities	Learning Needs Analysis / SMT Corporate Program	Executive 1-2-1 coaching from a professional coach.	Nakilat entered into a training consultancy agreement with a US Ivy League Business School to develop and deliver a 10-module leadership development training program for over 50 emerging, high potential and executive leaders over an 18-month period. This leadership development programme was launched in 2021 and continues in 2022 and 2023.
Language Training	Non-Native English Speakers	Competence in verbal and written English language skills to IELTS level 5.5	Learning Needs Analysis / Development Centre	English Language courses	2 Nationals completed English Training
Information Technology and Risk Management Training	All Staff and Specialist IT Staff	Ensure effective use of IT systems and programs, and development of latest technology in support of operations	Learning Needs Analysis / System Upgrades	SAP Business Planning and Consolidation, ADM 945 S/4 HANA, ITIL Strategic Leader: Digital and IT Strategy and CCSP – Certified Cloud Security Professional.	14 IT Courses were delivered in 2021.
Internal knowledge sharing and capabilities Training	All Staff	Cross fertilization and transfer knowledge internally to create greater synergy among departments and groups	Core Process and Procedure Requirements	Nakilat Internal Capabilities Enhancement (NICE) program to share knowledge and insights related to the different business operations and to enable the improvement of presentation and public speaking skills.	Delivered 35 specialized trainings; 766 man-hours of training conducted by our staff in their respective expertise-areas on common processes and practices that could impact other operations.

**Enhancing Skills and Knowledge of Qatari Nationals to Access Jobs in the Shipping Industry**

Nakilat is committed to enhance skills and knowledge of Qatari nationals as well as help them access jobs within the shipping industry. Our commitments are achieved through raising awareness on the opportunities present within the industry, including raising awareness about the career paths and professional development opportunities within Nakilat.

Our annual internship program enables university and school students to get hands-on knowledge and an opportunity to learn from subject matter experts in the business for a 3-month period. In 2021 we hosted 3 interns who were university students in the Information Technology department. Furthermore, our recruitment program is established to raise awareness about the marine sector and available jobs in the sector and it is designed to attract students to study as marine cadets on sponsorship where upon graduation, the marine cadets are certified to go on deck ships. Nakilat also provides customized development plans to ensure a structured and tailored approach to increase their competencies and skills.

Our National Development Program is implemented to develop Qatari nationals that have graduated but have less than 2 years of work experience and raise their awareness on the shipping industry. It is designed to develop them professionally within targeted business positions in the industry, through on the job experience as well as coaching from subject matter experts to ensure that they are developing the required competency skills.

Nakilat also provides secondment (inbound/outbound) opportunities, to employees within energy/shipping companies, in order to enhance their knowledge and skills within those sectors.

**KPIs**

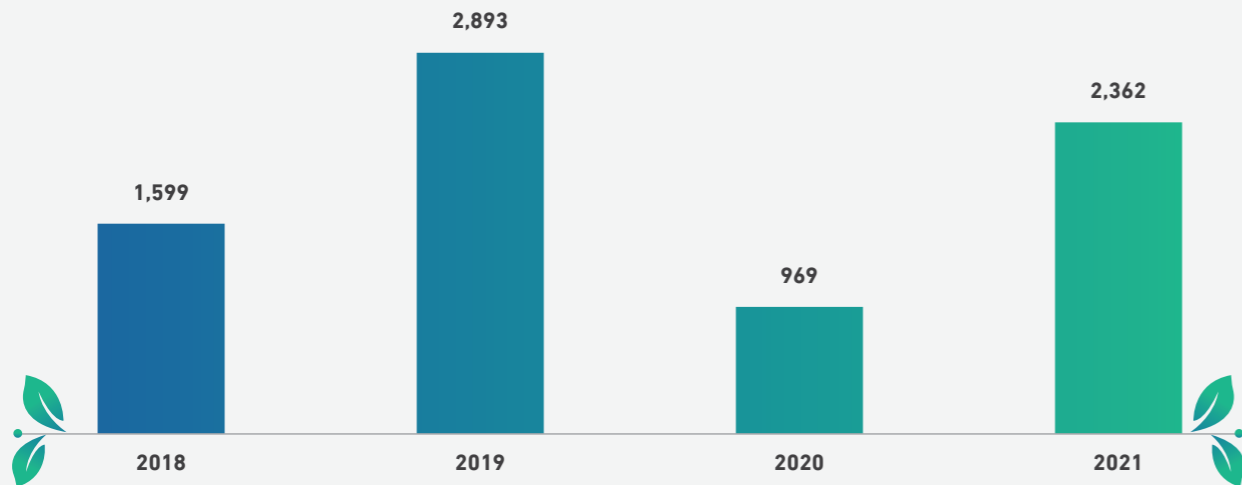
Training hours increased by 80% in 2021 in comparison to 2020 due to the implementation of closer monitoring for mandatory trainings and regular reporting that ensured employees were completing these trainings. Additionally, the online learning academy was launched, and it included the learning foundations curriculum for new joiners at Nakilat. In 2021, employees returned to their offices and normal business hours were resumed; thus, more trainings were offered in comparison to 2020 where the COVID-19 pandemic forced cancellation and postponement of a number of courses and trainings.

Learning and Development	2019	2020	2021	Scope	
Total training hours	5,156	4,125	7,438	All Nakilat and NAC employees	
Average training hours per employee	19	15	27		
<b>Breakdown by career level</b>					
<b>Senior Management</b>					
Total training hours	12	12	12		
Average training hours per employee	236	93	293		
<b>Middle Management</b>					
Total training hours	20	8	24		
Average training hours per employee	54	59	51		
<b>Non-management</b>					
Total training hours	1,204*	805	1,728		
Average training hours per employee	22	14	34		
<b>Non-management</b>					
Total training hours	209	199	215		
Average training hours per employee	3,716	3,227	5,417		
<b>Breakdown by Gender</b>					
<b>Male</b>					
Total training hours	18	16	25		
Average training hours per employee	3,807	3,228	5,725		
<b>Female</b>					
Total training hours	17	14	24		
Average training hours per employee	1,349	897	1,712		
<b>Performance reviews</b>					
Total number of employees receiving regular performance and career development reviews	27	19	41		
<b>Performance reviews</b>					
Total number of employees receiving regular performance and career development reviews	213	220	229		
Percentage of employees receiving regular performance and career development reviews (%)	77%	81%	82%		
<b>Breakdown by Gender</b>					
<b>Female</b>					
Total number of employees receiving regular performance and career development reviews	36	36	37		
<b>Male</b>					
Total number of employees receiving regular performance and career development reviews	177	184	192		

\*Note: These figures are rounded off to closest decimal places in comparison with data presented in the 2020 ESG Report.

### Budget Spent on Learning and Development\*

Thousands Qatari Riyal



\*Budget spent on learning and development includes training costs of Developpees

## 5.3 DIVERSITY AND INCLUSION



### Management Approach and Progress

Nakilat is committed to provide a workplace where our employees are respected and treated fairly in line with our Code of Business Ethics.

Nakilat hires, evaluates, transfers, compensates and promotes employees based on skills and performance. Employees facing discrimination have the right to voice their concerns to their supervisor, a member of the management, Human Resources contact, or a member of the Ethics Committee. Reprisals or retribution against an employee who lodges a complaint in good faith is not tolerated.

Nakilat’s approach to managing diversity in the workplace is with actionable tips and advice, and by maintaining effective communication with employees. Policies, procedures, safety rules and other important information are designed to overcome language and cultural barriers.

### Equal Pay

The company conducts market surveys to ensure fair and competitive pay in comparison to its peers. The ratio of the entry level wage is equal to 1 (as a minimum) or above the Qatar minimum wage, for both male and female employees. Nakilat conducts applicable reviews to ensure compliance with this requirement and rectify any cases if found.

### KPIs

In 2021, the youth employment rate decreased by 24% in comparison to 2020 due to the fact that most fresh graduates do not meet the requisite experience-related criteria required for the positions at Nakilat, primary factors being experienced and qualifications. The female employment rate, which is already low, decreased as well by 13% in 2021 as most of the positions at Nakilat are highly technical and they require manual labor; thus, giving preference to recruiting males for these roles.

Diversity and Inclusion (Employees)	2019	2020	2021	Scope	
Breakdown by age					
18-30 years old	51	45	35	All Nakilat and NAC employees	
31-50 years old	199	199	209		
51+ years old	25	26	34		
Youth employment rate	19%	17%	13%		
Breakdown by gender					
Male	225	224	236		
Female	50	46	42		
Female employment rate	18%	17%	15%		
Breakdown by nationality					
Qatarization <sup>(1)</sup>	37%	34%	30%		

(1) Percentage of all Qatari nationals (including JVs) against the total of Nakilat established position.

Female Employment	2019	2020	2021	Scope
Total number of employees with disabilities (number)	0	0	0	All Nakilat and NAC employees
Total % of employees with disabilities (%)	0	0	0	
<b>By career level</b>				
<b>Board of Directors</b>				
Number of female employees	0	0	0	
Percentage of female employees	0%	0%	0%	
<b>Senior management</b>				
Number of female employees	0	0	0	
Percentage of female employees	0%	0%	0%	
<b>Middle management</b>				
Number of female employees	6	7	6	
Percentage of female employees	11%	12%	12%	
<b>Non-management</b>				
Number of female employees	44	39	36	
Percentage of female employees	21%	19%	17%	
<b>Equal pay</b>				
Gender pay ratio (Ratio of basic salary* and remuneration of women to men)	0.93 to 1	0.82 to 1	1.03 to 1	N-KOM and QFAB not included

\*Median male salary to median female salary

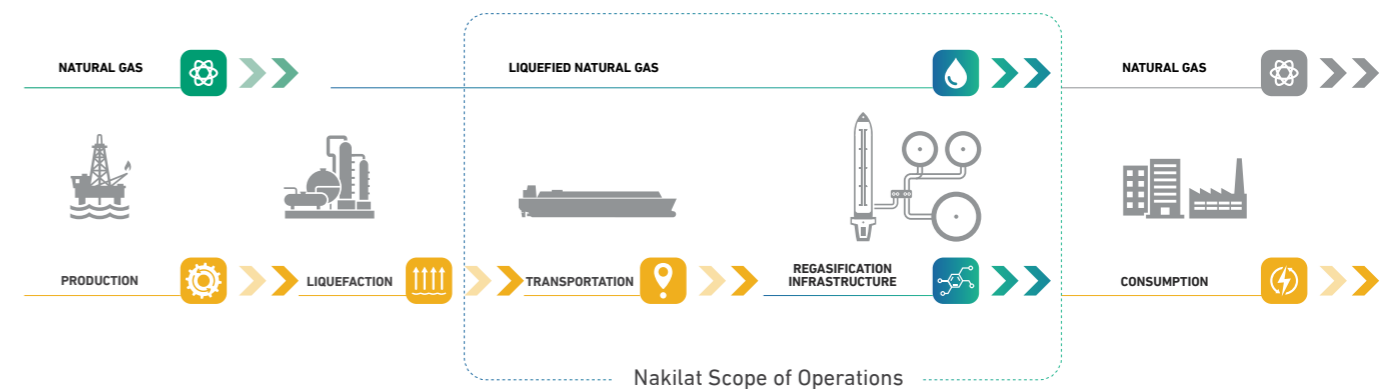
Nakilat ensures an alignment with the recruitment policy where it has a diverse workforce of 38 nationalities as represented in the table below.

Workforce nationalities	No.	%
British	21	8%
Filipino	24	9%
Indian	82	29%
Pakistani	16	6%
Qatari	56	20%
Other Nationalities	79	28%

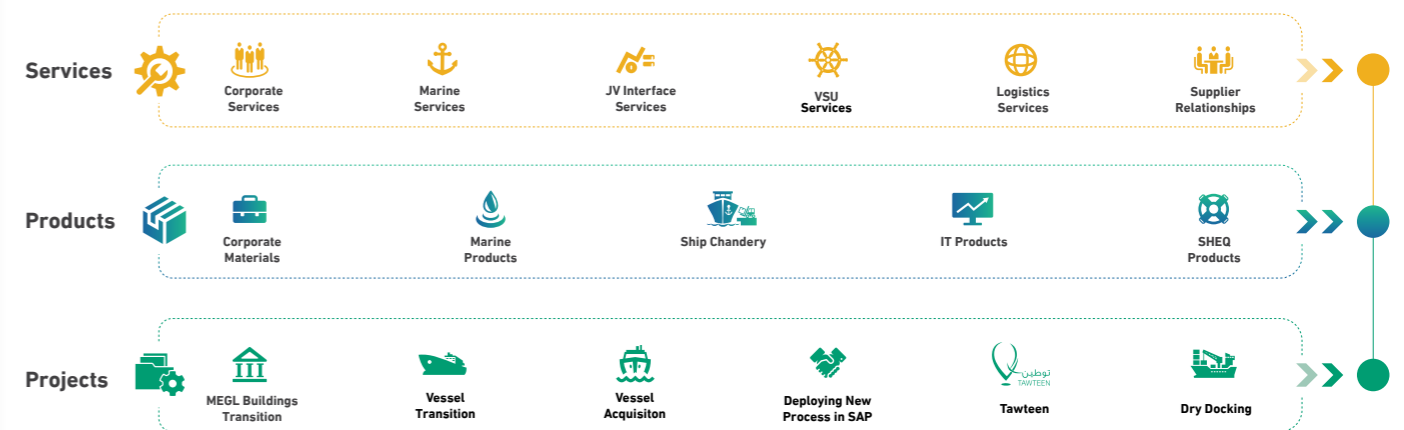
## 5.4 RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN

### Nakilat Supply Chain:

The stages of Liquefied Natural Gas (LNG) Supply Chain consists of Natural Gas production and exploration, liquefaction and storage, shipping and receiving, regasification and distribution. Nakilat's business and operations in the shipping services within the LNG supply chain play a major role in providing the essential transportation link in Qatar's LNG supply chain, enabling access to cleaner energy to various countries around the world.



Nakilat's supply department is one of the main stakeholders in various projects across our company as it provides a diverse range of spare parts and services to the end users, including Nakilat's marine, corporate, and joint ventures.



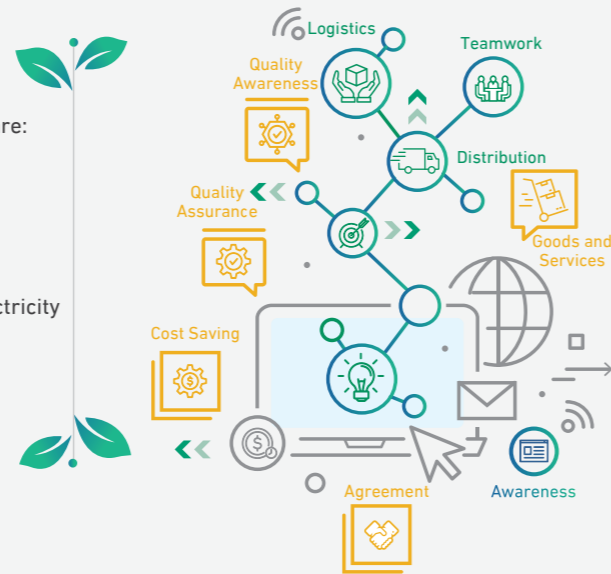
For marine segment, Nakilat's supply department offers a variety of services, spares or consumables needed for our vessels to move cargo from the loading point to the discharging point and vice versa, including:

- Marine services: maintenance and repairs, dry docking, classification societies, overhaul, and inspection
- Marine products: original equipment manufacturer spares for any type of machinery and equipment available on board
- Marine consumables and ship chandery: safety equipment, lubricating oil, paint, chemical and gases, tools, gasket and food
- Marine logistics: to supply the service and the goods to the vessel

Among the corporate products and services procured by Nakilat are:

- IT products
- SHEQ products
- Various corporate products, including food, table and chairs
- Various corporate services, including rental of premises, electricity and cleaning services

In addition to the services provided, the Supply department assists with the below:



**Management Approach and Progress**

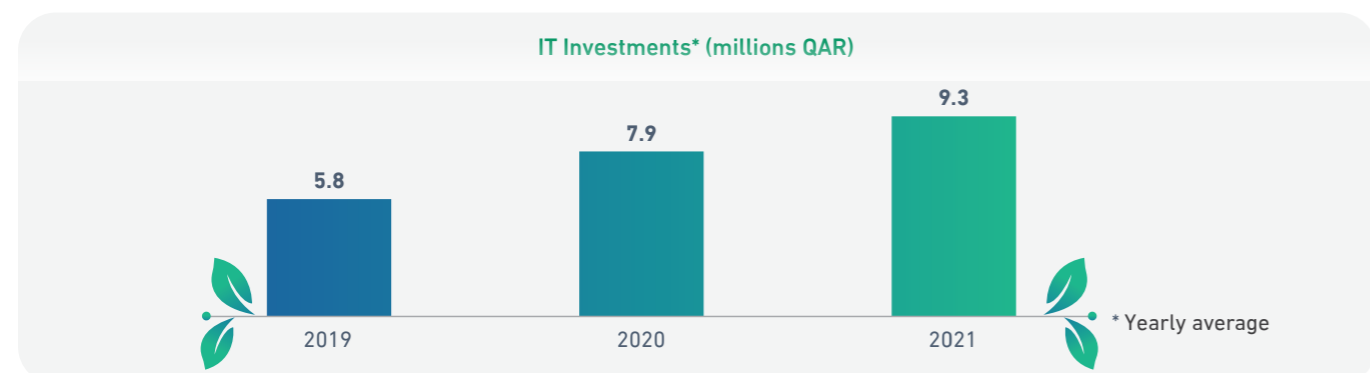
Nakilat maintains close and healthy relationships with its suppliers and contractors as a direct result of our commitment to long-term collaborations with suppliers who share our values and commitment to rigorous ESG standards, maintaining a view on safety, quality, business resilience, environmental emissions, and the ultimate goal of continuously improving our business operations and processes. We continue to support the local economy through procurements from local suppliers whenever possible.

**IT Investments**

IT infrastructure, enterprise applications, and communications are a critical area of importance to Nakilat that enable the productivity of the company. Nakilat continues to invest in the latest technologies, such as cloud data centers, software services, and satellite communications to meet market expectations. Through close collaboration with IT specialists, we take advantage of innovation, acquiring the latest and most reliable software and hardware to facilitate our day-to-day activities. In 2021, we invested in Artificial Intelligence (AI) for invoice processing, Robotics automation processing (RPA), and enterprise content management to meet the increased demand for fleets under Nakilat ship management, thereby boosting our operational excellence. Our satellite communications onboard the vessels were upgraded with KA band capabilities and unlimited Fleet Xpress connectivity solutions to improve the onboard experience, exemplified by our crew entertainment services with enhanced internet speeds so that they can keep in contact with their loved ones. As a result, Nakilat’s IT expenses increased by 36% between 2020 and 2021, reaching a total value of QAR 9.3 million.

Information security and data privacy	2019	2020	2021	Scope
Breaches of customer privacy and losses of customer data (number)	0	0	0	Nakilat Group
IT expenses (QAR millions)	5.8	7.9	9.3	

\* Yearly average



**Third Party Code of Conduct**

Nakilat has integrated a Third Party Supplier Code of Conduct in the template of its contracts, terms and conditions and invitation to tender. Vendors are requested to provide a signed version of the document or to confirm their acceptance. The Third Party Code of Conduct encompasses social aspects, including human rights, labor laws, child labor, health, and safety matters. Additionally, our suppliers are requested to provide their certifications, including ISO 14000 (Environmental Management), which is vetted for accuracy prior to the entity’s registration as an approved supplier. To ensure their compliance with international standards, suppliers are also required to complete the vendor questionnaire which includes our ESG requirements.

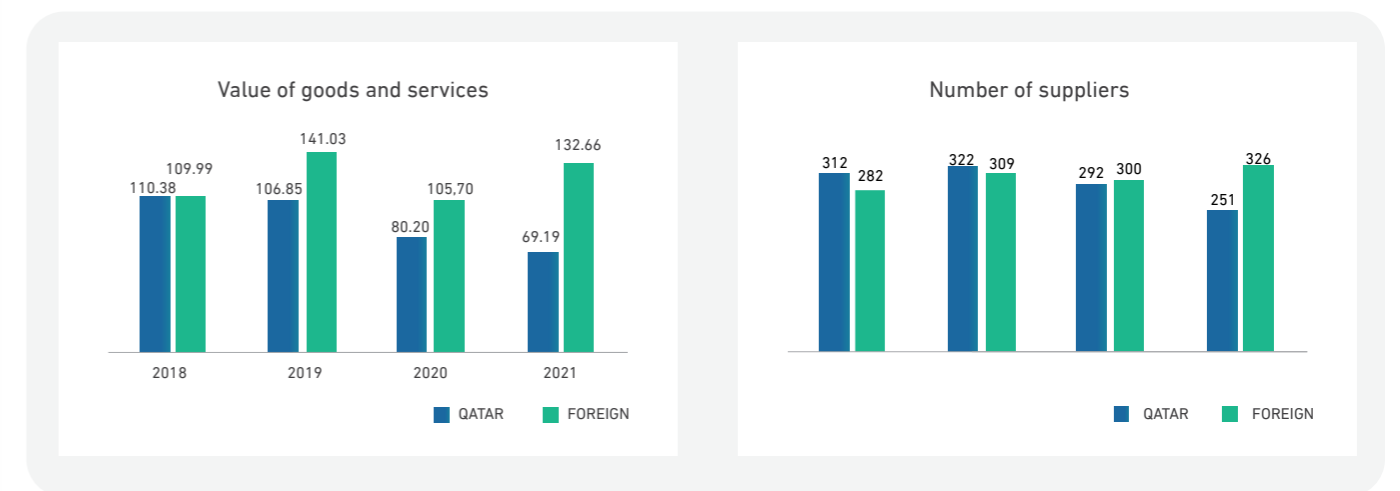
In a bid to support the company’s green procurement initiatives, Nakilat consolidates group demand, resulting in maximization of work efficiency and minimization of paperwork and effort. In addition, we purchase products and services that support our sustainability vision.

**Local Procurement**

As part of Nakilat’s ESG strategy, we engage responsibly and ethically with our suppliers to foster direct and indirect job creation and increase shared value across the supply chain. Nakilat works with different suppliers and vendors, national as well as international from both emerging and developed economies. Our foreign suppliers include UK, USA, Singapore, Netherlands, South Korea, Norway, and other countries from different regions.

In 2021, Nakilat’s activities generated a wide range of direct and indirect jobs worldwide. In 2021, the company engaged 326 suppliers globally, representing 56.5% of total suppliers. That same year, the value of purchased goods and services amounted to approximately USD 202 million, of which approximately 66% have been paid directly to foreign countries due to end user requirements, the percentage of total procurement from local suppliers decreased by 21% in comparison to 2020 with a value of purchased goods and services amounting to approximately USD 69 million.

Local Procurement				
Year	2019	2020	2021	Scope
<b>Value of goods and services (USD)</b>				
from local suppliers	106,849,283	80,204,110	69,194,899	Nakilat and NSQL
from foreign suppliers	141,029,749	105,696,606	132,659,162	
Percentage of total procurement from local suppliers	43.1%	43.1%	34.2%	
<b>Number of suppliers</b>				
Local	322	292	251	Nakilat and NSQL
Foreign	309	300	326	





**Supplier Environmental Assessment:**

**KPIs (Shipping)**

Responsible procurement and supply chain	2019	2020	2021	Scope
Supplier environmental assessment				
Suppliers assessed for environmental impacts (%)	100%	100%	100%	Shipping
Suppliers identified as having significant actual and potential negative environmental impacts (number)	0	0	0	

**KPIs (Non-Shipping)**

N-KOM: Pre-qualification of all new suppliers includes environmental certification as part of the evaluation criteria

NSW: Vendor questionnaire updated to include ESG requirements. Pre-qualification of all new suppliers includes environmental certification as part of the evaluation criteria

QFAB: Vendor questionnaire updated to include ESG requirements

Corporate: The new vendor questionnaire has been updated to include the ESG requirements

No suppliers have been reported of having significant actual or potential negative impact on the environment

Responsible procurement and supply chain	2019	2020	2021	Scope
Supplier environmental assessment				
Suppliers assessed for environmental impacts (number)	10	10	20	Non-shipping
Number of suppliers identified as having significant actual and potential negative environmental impacts	0	0	0	
Significant actual and potential negative environmental impacts identified in the supply chain	0	0	0	
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	0	0	0	
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	0	0	0	

Note: The data in this table refers to N-KOM and QFAB only

## 5.5 COMMUNITY ENGAGEMENT

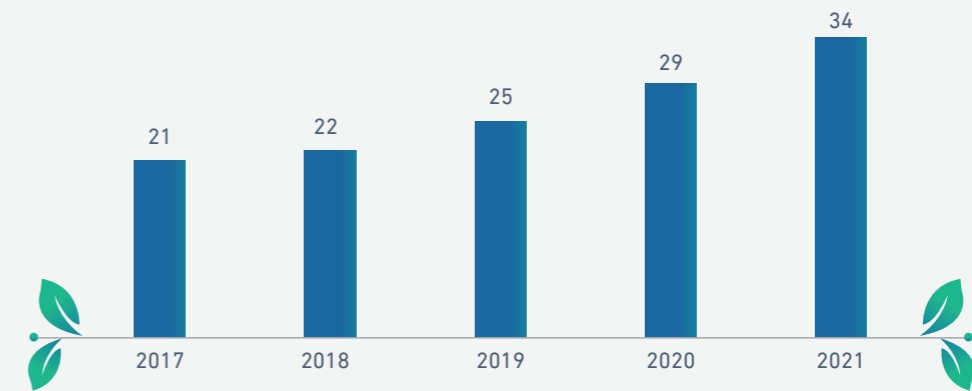
**Management Approach and Progress**

Nakilat's Corporate Social Responsibility (CSR) framework comprises of four key pillars: Education, Community, Health and Environment. In the coming years, we aim to conduct social impact assessments across the four pillars, taking into consideration ethnic background, indigenous descent, gender, age, migrant status, socioeconomic status, literacy levels, disabilities, income level, infrastructure availability or specific human health vulnerabilities which may exist within the stakeholder community.

We are proud to increase our social and sports fund contribution in 2021 by 17% in comparison to 2020. Our detailed contribution in millions Qatari Riyals is represented in the below graph.

### Social and Sports Fund Contribution

Millions Qatari Riyals



**Education**

Putting an emphasis on youth development, Nakilat launched a student outreach program targeting local school and university students. The program aims to provide the students with career advice and guidance, as well as expose them to the growing maritime industry in Qatar. In this program, students learn how to effectively write a professional Curriculum Vitae (CV) from the company's Learning and Development (L&D) team. As part of the program, Nakilat representatives also regularly share their personal career journey and experiences through student engagement sessions, encouraging them to adopt a life-long learning approach towards achieving their goals in the future. However, as a result of the COVID-19 pandemic, this program has been concluded this reporting year.

We also have long-standing partnerships with different universities in Qatar including Qatar University (QU), Northwestern University (NU-Q), Georgetown University (GU-Q), Carnegie Mellon University (CMU-Q) and Texas A&M University, extending support in the completion of management projects to final year students. Nakilat provides these students with relevant information on our management and operations, by revealing our company's multiple facets; thus, fostering strong student relationships. In 2021, 3 students from CMU-Q studying Bachelor of Science Major in Information Systems were hosted at Nakilat where they had exposure to the Information Technology department for a 3-month internship.

In 2021, we worked closely with Georgetown University Qatar (GU-Q) to launch our new Leadership Development Program (LDP), which gives us direct access to Qatar and USA Faculty who teach the program. We strengthened our formal partnership agreement with GU-Q by launching our in-depth LDP for our management groups including Qataris and we agreed to support their undergraduate students in their final year research projects.

Additionally, Nakilat's public relations manager presented a seminar on corporate leadership and communication at Northwestern University in Qatar to support local youth capacity-building and human capital development. We also run an initiative on an annual basis with CMU-Q where we invite their students to our Virtual Internship Program to shadow a fellow alumni to understand Nakilat's business and operations. This initiative has been remarkable under the aegis of one of Nakilat's section heads, the president of the alumni committee of Carnegie Mellon University-Qatar, where he engages with other alumni at meetings and events to maintain relationships with the education sector.

## Community

Community is at the heart of our operations at Nakilat. In line with our corporate social responsibility strategy, we launched a series of community initiatives across the country. During the Holy Month of Ramadan, we partnered with the Educational Above All (EAA) foundation in a donation campaign to provide educational assistance to underprivileged children living in Qatar.

In accord with the Qatar National Vision 2030, Nakilat is focusing on community development and engagement that facilitates the development of our people in Qatar; thus, promoting a prosperous society and achieving the vision's goal of human development.

A roadmap of life-balance success is yet another pillar to a successful employee engagement strategy. We engaged our multinational and multicultural workforce in celebrating an age-old, cherished Qatari tradition 'Garangao' which is akin to Halloween celebrated in the West. The celebration, which brings the community together, involves children stepping out to neighboring households to share greetings and collect their share of chocolates, candies, and nuts. We distributed Garangao gift bags for the children of all Nakilat employees, the bags included candies and coloring books with a marine theme, which was well received by the community.

In 2021, we also worked closely with several organizations across Qatar to conduct a number of community outreach initiatives. On World Maritime Day 2021, Nakilat partnered with Qatar Museums to promote public awareness of the maritime industry. On World Children's Day, we also set up a special gallery showcase and activities at Katara Cultural Village to engage with the community and reiterate the importance of the maritime industry.

## Health

As part of our CSR commitment towards championing the health of our workforce and the community, we conducted several activities in alignment with QNV 2030, to promote the creation of a healthy and sustainable population in the country.

The COVID-19 pandemic gave rise to many challenges to our business functions. The main priority of the company has been to safeguard the health and safety of its people while maintaining safe and reliable operations. The COVID-19 Awareness and Prevention Plan and General Guidelines were established to minimize the risk to our employees and operations. Nakilat successfully managed to navigate the pandemic with minimum impact on our staff's health and wellbeing. By July 2021, the company achieved a 95% staff vaccination rate. Nakilat ensured continuity of its operations despite the logistical hurdles posed by the pandemic owing to the testing regime, travel restrictions and quarantine requirements.

We also conducted a seasonal 'Flu Vaccination Drive' at our corporate office and shipyard facility where we administered flu shots to all our staff in coordination with Ministry of Public Health (MoPH). The vaccination drive was extended to the families of our employees to significantly reduce the chances of getting the flu and thereby prevent it from spreading. Additionally, we organized a Health Day in partnership with the insurance provider QLM Life and Medical Insurance Company; thus, allowing our employees to avail a basic medical check-up as part of our efforts to promote health and wellbeing amongst all staff.

In February 2022, over 55 Nakilat employees attended the 'Health and Wellbeing Campaign' held at the Nakilat HQ premises in collaboration with Naseem Healthcare Center. Check-ups included medical assessments, physician consultations, eye and ear check-up, and dermatology and dental consultations. The campaign was organized by Nakilat HQ in order to encourage employees to take a moment for themselves and monitor their own health and wellbeing.

At Nakilat, we also promote active lifestyle among our employees and across our community by launching different sports activities that help reduce their stress, regardless of their gender. As a result of this commitment, we established a partnership with Aspire Zone. This partnership provides access to sports infrastructure and facilities to communities in Qatar; thus, creating and enabling sustainable lifestyles. We have an agreement with Aspire Zone where our employees are equipped with memberships to access their sporting facilities in Doha and participate in customized activities such as Marathons. Due to the COVID-19 pandemic and restrictions on public gathering, this has been put on hold temporarily.

## Environment

At Nakilat, we aim to minimize the environmental impact of our operations and give back to the community by organizing outreach activities such as tree planting and by engaging with students at local schools to raise awareness on the importance of trees, environmental protection, and its role in protecting the Earth.



We started an awareness initiative where we encouraged all departments to initiate their meetings and gatherings with a safety moment. In 2021, more than 330 safety moments were conducted, covering a wide variety of topics such as waste management with the aim of raising environmental awareness.

In cooperation with QatarEnergy and Shaqab (camp operator), Nakilat has initiated a tree planting initiative in the Laffan Global Village Camp – C5 employee accommodation facility in Ras Laffan. The development of infrastructure is ongoing, and the trees are expected to be planted towards the end of Q3 in 2022.



## 6. GOVERNANCE

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values while meeting stakeholders' expectations. At Nakilat, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

### 6.1 Corporate Governance, Compliance and Ethics: Management Approach and Progress



Nakilat is continuously adopting best corporate governance practices, since it is deeply perceived as the heart of the successful running of our organization, while sustaining a long-term growth and promoting trust among the shareholders, investors, customers, employees and all other stakeholders. Nakilat's corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times. The Board of Directors ensures the implementation of strong corporate governance practices, which safeguards the sustainable development and performance of the company, in accordance with Nakilat's mission and vision to be a global leader in energy transportation and maritime services.

Our Board of Directors considers the interests of our shareholders as well as our other stakeholders through receiving timely and quality reports that contain condensed information and materials for them to make well-informed decisions and to develop business strategies for short and long-term growth and overall sustainability of the organization. Frequent engagement with our shareholders through our investor conferences, investor meetings, and Investor Relations conference calls has sharpened Nakilat's focus on our core priorities, strategic vision and governance. Nakilat continues to listen to all its shareholders. Nakilat sees governance as a framework to align the interests of all our stakeholders behind its purpose to unlock the power of delivering clean and reliable energy to enhance quality of life for everyone around the world.

Recognizing the relationship between good governance and sound financial performance, Nakilat strives to adhere to leading and best governance practices and complies to Qatar Financial Markets Authority (QFMA) governance guidelines. Nakilat's corporate governance report has been prepared in compliance with QFMA governance code and is shared with all concerned stakeholders. It is also accessible to all of the company's stakeholders and shareholders in the Investor Relations section of Nakilat's website.

#### Nominating and Selecting the Highest Governance Body

In addition to the Nomination Committee's main duties reported in Nakilat's Corporate Governance Report, the Nomination Committee also recommends to the Board suitable candidates and ensures that the shareholders have criteria in place to help them in electing the fittest among the candidates for board membership. The selection process considers the existing Board structure, size, composition, and diversity (including independence, skills, knowledge, educational backgrounds, and areas of expertise) and senior executives following Nakilat's ESG strategy. The Nomination Committee assesses the functional and operational skills required to be suitable for the position, including, but not limited to, current or past ESG and sustainability experience. Regarding diversity in broader terms, Nakilat assesses the age of its executives and directors, their leadership stability (represented by the frequency of executive and director turnover) and the geographic diversity of its directors. The nomination committee conducts annual self-assessment of the board performance, and then presents its evaluation to the board with identifying gaps and areas of improvement, if any.

#### Collective Knowledge of Economic, Environmental, and Social Topics

The board of directors have a balanced and right mixture of skillset, education, knowledge, and expertise to effectively manage the company and protect the best interests of the company, partners, shareholders, and other stakeholders.

Nakilat's corporate governance report presents a list of programs at Nakilat to enhance the executive and board-level collective knowledge of economic, environmental, and social topics. In addition, regular awareness-raising programs are provided to the ESG Committee members to hone their understanding and keep them up to date with latest trends and emerging themes, whenever it is required including, specific 'Deep Dive' presentations on ESG topics.

Furthermore, all Board members collectively have strong expertise in the oil and gas and marine transportation industry; as well as ESG expertise, including Risk management, through their current and past executive positions and serving on the Boards of large complex multinational companies, including Nakilat.

For more information on our approach to corporate governance; please refer to Nakilat's Code of Business Ethics and Conduct, Annual Report and Corporate Governance Report.

#### Communicating Critical Concerns

Quarterly Performance Review (QPR) meetings are conducted with the CEO and the Senior Management Team (SMT) to review updates on corporate and departmental KPI performance targets and corporate initiative progress. The focus of the meeting is to highlight any major deviations from the target and review the mitigation plans being undertaken to get back on track. Major actions are captured and circulated to the SMT and CEO for follow-up.

Nakilat complies with the laws of the State of Qatar and abides by all the applicable laws of the countries where it operates. Nakilat is listed on the Qatar Stock Exchange and complies with the Qatar Financial Markets Authority law and associated regulations. Nakilat's compliance with Qatar's Financial Markets Authority (QFMA) governance code is audited by external auditors.

By the nature of its activities, Nakilat's vessels operate in a highly regulated environment and comply with the requirements of the laws of the Flag State and with the international declarations, conventions and treaties such as the International Convention for the Safety of Life at Sea (SOLAS, 1974, as amended) and the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto and by the Protocol of 1997 (MARPOL), amongst others related to the transportation of LPG and LNG. In addition, Nakilat complies with the requirements imposed by regulatory authorities, governmental organizations, classification societies and standards imposed by our charterers that are applicable to Nakilat's business.

Nakilat's Code of Business Ethics and Conduct highlights the importance of compliance with laws and international standards concerning the social and economic area, including accounting and prevention of tax fraud, corruption, bribery, ensuring and promoting fair competition, the provision of products and services, and avoiding workplace discrimination, among others.

Compliance with Nakilat's Code of Business Ethics and Conduct is of the utmost importance. Any breach or potential breach is investigated and may result in the termination of employment, or of the relationship with the concerned third parties including vendors, suppliers, and contractors.

In 2021, we have not identified any non-compliance with any laws and/or regulations concerning the social and economic area.

**Remuneration**

For the senior executives' remuneration, we follow the standard applicable policies and procedures of the company. There is a comprehensive policy and procedure in place for employees' compensation, allowances and benefits at all levels including the executive management.

Nationals are eligible for pension upon their retirement, whereas expatriates are eligible for end of service.

The senior executives follow the same performance criteria applicable to other company employees, as per the learning and development policies and procedures in place, which is linked with the remuneration policies and procedures in terms of merit, bonus, and other awards eligibility.

**Political Activities**

Political activities that employees are prohibited from doing while acting on behalf of the company include:

- a. Contributions of company funds, cash or in-kind, or other resources in support of political activities, organizations, political candidates, parties or officials in the state of Qatar or anywhere else in the world, unless permitted by law and approved by the Board of Directors.
- b. Solicitation of political contributions from individual employees.
- c. Political activity in the countries in which he is not entitled to exercise civic rights.
- d. Contributions, donations or support to organizations that have social, cultural, educational or artistic missions are excluded from this definition.
- e. Signing petitions, letters or statements, that would prejudice the reputation and prestige of the State of Qatar or adversely affect relations with other countries.
- f. Inducing others to join in similar type of political activities.
- g. Distributing flyers or other publications related to political messaging.

**Ethics Committee**

**ETHICS COMMITTEE (CONSTITUTION MANDATE)**

The Ethics Committee shall report directly to the Chief Executive Officer of the company. Its composition, responsibilities and procedures shall be as follow:

**Composition**

Nakilat CEO shall appoint the voting members, consisting of six (6) members; a chairman and five (5) other members.

Members of the Ethics committee shall be company employees, who collectively have broad knowledge of and experience with the company's business activities and discipline and occupy managerial positions to facilitate fair, objective and impartial judgment.

The members of the Ethics committee cannot delegate their roles. Each Committee member is appointed for a term of four (4) years, which is reviewed bi-annually. An appointment to the Ethics committee may be revoked only by a written resolution of all the other committee members. A copy of any such resolution must be addressed to CEO for endorsement.

A quorum for the purpose of any meeting is as per the following schedules:

Number of Member	Quorum
4	3
5	3
6	4

In the event of a tied vote, the Chairman will cast the final vote.

**Responsibilities**

The Ethics Committee which reports to CEO, shall deal with all questions related to the Code of Business Ethics and Conduct. Its major responsibilities are:

- a. Assist CEO and/or HR with reviewing and providing consultancy services to matters in violation to the Code of Business Ethics and Conduct as referred to by HR.
- b. Draw matters within its mandate to the attention of the CEO as occasion requires.
- c. Act where appropriate as the Disciplinary hearings Committee.
- d. Review those cases reported through the anonymous reporting (whistleblowing) channels and referred to the Ethics committee by the Chief Internal Auditor.
- e. Conduct or authorize investigations into any matters as it shall deem appropriate, including the authority to request any Employee or external party working under an agreement with the company to meet with the Committee.
- f. Run periodical campaigns through publications to increase the level of awareness to the code of Business Ethics and Conduct.
- g. Review and assess all the report periodically to ascertain campaigns are also designed on emphasizing cases of frequent breaches to the code of Conduct.

**Whistleblowing – Reporting Issues to Designated Authorities**

All employees are expected to assume the responsibility, to ensure that any concerns and observations, which deviate from our values and contradict to the code of Business Ethics and Conduct, shall be reported immediately to the designated authorities.

If any employee reasonably believes that any policy, procedure, practice, or action of the company or any of its Employees is in violation of the laws, regulations, or the Code of Business Ethics and Conduct, he or she should report the violation immediately.

In the first instance, Employees shall address the concern, to their manager, but if it is not feasible or Employee is unsatisfied to approach the manager (either line supervisor, department manager or group chief), then he/she shall approach HR shared services section within human resources department.

Following are examples of issues, which shall be addressed to Head of HR Shared Services of his delegate:

- a. Head of the department/section reporting about his direct subordinate.
- b. Employee who is the victim of misconduct/behavior from peers or other employee within the company.
- c. Employees observation with regards to the policy and procedure practices in the company, which violates any governmental regulations of Code of Business Ethics and Conduct.
- d. Employee reasonably believed that an employee is involved in practices, which contracted to this policy.
- e. Employee is approached by external vendors, seeking favor or offering gifts.

If the Employee is not satisfied with any of the above options, or if the employee wishes to make an anonymous report, then he shall report through whistleblowing channels at: [compliance\\_reporting@nakilat.com](mailto:compliance_reporting@nakilat.com)



## 6.2 ANTI-BRIBERY, CORRUPTION AND FAIR COMPETITION



### Management Approach and Progress

#### ANTI-BRIBERY AND CORRUPTION

Nakilat is committed to conducting business in compliance with the principles established in its Code of Business Ethics and Conduct and the laws and regulations applicable in the countries where it operates. Likewise, the company is committed to the highest standard of ethical business conduct with zero tolerance for any form of bribery or corruption. Nakilat works pro-actively to ensure that corruption does not occur throughout its operations, both within the State of Qatar and globally.

It is the policy of Nakilat that all employees, consultants and agent are prohibited from offering, authorizing, giving, paying, soliciting, accepting or receiving, either directly or indirectly, any bribe to or from any employee, official or agent of any government, public or commercial entity, or individuals, in connection with the business or activities of Nakilat. This includes the giving or receiving of an improper advantage through undue influence, preferential treatment or any other form of illegal payment. Nakilat wholly owned subsidiaries must also comply with this requirement.

These prohibitions do not apply to the situations where an individual health, life and liberty are at risk.

#### Anti-Corruption Laws

Anti-Corruption laws of most developed countries contain two important provisions: (1) that it is a crime to bribe any person anywhere in the world to influence a decision to obtain or retain business or gain a business advantage; and (2) a requirement that companies must have good accounting standards, accurately record transactions in their books and records, and maintain adequate internal controls.

Bribery is a crime in Qatar and the law imposes penalties for public officials convicted of taking action in return for monetary or personal gain, or for other parties who take actions to influence or attempt to influence a public official through monetary or personal gain. The current penal code governs corruption law and stipulates that individuals convicted of corruption may receive up to ten years imprisonment and/or a fine of 5,000 Qatari riyals. Corruption investigations are handled by the Qatar State Security Bureau (QSS) and public prosecution, which is under the attorney general's authority. Final judgments are made by the criminal court.

As a member of the Qatar Exchange, Nakilat is bound to its corporate governance for Companies Listed in Markets Regulated by the Qatar Financial Markets Authority. This code requires all companies to adopt good accounting standards in accordance with International Financial Reporting Standards, accurately record all transactions in their books and records, and maintain adequate internal controls.

#### Fair Competition Laws

Competition or antitrust laws are designed to ensure a fair and competitive free-market system. While Nakilat will compete vigorously in the marketplace, we will comply with the applicable competition and antitrust laws wherever we do business. This means that we will compete on the merits of our products and services, the prices we charge and the customer loyalty we earn.

Some of the most serious competition offenses occur between competitors, such as agreements to fix prices or to divide customers, territories or markets. It is therefore important to avoid discussions with competitors regarding pricing, terms and conditions, costs, marketing or production plans, customers and any other proprietary or confidential information. Competition laws also may apply in other circumstances, like benchmarking efforts, trade association meetings or strategic alliances involving competitors.

Be accurate and truthful with customers, and take particular care when describing the quality, features or availability of our products and services. Be similarly careful if you describe a competitor's products or services. It is unwise to criticize a competitor to a customer, and it is inappropriate to interfere with any contract between a competitor and a customer of the competitor.

Qatar has issued a law entitled protection of competition and prohibition of monopoly practices, which deals with fair competition within Qatar and stipulates any person who violates the provisions of this law shall be punished with a fine of not less than QAR 100,000 and not more than QAR 5,000,000.

All business partners are introduced to and aware about Nakilat's anti-corruption policies and procedures to ensure that policies are communicated to any other employees and third parties.

#### KPIs

Anti-bribery and corruption	2019	2020	2021	Scope
Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region	100%	100%	100%	All Nakilat and NAC employees
Total number and percentage of governance body members that have received training on anti-corruption, broken down by region	No Anti Bribery Corruption Conducted for Chiefs	No Anti Bribery Corruption Conducted for Chiefs	75% (9 'Chiefs')	
Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region	3% (8 employees)	3% (8 employees)	56% (156 employees)	
Confirmed incidents of corruption and actions taken	0	0	0	
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant	0	0	0	



## 6.3 RISK AND CRISIS MANAGEMENT

### Management Approach and Progress

Nakilat's risk governance approach is continuously enhanced through the adoption of leading practices related to Enterprise Risk Management (ERM), Information Security Management, Business Continuity Management (BCM), and Compliance. Having robust governance enables Nakilat to shield the company from internal and external uncertainties and minimize any adverse impact or exposure on the company's performance. Nakilat aims to create a more risk-focused culture to provide reasonable assurance for the achievement of its core strategic objectives.

#### ISO/IEC 27001 Certification Information Security Management System

- Nakilat recertified
- NAC, NSW and QFAB certified

A recognition of our commitment towards information security maturity and demonstration of compliance according to best practices.

#### ISO 22301 Certification Business Continuity Management

- Nakilat, NSQL and NAC certified reaffirm our commitment to comply with international best practices, providing assurance to our stakeholders that we have the appropriate business continuity arrangements in place in mitigating the effects of any disruptive incidents. This is especially important as we expand our in-house fleet management, safeguarding the safety, reliability, efficiency and continuity of our operations.



### Business Continuity Management (BCM)

Nakilat's BCM has been built and established at Nakilat to ensure organizational resiliency towards unexpected adverse events and opportunities, and excel in managing incidents, crises, and disasters. The Business Continuity Management System (BCMS) and Framework has geared the organization by ensuring the continuity of business operations with minimal disruption and retain stakeholder's confidence in Nakilat's services. This has been achieved by continuously evolving our BCM approach by identifying interdependencies among departments to create end-to-end Business Continuity Plans.

Nakilat, Nakilat Shipping Qatar Ltd. (NSQL) and Nakilat Agency Company (NAC) have been certified for ISO 22301 Business Continuity Management System (BCMS) awarded by Lloyd's Register. The ISO 22301 is an international management systems standard that assists organizations to provide a systematic approach to strengthen the continuity and resilience of the company. This reaffirms our commitment to comply with international best practices in business continuity management and recognizes the steps that Nakilat and its Subsidiaries have taken to implement processes and standards which provide continuity and organizational resiliency.



### Enterprise Risk Management (ERM)

The ERM program in Nakilat is established to assist the strategic decision-making process that shall contribute to the achievement of Nakilat's strategic objectives, by evaluating, prioritizing, and managing potential risks to drive value creation. As part of Nakilat's continuous improvements towards enhancing the maturity level of its ERM program, an integrated link has been established between Nakilat's 5-year strategy and risk management. This integration encompasses the assessment of emerging and existing risks associated with strategic initiatives, new projects, and corporate and departmental objectives to ensure implementation of effective mitigation plans. The ERM function strives to oversee, adopt, and facilitate leading risk management practices to build confidence and assurance to Nakilat's stakeholders and help Nakilat's management in making informed business decisions.



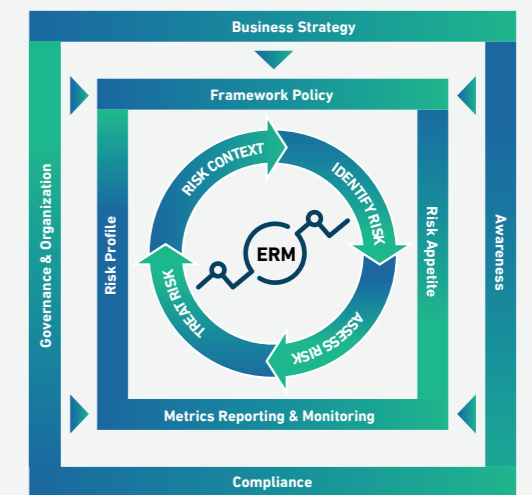
### Compliance

Nakilat is dedicated towards compliance with applicable rules, laws, regulations, standards, to ensure our business activities are always conducted in utmost conformity to avoid any potential negative impact on the company. Thus, Nakilat has established a compliance function to provide holistic oversight of the compliance requirements in addition to existing risk disciplines such as Risk Management and Internal Audit. The compliance function collaboratively works with all departments towards implementing the required measures, in order to identify existing or foreseen compliance prerequisites to gain valuable insight and drive better detection and resolution of issues.

## Nakilat Risk Management Framework

Fig 2.

### Nakilat Risk Management Framework



### Risk Governance

Nakilat has established a robust ERM governance structure that consists of four risk committees. Nakilat has an Operational Risk Sub-Committee, a Financial Risk Sub-Committee, and a Continuity Risk Sub-Committee, all of which report to the main Risk Management Committee chaired by Nakilat's CEO. These committees have clear roles and responsibilities that are detailed in the Risk Committees Charter, which is part of the appendix in the ERM manual. In addition, Nakilat reports its Top Risks on an annual basis to the Board of Directors through the annual Business Plan. We also have an established quarterly reporting cycle to the Board of Directors on the progress and updates of the risk initiatives.

Below is the scope of activities of the committees:

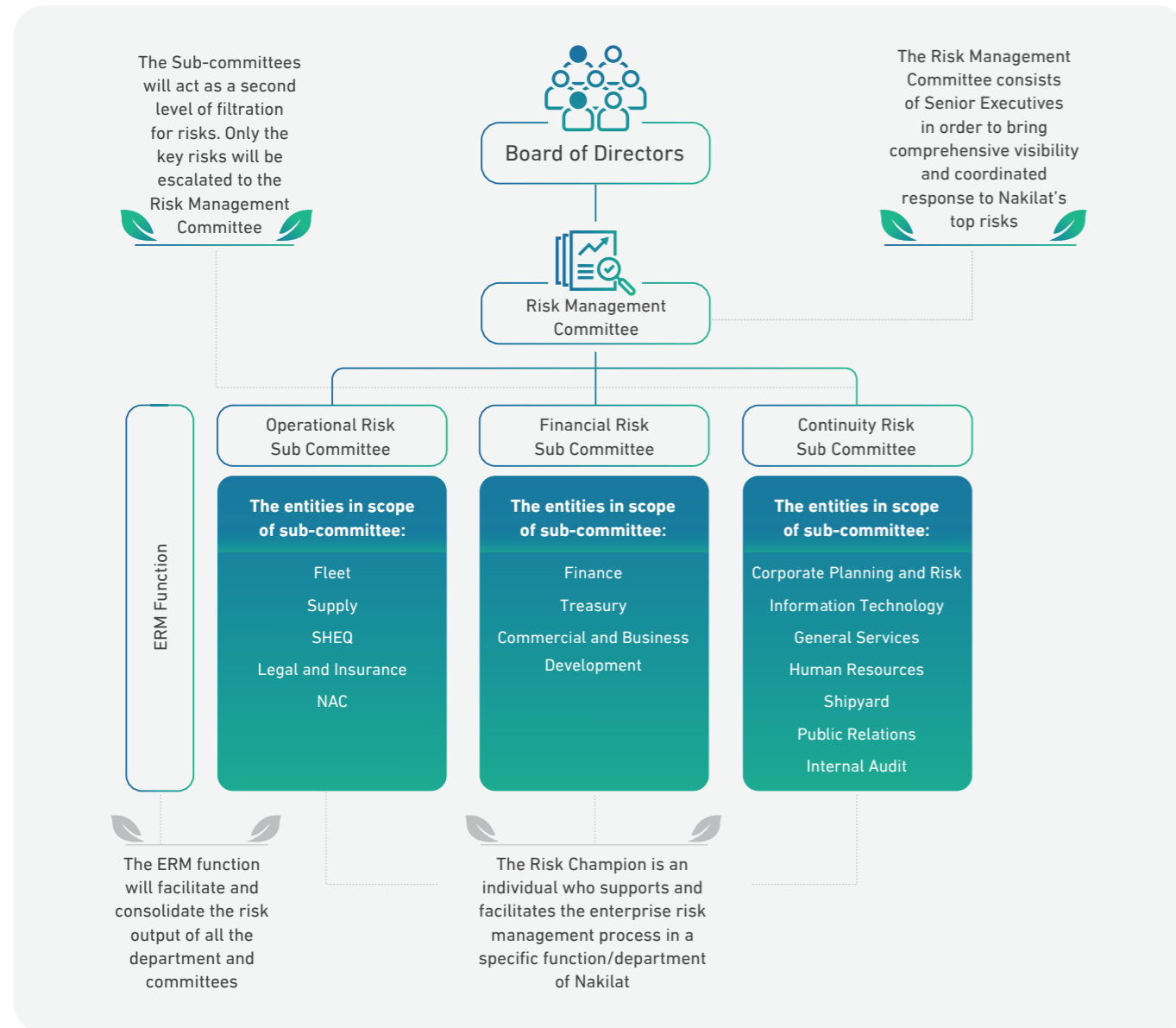
- To review and approve the strategies, policies, frameworks, and procedures in place
- To govern the risk identification, risk analysis, risk evaluation, risk treatment and risk monitoring processes in Nakilat
- To define and endorse the organization's overall risk tolerance and strategy relating to key risks, including strategic, operational, business continuity, and financial risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks
- To monitor current and emerging risks and approve risk

treatment plans for the identified risks

- To ensure that relevant risk treatment plans are implemented on a timely basis, and they are managed successfully for all top risks
- To review Nakilat' top risks profile annually and update them, when necessary, to ensure that key risks are identified, analyzed, evaluated, treated and monitored
- To promote a risk-aware culture and risk management competence across Nakilat
- To ensure there is a system/process of risk assessment across the organization on an on-going basis
- To review reports on selected risk topics as the committees deem appropriate from time to time

Nakilat's Risk department frequently and regularly reports to the Risk Management Committees where all types of risk assessments whether departmental, ad-hoc/project based, or Top Risks are reported with assessments of performance. In addition, the Risk team reports on a quarterly basis to the Planning team on the performance of the departmental objectives and KPIs, which are then presented to Nakilat's senior management team during quarterly performance meetings.

Fig 3. Nakilat Risk Management Governance



The figure above illustrates Nakilat's Risk Management Governance

**Process for Assessing Key Impacts, Risks and Opportunities**

The Top Risks assessment is an annual process where the Risk team starts by mapping the corporate strategy with the identified risks that can potentially hinder Nakilat's ability to achieve its strategic objectives and ultimately, its vision to be a global leader. The Risk team then starts developing the definitions for each Top Risk, as well as the quantification of the impact and likelihood ratings. This quantification requires obtaining information from all departments, which the Risk team then analyses, filters, draws conclusions from, and is utilized to support the Top Risks ranking and severity levels. This mapping, with all relevant data, is then presented to several subject matter experts and the four Risk Committees in Nakilat, for their approval and endorsement. Once the Top Risks are approved, the Risk team works with respective risk owners to identify controls and develop treatment/mitigation plans. All this data is then consolidated and presented in a full package to the four Risk Committees.

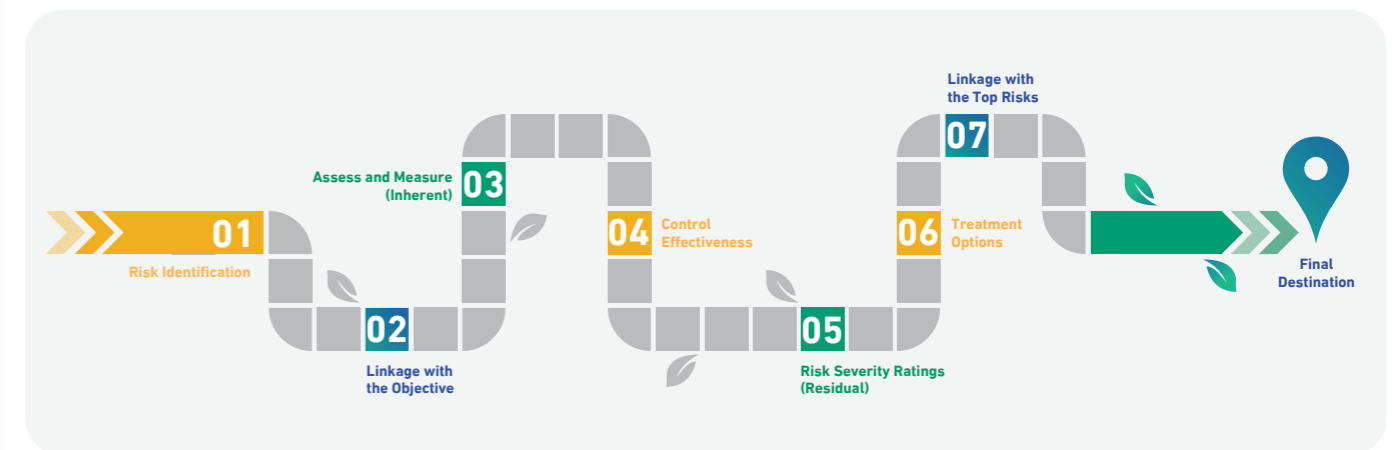
The Risk Committees' role is to review the Top Risks identification, severity levels and mitigation plans from a holistic perspective, and provide an unbiased opinion. The Risk Committees have the right to ask for any additional information deemed missing, and the risk team works towards developing this information accordingly. After rounds of reviews and challenging discussions, the Risk Committees endorse the Top Risks and the treatment plans on an annual basis. The final report on the Top Risks is then submitted to the Board of Directors for approval.

**Approach to Prioritizing Challenges and Opportunities**

Nakilat has adopted the ISO31000 Enterprise Risk Management (ERM) framework as a guideline for the basis of its framework and governance structure. The purpose of risk evaluation is to help Nakilat make decisions regarding how it will address the outcomes of risk analysis. These decisions include determining which risks require treatment and determining the priority of treatment implementation. Nakilat adopts a 5 by 5 matrix for the evaluation of the impact and likelihood of its risks, where residual risks rankings are then plotted on a heat map according to their agreed assessments and evaluations, ranking from low, to medium, high, or severe.

ERM is designed to provide a framework for adequate decision-making and to create value for shareholders, employees, customers, and the organization. The Risk Management process involves seven steps through which risks are continuously identified, analyzed, evaluated, treated, and monitored that ensures the management of risks and opportunities:

Fig 4. Nakilat Risk Assessment Process



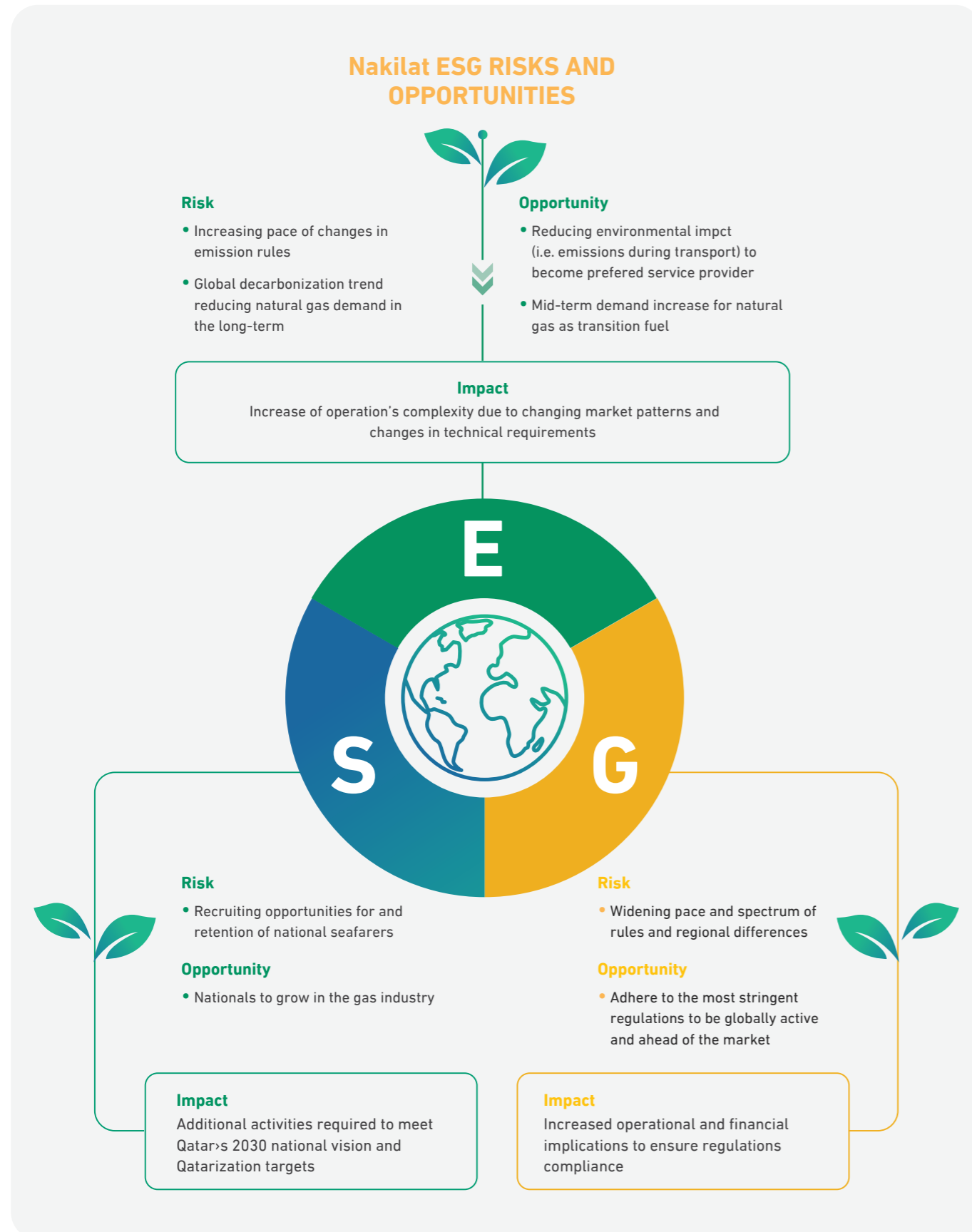
The ERM practices are explained in detail within the ERM manual that captures the process for performance and how risk assessment is conducted in relation to change. In addition, Nakilat has a separate process called Management of Change (MOC) that is run by the SHEQ department. The MOC process governs any change that happens in the company whether it be minor or major, and whether it is temporary or permanent. The MOC is integrated within the risk assessment process, where there are specific criteria for the kind of change that will require to undergo the risk assessment process. The Planning team is responsible for tracking and reporting against all the corporate performance targets in the company.

**Impact of ESG risks**

Impacts on Nakilat from any perspective (financial, regulatory, business disruption, sustainability and reputational etc.) is defined as per our departmental Risk Registers and the Top Risks.

The departmental Risk Registers process is similar to the Top Risks process, but instead of linking it to strategic objectives, it is linked into departmental objectives, so they are more of operational risks. This exercise is done with all departments within Nakilat. The Risk Registers are developed by the departments and is then reviewed and challenged by the Risk team and the Risk Committees. Each department has dedicated Risk Champions who have been trained and equipped to utilize the risk management tools provided. The departmental Risk Registers are reviewed on a bi-annual basis to check the status of the treatment plans, and if there are any emerging or new risks that should be brought to the attention of the risk team. The purpose of the departmental risk registers is to ensure that any potential risk that may hinder a department's ability to achieve its objective is reduced to an acceptable level. The Risk team has also created a synergy with the audit team who utilize the departmental Risk Registers during their audits.

Fig 5. Nakilat ESG risks and opportunities



**Objectives and targets**

Nakilat has a corporate strategy in place that details the corporate objectives. The Risk team has achieved all its objectives and targets during 2018, 2019, 2020, and 2021. The performance of all KPIs and targets are under the custody of the Planning team.

**Risk team objectives for 2018:**

- 1- Eliminate obstacles: Assessed the risks related to opportunities i.e., process change, organizational change, infrastructure upgrades and others
- 2- Support any emerging projects by facilitating risk assessments
- 3- Facilitate the workshops with Chiefs and subject matter experts for top risks to identify further consequences, controls, and treatment plans
- 4- Establish risk response strategy implementation plan based on the Top Risks identified
- 5- Present 'Top Risks' and treatment plans to Risk Management Committee for endorsement and approval

**Risk team objectives for 2019:**

- 1- 100% readiness of the business continuity program as per the plan
- 2- 100% closure of information security observations in the 'OT-System' as per the plan
- 3- 100% of treatment plans 'Top Risk' successfully implemented as per the agreed plan

**Risk team objectives for 2020:**

- 1- 100% readiness of the business continuity program as per the plan
- 2- 100% closure of information security observations in the 'OT-System' as per the plan
- 3- 100% of treatment plans 'Top Risk' successfully implemented as per the agreed plan

**Risk team objectives for 2021:**

- 1- 100% readiness of the business continuity program as per the plan
- 2- 100% of treatment plans 'Top Risk' successfully implemented as per the agreed plan
- 3- Risk and business continuity awareness sessions



## 6.4 INFORMATION SECURITY AND DATA PRIVACY



### Management Approach and Progress

Nakilat has maintained the Information Security Management System (ISMS) as a commitment to effectively foster security consciousness using internationally recognized standards such as the ISO 27001. Nakilat and its joint ventures, Nakilat-Keppel Offshore and Marine (N-KOM), Qatar Fabrication Company (QFAB), Nakilat SvitzerWijismuller (NSW) and Nakilat Agency Company (NAC) have achieved the ISO 27001 certification from Lloyd's Register Quality Assurance (LRQA), which affirms our continuous efforts at managing information security risks and implementation of appropriate controls to collect, store and handle information, which could help to prevent potential data loss or information leakage.

The implementation of the ISMS strives to continuously provide assurance that our business is running in a safe and secure environment by assuring the confidentiality, integrity, and availability of the company's information. Adherence to such internationally recognized standards sends a valuable boost of confidence to our shareholders, partners, and clients, especially in these challenging times as the world shifts to a virtual working environment and information security becomes more important than ever before.

Nakilat is committed to secure and protect its customers' and external parties' data. For the last five years no complaints were reported concerning breaches of customer privacy and losses of customer data.

## 6.5 TAX TRANSPARENCY



### Management Approach and Progress

As part of our continuous engagement with government, communities, and other stakeholders, Nakilat is committed to abiding by the tax law. Nakilat takes a responsible and transparent approach to the management and control of taxation issues by following both Qatari and international tax laws.

Nakilat's in-house tax function is responsible for developing the Group's approach to tax strategy and compliance. Nakilat's tax function works closely with external tax advisors to review and prepare tax strategies that are in line with Qatari tax law and robust enough to cope with the changing global tax landscape. Furthermore, Nakilat works with tax consultants to provide expert advice on specific subject matters. Also, tax consultants serve as a 'bridge' between Nakilat and Qatar's General Tax Authority to assist in the interpretation of tax law.

A notable development in tax affairs from the General Tax Authority was the introduction of transfer pricing regulations and documentation requirement which Nakilat adheres to. As part of Nakilat's compliance process, Nakilat abides and respects all the required deadlines set by the General Tax Authority and other tax authorities relevant to the group's operations globally.

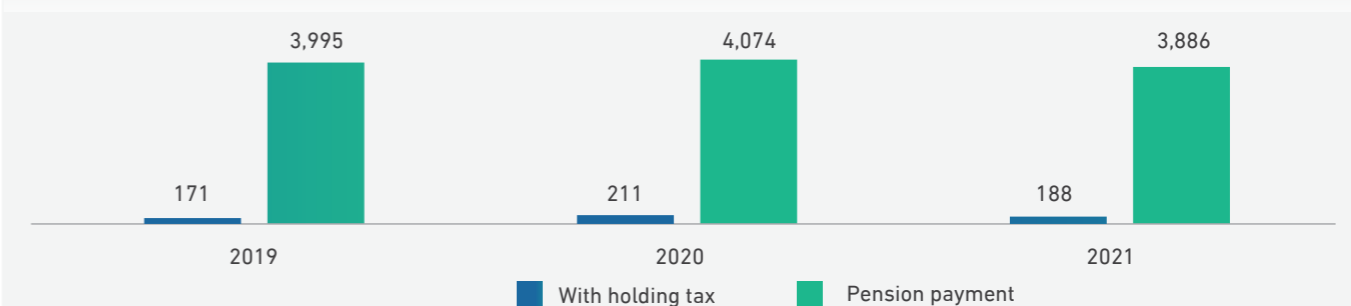
In 2021, QGTC paid QAR 188 thousand and QAR 3.8 million as withholding tax and pension payment respectively.

In the interest of transparency and fiscal responsibility, Nakilat implements and maintains robust whistleblowing channels for stakeholders to report misconduct, unethical behavior, or any manner of concerns relating to Nakilat's operations, functions, and safety. The same mechanisms are available to stakeholders to report any concerns with respect to taxation.

Payments to Qatar General Tax Authority and Pension Authority (QAR)			
Financial Year (FY)	2019	2020	2021
Withholding tax	171,268	210,779	188,080
Pension payment	3,994,633	4,073,592	3,886,411

### Payments to Qatar General Tax Authority and Pension Authority

(Thousands Qatari Riyals (QAR))



**Financial Assistance Received from Government**

Nakilat did not receive any financial assistance from any government including tax relief and tax credits, subsidies, investments grants, research and development grants, awards, royalty holidays, financial assistance from Export Credit Agencies (ECAs), financial incentives, or any other financial benefits received or receivable from any government for any operation.

Nakilat: Fiscal Year For the period Ended 31 December 2021 (QAR)						
Tax jurisdiction	Revenues	Profit (Loss) before income tax	Income tax paid (on cash basis)	Income tax accrued - current year	Number of employees	Tangible assets other than cash and cash equivalents
Qatar	716,635,118	265,778,513	613,048		278 <sup>1</sup>	225,549,700
Marshall Islands and others*	3,676,329,385	1,012,321,299	11,256	11,256	-	22,926,866,434
<b>TOTAL</b>	<b>4,392,964,503</b>	<b>1,278,099,812</b>	<b>624,304</b>	<b>11,256</b>	<b>278<sup>1</sup></b>	<b>23,152,416,134</b>

\*Marshall Islands profit represents ~99% of reported actual profit

<sup>1</sup> Total employee in Nakilat and NAC (Direct hire and through third party agency)

# 7. ASSURANCE REPORT

## 7.1 Independent Limited Assurance Statement

To the Board of Directors and Management of Qatar Gas Transport Company Limited

### Scope

We have been engaged by **Qatar Gas Transport Company Limited** – hereafter referred to as Nakilat – to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on **Nakilat's** environmental and social performance indicators in the 2021 ESG Report (the Report) including Five (5) disclosures below:

- Disclosure 302-1: Energy consumption within the organization
- Disclosure 305-1: Direct (Scope 1) GHG emissions
- Disclosure 401-1: New employee hires and employee turnover
- Disclosure 403-9: Work-related injuries
- Disclosure 404-1: Average hours of training per year per employee

(the 'Subject Matter') for the period from 01 January 2021 to 31 December 2021.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by Nakilat

In preparing the Subject Matter, **Nakilat** applied the Global Reporting Initiative Standards (GRI) (the **Criteria**).

### Nakilat's responsibilities

**Nakilat's** management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000')*, and the terms of reference for this engagement as agreed with **Nakilat** on 10<sup>th</sup> May 2022.

Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. Our work did not include physical visits to any of Nakilat’s operating facilities, operating assets, or Nakilat’s joint ventures’ facilities or assets.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Five (5) disclosures mentioned above and related information and applying analytical and other appropriate procedures.

**Our procedures included:**

- a. Conducting interviews with personnel to understand the business and reporting process.
- b. Conducting interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period.
- c. Checking whether the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria.
- d. Undertaking analytical review procedures to support the reasonableness of the data.
- e. Identifying and testing assumptions supporting calculations.
- f. Undertaking reviews of the presentation of the Subject Matter in the Report.
- g. Testing, on a sample basis, underlying source information to check the accuracy of the data.

We also performed such other procedures as we considered necessary in the circumstances.

**Conclusion**

Based on our procedures and the evidence obtained, no matters have come to our attention that causes us to believe that the Subject Matter information for the year ended 31 December 2021 is not prepared, in all material aspects, in accordance with the applicable Criteria.



**Imtiaz Ibrahim**  
Partner

Ernst & Young (Qatar Branch)  
12 September 2022  
Doha, Qatar

## 8.1 ESG DATA SUMMARY

Environmental Compliance	2019	2020	2021	Scope
Noncompliance with environmental laws and regulations				
Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulation	0	0	0	Nakilat Group

Climate Change and Emissions to Air	2019	2020	2021	Scope
Greenhouse Gas (GHG) emissions				
Gross direct (Scope 1) GHG emissions (TCO <sub>2</sub> ) <sup>28</sup>	5,167,254	5,470,881	5,362,365	Shipping
GHG emissions intensity <sup>29</sup> (TCO <sub>2</sub> /Nm)	0.82	0.91	0.82	
Organization-specific metric chosen to calculate the intensity ratio: Total Sailing Distance <sup>30</sup> (Nautical Mile [Nm])	6,282,661	6,023,833	6,579,066	
<b>Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</b>				
NOx	128,017	138,292	128,580	Shipping
SOx	257,455	133,152	6,562	
Particulate matter	11,023	11,980	10,888	

Climate Change and Emissions to Air	2019	2020	2021	Scope
<b>Greenhouse Gas (GHG) emissions</b>				
Gross direct (Scope 1) GHG emissions (TCO <sub>2</sub> ) <sup>31</sup>	24,976	20,834	22,935	Non-shipping

Note: This data represents emission from fuel used by our non-vessel joint ventures including fuel used for business purpose by corporate office. Majority of non-shipping fuel is used by tugs for harbour operations and so the calculation of these data uses conversion factors for MDO from the following standards: IPCC 2006

\*\* This is only non-shipping data under scope 1. Types of fuels included within figures: Diesel (Density-0.8213) and LPG (Conversion Factor-MJ to KG: 1 MJ = 0.02 kg of LPG).

Emissions to Air	2019	2020	2021	MME Limits <sup>32</sup>	Scope
Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions <sup>33</sup>					
NOx	24.25 ug/m <sup>3</sup>	20.75 ug/m <sup>3</sup>	27.00 ug/m <sup>3</sup>	150 ug/m <sup>3</sup>	Non-shipping
SOx	14.75 ug/m <sup>3</sup>	12.50 ug/m <sup>3</sup>	24.75 ug/m <sup>3</sup>	365 ug/m <sup>3</sup>	
Particulate matter (PM <sub>2.5</sub> )	23.25 ug/m <sup>3</sup>	22.75 ug/m <sup>3</sup>	18.25 ug/m <sup>3</sup>	35 ug/m <sup>3</sup>	
Particulate matter (PM <sub>10</sub> )	67.5 ug/m <sup>3</sup>	72.75 ug/m <sup>3</sup>	77.00 ug/m <sup>3</sup>	150 ug/m <sup>3</sup>	
CO	n/a	n/a	423.5 ug/m <sup>3</sup>	10,000 ug/m <sup>3</sup>	
VOC	n/a	n/a	11.75 ug/m <sup>3</sup>	160 ug/m <sup>3</sup>	
Aromatic hydrocarbons	n/a	n/a	8.54 ug/m <sup>3</sup>	160 ug/m <sup>3</sup>	

Note: N-KOM data only. The source of NOx, SOx, PM, CO, VOC and aromatic hydrocarbon are due to air emissions from the shipyard’s operations. Monitoring requirements and the respective limits are prescribed by the Qatar Ministry of Environment and Climate Change (MOECC).

<sup>28</sup> Shipping data is declared only under scope 1 as all GHG emissions are produced by the vessels when generating their own energy to sustain their respective operation. Only CO<sub>2</sub> is included in this calculation. Declaration is based on equity share

<sup>29</sup>For ships: Emissions Intensity = Total Emissions / Total Sailing Distance. Equity share doesn’t apply to intensity

<sup>30</sup>Total Sailing Distance SASB (TR-MT-000.B). Equity Share doesn’t apply to distance sailed

<sup>31</sup>Non-Shipping data shown separately under scope 1.

<sup>32</sup>Qatar Ministry of Environment and Climate Change (MOECC).

<sup>33</sup>Each parameter is averaged for the year 2019 & 2020

Energy	2019	2020	2021	Scope
<b>Energy consumption</b>				
Total fuel consumption within the organization from non-renewable sources (GJ) <sup>34</sup>	69,610,610	74,015,625	73,694,908	Shipping
Total fuel consumption within the organization from renewable sources (GJ)	0	0	0	
Total energy consumption within the organization (GJ)	69,610,610	74,015,625	73,694,908	
<b>Energy intensity</b>				
Energy intensity ratio <sup>35</sup> (GJ/Nm)	15.98 *	17.30	15.79	Shipping
Organization-specific metric chosen to calculate the intensity ratio: Total Sailing Distance <sup>36</sup> (Nautical Mile [Nm])	6,282,661	6,023,833	6,579,066	

Note: This data represents our entire shipping fleet.

\* It is to be noted that Energy Intensity data for 2019 have been restated to capture the entire distance travelled in our Joint-Venture fleet.

Energy	2019	2020	2021	Scope	
<b>Electricity consumption</b>					
Total electricity consumption (kWh) Corporate	1,237,412	935,517	1,169,485	Non-Shipping	
Total electricity consumption (kWh) N-KOM	68,500,000	63,400,000	69,400,000		
Total electricity consumption (kWh) QFAB	n/a	7,460,000	6,505,700		
Total electricity consumption (kWh) NSW	n/a	n/a	1,956,150		
TOTAL ELECTRICITY CONSUMPTION (kWh) Corporate, N-KOM, QFAB and NSW	69,737,412	71,795,517	79,030,635		
Total electricity consumption (GJ) Corporate	4,455	3,368	4,210		
Total electricity consumption (GJ) N-KOM	246,600	228,240	249,840		
Total electricity consumption (GJ) QFAB	n/a	26,856	23,418		
Total electricity consumption (GJ) NSW	n/a	n/a	7,042		
TOTAL ELECTRICITY CONSUMPTION (GJ) Corporate, N-KOM, QFAB, NSW	251,055	258,464	284,510		
<b>Fuel consumption</b>					
Total fuel consumption (GJ) Corporate	415	734	329		
Total fuel consumption (GJ) N-KOM	112,049	37,339	43,147		
Total fuel consumption (GJ) QFAB	n/a	393	333		
Total fuel consumption (GJ) NSW	278,711	287,742	315,385		
TOTAL FUEL CONSUMPTION (GJ) Corporate, N-KOM, QFAB, NSW	391,174	326,208	359,194		
<b>Total energy consumption (electricity + fuel)</b>					
Total energy consumption (GJ) Corporate	4,869	4,102	4,539		
Total energy consumption (GJ) N-KOM	358,649	265,579	292,987		
Total energy consumption (GJ) QFAB	n/a	27,249	23,751		
Total energy consumption (GJ) NSW	278,711	287,742	322,428		
TOTAL ENERGY CONSUMPTION (GJ) Corporate, N-KOM, QFAB, NSW	642,229	584,672	643,705		

<sup>34</sup> This is only shipping data under scope 1. Types of fuels included within figures: HFO, MGO, LNG

<sup>35</sup>For SHIPS: Energy Intensity = Total Energy/ Total sailing Distance. Intensity is declared in total

<sup>36</sup>Total sailing Distance SASB (TR-MT-000.B). Equity Share doesn't apply to distance sailed

Energy	2019	2020	2021	Scope
<b>Energy intensity <sup>37 38</sup></b>				
Energy intensity ratio (Electricity + Fuel consumption (GJ) / per employee) Corporate	19.4	16.6	16.5	Non-Shipping
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) Corporate	250	250	275	
Energy intensity ratio (Electricity + Fuel consumption (GJ) / employee N-KOM	275.9	204.3	225.4	
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) N-KOM	1,300	1,300	1,300	
Energy intensity ratio Electricity + Fuel consumption (GJ) / per employee) QFAB <sup>39</sup>	n/a	317.2	349.3	
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) QFAB	n/a	86	68	
Energy intensity ratio (Electricity + Fuel consumption (GJ) / per employee) NSW <sup>40</sup>	819.7	846.3	942.8	
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) NSW	340	340	342	
Total energy intensity ratio (Electricity Consumption + Fuel (GJ) / per employee) Corporate, N-KOM and QFAB and NSW	280.3	295.9	324.3	
Organization-specific metric chosen to calculate the intensity ratio (average number of employees) corporate, N-KOM, QFAB, NSW	1,890	1,976	2,016	

Reduction of Energy Consumption	2019	2020	2021	Scope
<b>Number of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives</b>				
Total energy reductions (GJ) Corporate	2,501	2,501	2,363	Non-Shipping
Total energy reductions (GJ) N-KOM	16,804	16,804	16,804	
Total energy reductions (GJ) QFAB	n/a	26,856	24,048	
Total energy reductions (GJ) NSW	n/a	n/a	n/a	
Total energy reductions (GJ) Corporate, N-KOM, QFAB and NSW	19,305	46,161	43,112	

Electricity Sold	2019	2020	2021
Total Electricity Sold (GJ)- (N-KOM) *	6,755	5,246	25,029

\*Electricity sold to vessels in dock via metered connections

Water	2019	2020	2021	Scope
<b>Water withdrawal and discharge</b>				
Total seawater withdrawal (megaliters)	30,007,243	29,250,355	25,808,027	Shipping
Total seawater discharge (megaliters)	30,007,243	29,250,355	25,808,027	

Note: This data represents our entire shipping fleet. The reported data are aggregated values from wholly owned and JV vessels for seawater used for ballasting the vessels. The ballast water used has either been treated according to IMO Ballast Water Convention D2 for vessels fitted with a treatment system. For other vessels which are still to be fitted with a treatment system the ballast water has been replenished through exchange during the voyage as per IMO Ballast Water Convention D1. The same quantity of seawater that is loaded in discharge ports is discharged afterwards in loading ports. Only seawater for ballasting is discharged. Calibrated remote sounding system and approved ballast tank tables have been used to calculate ballast water quantities declared. Seawater salinity and density is determined from international oceanographic tables.

<sup>37</sup>All energy intensity ratios represent electricity and fuel usage, except for QFAB and NSW (see below).

<sup>38</sup>Energy Intensity Ratio has been restated in GJ/No. of employee for alignment.

<sup>39</sup>QFAB Electricity data not available for 2019 and so only fuel data used.<sup>40</sup>NSW Electricity data not available in 2019 & 2020 and so only Fuel data used.

<sup>40</sup>NSW Electricity data not available in 2019 & 2020 and so only Fuel data used.

Water	2019	2020	2021	
Water consumption				
Freshwater/ Potable water consumption (megaliters) Corporate	1.69	0.73	0.61	Non-shipping
Freshwater/ Potable water consumption (megaliters) NSW	11	11	11.49	
Freshwater/ Potable water consumption (megaliters) N-KOM	375	248	304	
Freshwater/ Potable water consumption (megaliters) QFAB	n/a	52.2	33.65	
Total Freshwater/ Potable consumption	388	312	350	
Industrial water consumption (megaliters) N-KOM	83	100	100	
Industrial water consumption (megaliters) QFAB	n/a	52	0.03	

Waste	2019	2020	2021		
Waste generated					
Total weight of waste generated (m3), and a breakdown of this total by composition (CAT <sup>41</sup> ) of the waste <sup>42</sup>	<b>Total = 7,363 m<sup>3</sup></b> Cat 1 = 2,155 m3 Cat 2 = 329 m3 Cat 3 = 2,273 m3 Cat 4 = 222 m3 Other = 2,246 m3	<b>Total = 6,895 m<sup>3</sup></b> Cat 1 = 2,044 m3 Cat 2 = 333 m3 Cat 3 = 2,233 m3 Cat 4 = 155 m3 Other = 2,129 m3	<b>Total = 6,879 m<sup>3</sup></b> Cat 1 = 1,939 m3 Cat 2 = 326 m3 Cat 3 = 2,199 m3 Cat 4 = 161 m3 Other = 2,254 m3	Shipping	
Waste disposal					
Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste <sup>43</sup> .	<b>Total = 7,363 m<sup>3</sup></b> Cat 1 = 2,155 m3 Cat 2 = 329 m3 Cat 3 = 2,273 m3 Cat 4 = 222 m3 Other = 2,246 m3	<b>Total = 6,895 m<sup>3</sup></b> Cat 1 = 2,044 m3 Cat 2 = 333 m3 Cat 3 = 2,233 m3 Cat 4 = 155 m3 Other = 2,129 m3	<b>Total = 6,879 m<sup>3</sup></b> Cat 1 = 1,939 m3 Cat 2 = 326 m3 Cat 3 = 2,199 m3 Cat 4 = 161 m3 Other = 2,254 m3		
Incineration onsite (without energy recovery) (m3)	1,163	775	1,061		
<b>Total waste disposal offsite (m3)<sup>44</sup></b>	<b>6,200</b>	<b>6,120</b>	<b>5,818</b>		

<sup>41</sup>Garbage on ships is classified into the following categories (Cat): 1-Plastics; 2- Floating dunnage, lining, and packing material; 3- Ground down paper products, rags, glass, metal bottles, and crockery; 4-Domestic waste; 5- Incinerator ash; 6- Normal paper products, rags, oily rags, glass, and metal scrap; 7-Operational waste; 8-Animal Carcasses onboard livestock carrier; 9- E-Waste; 10- Cooking oil waste produced in the galley; 11- Cargo residues onboard ships carrying solid cargo in bulk which are not harmful to the marine environment (Non-HME); 12- Cargo residues onboard ships carrying solid cargo in bulk which are harmful to the marine environment (HME); Others' encompass all what is not listed between cat 1 and cat 12.

<sup>42</sup>Total waste (disposed to sea + incinerated + landed ashore) in m3. Data provided in cubic meter and not in tons as reported by the vessels and approved by the flag state.

<sup>43</sup>Bilge doesn't fall under garbage requirement.

<sup>44</sup> The rest of the segregated waste is disposed to an approved shore facility for processing.

Waste	2019	2020	2021	Scope	
Waste generated					
Total weight of waste generated (m3 or Tons), and a breakdown of this total by composition (CAT <sup>45</sup> ) of the waste - N-KOM	<b>Total = 21,130 m3, 16,393 tons &amp; 1,110,000 gallons</b> Cat A, B, C & F (General)= 16,443 m3 Cat C & F = 3,540 m3 Cat C & F = 2,999 tons Cat I = 34.22 tons Other = 947 m3 Other = 13,360 tons Other = 1,110,000 gallons	<b>Total = 16,271 m3, 7,082 tons &amp; 365,000 gallons</b> Cat A, B, C & F (General) = 12,817 m3 Cat C & F = 2,360 m3 Cat C & F = 2,104 tons Cat I = 12.62 tons Other = 1,094 m3 Other = 4,965 tons Other = 365,000 gallons	<b>Total= 19,200 m3 &amp; 9,681 tons</b> Cat A, B, C & F (General)= 13,566 m3 Cat C & F= 3,520 m3 Cat C & F= 3,077 tons Cat I= 22.86 tons Other= 2,114.16 m3 Other= 6,581.36 tons		Non-shipping
Total weight of waste generated (m3 or Tons), and a breakdown of this total by composition (CAT) of the waste - NSW	<b>Total = 65.08 m3</b> Cat C & F (General) = 16.938 m3 Cat A (Plastic)= 4.266 m3 Others (oily waste) = 43.876 m3	<b>Total = 67.86 m3</b> Cat C & F (General) = 18.297 m3 Cat A (Plastic)= 4.361 m3 Others (Oily waste) = 45.20 m3	<b>Total = 125.11 m3</b> Cat C & F (General) = 30.691 m3 Cat A (Plastic)= 9.59 m3 Others (Oily waste) = 84.825 m3		
Total weight of waste generated (m3 or Tons), and a breakdown of this total by composition (CAT) of the waste - QFAB	NA	<b>Total = 48.98 m3 &amp; 2.85 tons</b> Cat A, B, C & F (General) = 48.98 m3 Cat C & F=2.58 m3 Cat C & F= 2.85 tons Cat I= 0 tons Other= 0 m3 Other= 0 tons Other= 0 gallons	<b>Total = 18.88 tons &amp; 264 Gallons</b> Hazardous waste= 2.16 Tons CAT A & B (General)= 10.785 Tons Cat C & F= 5.94 Tons Other (Oily waste) = 264 gallons		
Total weight of waste generated (m3 or Tons), and a breakdown of this total by composition (CAT) of the waste - Corporate	<b>Total = 1.08 m3</b> Cat C&F (General)=1.05 m3 Cat I = 0.03 m3	<b>Total = 2.73 m3</b> Cat C&F (General) = 0.51 m3 Cat I = 2.22 m3	<b>Total = 0.59 m3</b> Cat C&F (General) = 0.56 m3 Cat I = 0.012 m3 Hazardous waste= 0.02 m3		
Waste diverted from disposal					
Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste. - (N-KOM)	NA	NA	<b>Total= 3,099.86 Tons</b> <b>CAT C &amp; F= 3,077 Tons</b> <b>CAT I= 22.86 Tons</b>		
Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations -SOLD- (N-KOM)	NA	NA	<b>CAT I= 22.86 Tons</b>		
Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations SOLD- (N-KOM)	NA	NA	<b>CAT C &amp; F= 3,077 Tons</b>		

<sup>45</sup>Garbage on shore is classified into the following categories (CAT A & B: General; CAT C & F: Wood & Metal; CAT I: Batteries; CAT OTHER- Spent Grit, Paint Drums, Sludge, Oily Water & Oily Rags)

Waste	2019	2020	2021	Scope
<b>Waste disposal</b>				
Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste - N-KOM	<b>Total = 20,930 m3,</b> 16,393 tons & 1,110,000 gallons	<b>Total = 16,271 m3,</b> 7,082 tons & 365,000 gallons	<b>Total= 19,200.16 m3 &amp; 9,681.22 Tons</b>  Cat A, B, C & F (General)= 13,566 m3  Cat C & F= 3,520 m3  Cat C & F= 3,077 Tons  Cat I= 22.86 tons  Other= 2,114.16 m3  Other= 6,581.36 Tons	Non-shipping
Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste - NSW	Other (Oily waste) = 43.876 m3	Other (Oily waste) = 45.20 m3	<b>Total = 125.11 m3</b>  Cat C & F (General) = 30.691 m3  Cat A (Plastic)= 9.59 m3  Others (Oily waste)= 84.825 m3	
Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste - QFAB	NA	NA	<b>Total = 18.88 tons &amp; 264 Gallons</b>  Hazardous Waste= 2.16 Tons  CAT A&B (General)= 10.785 Tons  Cat C & F= 5.94 Tons  Other (Oily waste) = 264.0 gallons	
Total waste disposal – landfill (m3 or tons) N-KOM	General = 16,443 m3  Wood = 3,540 m3  Spent Grit = 13,079 tons	General = 12,817 m3  Wood = 2,360 m3  Spent Grit= 4,903 tons	<b>Total: 17,086 m3 &amp; 6,425.74 Tons</b>  CAT A, B, C & F (General) = 13,566 m3  CAT C & F = 3,520 m3  Other = 6,425.74 Tons	
Total waste disposal – landfill (m3 or tons) QFAB	NA	NA	12.945 Tons	
Total waste disposal – recycling (m3 or tons) QFAB	NA	NA	60.225 Tons	

Materials	2019	2020	2021	Scope
<b>Material used by weight and volume</b>				
Paper (kg) - Corporate	6,098	2,216	1,248	Non-shipping
Paper (kg) - N-KOM	18,317	6,394	6,475	
Copper Slag (Tons)	11,156	4,928	12,857	
Paper (kg) - QFAB	n/a	n/a	570	

LTIF (Lost Time Injury Frequency)	2019	2020	2021	Scope
Benchmark-ITOSF*	0.55	0.39	0.41	All Nakilat and NAC and Joint Ventures (JVs)
Nakilat KPI**	0.45	0.43	0.41	
Actual	0.38	0.39	0.19	
TRCF (Total Recordable Case Frequency)	2019	2020	2021	Scope
Benchmark-ITOSF*	1.26	1.03	1.16	All Nakilat and NAC and Joint Ventures (JVs)
Nakilat- KPI**	1.27	1.21	1.15	
Actual	0.86	0.63	1.11	

\*ITOSF- Informal Tanker Operators' Safety Forum

\*\* KPI- Key Performance Indicator

Occupational Health and Safety	2019	2020	2021	Scope
<b>For all employees and workers</b>				
Number of lost time injuries <sup>46</sup> /incidents	12	10	5	All Nakilat and NAC and Joint Ventures (JVs)
Lost-time injury rate (LTIF) <sup>47</sup>	0.38	0.39	0.19	
Number of Work-related fatalities	0	0	0	
Number of recordable Cases	27	16	29	
Total Recordable Case Frequency <sup>48</sup> (TRCF) <sup>49</sup>	0.86	0.63	1.11	
The main types of work-related injury	Sprains / Minor Cuts and Bruises / Pinch Injuries	Minor Cuts and Bruises/ Sprains and Strain/ Foreign Particle in eye	Caught in/Between, Cuts/ Laceration/Puncture, Heat Exhaustion, Strain/ Sprain and Struck by / Against	
The number of hours worked <sup>50</sup>	31,416,743	25,526,586	26,027,630	

403-10: Work related Ill Health	2019	2020	2021	Scope
<b>For all employees and workers</b>				
Fatalities as a result of work-related ill health- Number	0	0	0	All Nakilat and NAC and Joint Ventures (JVs)
Fatalities as a result of work-related ill health-Rate	0	0	0	
Recordable work-related ill health-Number	0	0	0	
Recordable work-related ill health-Rate	0	0	0	
Main types of work-related ill health	There were no cases of work-related ill health reported			

<sup>46</sup>Lost-time Injury represents the high-consequence work related injuries

<sup>47</sup>Injury Rate at 1,000,000 hours worked

<sup>48</sup>Excluding first-aid incidents as they do not result in more than one day of absence or do not impose restriction on working ability

<sup>49</sup>First-aid incidents are not included in the TRCF since these usually do not result in more than one day of missed work or impose any restriction on working ability of an employee.

<sup>50</sup>Exposure hours shows the time an employee is exposed to work related hazards and risks. Data is submitted by each entity on monthly basis.

Total Number of Employees / Workforce	2019	2020	2021	Scope
Total number of employees	275	270	278 <sup>(1)</sup>	All Nakilat and NAC employees
Full time	275	270	278	
Part time	0	0	0	
Breakdown by contract type				
Indefinite or permanent contracts	211	213	216	
Fixed term or temporary contracts	64	57	62 <sup>(2)</sup>	
Breakdown by career level				
Senior management	12	12	12	
Middle management	54	59	51	
Non-management	209	199	215	

(1) Total employee in Nakilat and NAC (Direct hire and through third party agency)

(2) Secondedes (6) to JVs are included

New Hires and Turnover	2019	2020	2021	Scope
Number of new hires				All Nakilat and NAC employees
Breakdown by Age				
18-30 years old	12	3	3	
31-50 years old	19	17	33	
51+ years old	2	2	7	
Breakdown by Gender				
Male	27	19	43	
Female	6	3	0	
Total number of new hires*	33	22	43	
Number of employees leaving employment during the reporting period (voluntary and involuntary)				
Breakdown by Age				
18-30 years old	5	1	7	
31-50 years old	18	19	20	
51+ years old	9	4	7	
Breakdown by Gender				
Male	28	18	30	
Female	4	6	4	
Total number of employees leaving employment during the reporting period (voluntary and involuntary) *	32	24	34	
Employee turnover rate (voluntary and involuntary)	12%	9%	12%	
Number of employees leaving employment during the reporting period (voluntary)				
Breakdown by Age				
18-30 years old	3	0	3	
31-50 years old	18	5	9	
51+ years old	3	1	2	
Breakdown by Gender				
Male	20	4	11	
Female	4	2	3	
Total number of employees leaving employment during the reporting period (voluntary) *	24	6	14	
Employee turnover rate (voluntary)	8.73%	2.22%	5%	

\*All Nakilat's employees are based in the region of Middle East (Qatar)

Parental Leave	2019	2020	2021	Scope
Number of employees that were entitled to parental leave				All Nakilat and NAC employees
Breakdown by Gender				
Female	50	46	25 <sup>(1)</sup>	
Male	225	224	202 <sup>(1)</sup>	
Number of employees that took parental leave				
Breakdown by Gender				
Female	2	5	3	
Male	7	4	4	
Number of employees that returned to work after parental leave				
Breakdown by Gender				
Female	2	5	3	
Male	7	4	4	
Retention Rate				
Total number of employees returned from parental leave who were still employed twelve months after return to work	9	9	7	
Return to work rate	100%	100%	100%	
Retention rate	100%	100%	100%	

(1) The number are reported for all married employees only. Numbers reported in past years includes all employees, irrespective of their marital status.

Grievances*	2019	2020	2021	Scope
Number of grievances filed in the reporting period	9	5	6	All Nakilat and NAC employees
Number of grievances addressed or resolved	9	5	6	
Number of grievances filed prior to the reporting period that were resolved during the reporting period	0	0	0	

\*Grievances listed in the table are in relation to performance management grievances only and raised at the end of the performance management cycle of each year (in December of each reporting year)

Learning and Development	2019	2020	2021	Scope	
Total training hours	5,156	4,125	7,438	All Nakilat and NAC employees	
Average training hours per employee	19	15	27		
Breakdown by career level					
<b>Senior management</b>	12	12	12		
Total training hours	236	93	293		
Average training hours per employee	20	8	24		
<b>Middle management</b>	54	59	51		
Total training hours	1,204*	805	1,728		
Average training hours per employee	22	14	34		
<b>Non-management</b>	209	199	215		
Total training hours	3,716	3,227	5,417		
Average training hours per employee	18	16	25		
Breakdown by Gender					
<b>Male</b>					
Total training hours	3,807	3,228	5,725		
Average training hours per employee	17	14	24		
<b>Female</b>					
Total training hours	1,349	897	1,712		
Average training hours per employee	27	19	41		
Performance reviews					
Total number of employees receiving regular performance and career development reviews	213	220	229		
Percentage of employees receiving regular performance and career development reviews (%)	77%	81%	82%		
Breakdown by Gender					
Female	36	36	37		
Male	177	184	192		

\*Note: These figures are rounded off to closest decimal places in comparison with data presented in the 2020 ESG Report.

Diversity and Inclusion (Employees)	2019	2020	2021	Scope	
Breakdown by age					
18-30 years old	51	45	35	All Nakilat and NAC employees	
31-50 years old	199	199	209		
51+ years old	25	26	34		
Youth employment rate	19%	17%	13%		
Breakdown by gender					
Male	225	224	236		
Female	50	46	42		
Female employment rate	18%	17%	15%		
Breakdown by nationality					
Qatarization <sup>(1)</sup>	37%	34%	30%		

<sup>(1)</sup> Percentage of all Qatari nationals (including JVs) against the total of Nakilat established position.

Female Employment	2019	2020	2021	Scope	
Total number of employees with disabilities (number)					
	0	0	0	All Nakilat and NAC employees	
Total % of employees with disabilities (%)					
	0	0	0		
By career level					
<b>Board of Directors</b>					
Number of female employees	0	0	0		
Percentage of female employees	0%	0%	0%		
<b>Senior management</b>					
Number of female employees	0	0	0		
Percentage of female employees	0%	0%	0%		
<b>Middle management</b>					
Number of female employees	6	7	6		
Percentage of female employees	11%	12%	12%		
<b>Non-management</b>					
Number of female employees	44	39	36		
Percentage of female employees	21%	19%	17%		
Equal pay					
Gender pay ratio (Ratio of basic salary* and remuneration of women to men)	0.93 to 1	0.82 to 1	1.03 to 1	N-KOM and QFAB not included	

\*Median male salary to median female salary

Workforce nationalities	No.	%
British	21	8%
Filipino	24	9%
Indian	82	29%
Pakistani	16	6%
Qatari	56	20%
Other nationalities	79	28%

Local Procurement	2019	2020	2021	Scope
year				Nakilat and NSQL
<b>Value of goods and services (USD)</b>				
from local suppliers	106,849,283	80,204,110	69,194,899	
from foreign suppliers	141,029,749	105,696,606	132,659,162	
Percentage of total procurement from local suppliers	43.1%	43.1%	34.2%	
<b>Number of suppliers</b>				
Local	322	292	251	
Foreign	309	300	326	



Community engagement	2019	2020	2021	Scope
Sports and social fund contribution (QAR millions)	25	29	33	Nakilat Group

Information security and data privacy	2019	2020	2021	Scope
Breaches of customer privacy and losses of customer data (number)	0	0	0	Nakilat Group
IT expenses (QAR millions)	5.8	7.9	9.3	

Responsible procurement and supply chain	2019	2020	2021	Scope
Supplier environmental assessment				Shipping
Suppliers assessed for environmental impacts (%)	100%	100%	100%	
Suppliers identified as having significant actual and potential negative environmental impacts (number)	0	0	0	

Responsible procurement and supply chain	2019	2020	2021	Scope
Supplier environmental assessment				Non-shipping
Suppliers assessed for environmental impacts (number)	10	10	20	
Number of suppliers identified as having significant actual and potential negative environmental impacts	0	0	0	
Significant actual and potential negative environmental impacts identified in the supply chain	0	0	0	
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	0	0	0	
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	0	0	0	

Note: The data in this table refers to N-KOM and QFAB only

Anti-bribery and corruption	2019	2020	2021	Scope
Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region	100%	100%	100%	All Nakilat and NAC employees
Total number and percentage of governance body members that have received training on anti-corruption, broken down by region	No Anti Bribery Corruption Conducted for Chiefs	No Anti Bribery Corruption Conducted for Chiefs	75% (9 'Chiefs')	
Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region	3% (8 employees)	3% (8 employees)	56% (156 employees)	
Confirmed incidents of corruption and actions taken	0	0	0	
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant	0	0	0	

Tax transparency	2019	2020	2021	Scope
Payments to Qatar General Tax Authority				QGTC
Withholding tax (QAR)	171,268	210,779	188,080	
Payments to pension authority				
Pension payment (QAR)	3,994,633	4,073,592	3,886,411	

# 8.2 GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI STANDARD  
GRI 100: UNIVERSAL STANDARDS

GRI 102: General Disclosures 2016	Indicator and Disclosure	Report Section/ URL	Page Number in this Report	Omissions / remarks
Organizational profile	102-1 Name of the organization	1.1	1	
	102-2 Activities, brands, products and services	2.1	5	
	102-3 Location of headquarters	1.1	2	
	102-4 Location of operations	2.1	5	
	102-5 Ownership and legal form	2.1	5	
	102-6 Markets served	2.1	5	
	102-7 Scale of the organization	2.1., 5.2	5, 59	
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	102-9 Supply chain	5.4	72	
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	102-11 Precautionary principle or approach	6.3	85	
	102-12 External initiatives	3.5	21	
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Strategy	102-14 Statement from senior decision-maker	1.2	3	
	102-15 Key impacts, risks and opportunities	4.1, 6.3	23, 85	
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	102-17 Mechanisms for advice and concerns about ethics	5.2, 6.1	59, 79	
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	102-19 Delegating authority	3.2	13	
	102-20 Executive-level responsibility for economic, environmental and social topics	3.2	13	
	102-21 Consulting stakeholders on economic, environmental and social topics	3.3	15	
	102-22 Composition of the highest governance body and its committees	6.1, Nakilat Corporate Governance Report 2021 - page2-5, page13 (17)	79	
	102-23 Chair of the highest governance body	6.1, Nakilat Corporate Governance Report 2021 - page2-5, page13 (17)	80	
	102-24 Nominating and selecting the highest governance body	6.1, Nakilat Corporate Governance Report 2021 - page 17 (8-8), 23-27 (18&19)	79	

GRI 102: General Disclosures 2016	Indicator and Disclosure	Report Section/ URL	Page Number in this Report	Omissions / remarks
Governance	102-25 Conflicts of interest	6.1, Corporate Governance Report 2021 page31 (26, 27), page 15 (8-2-1, 8-2-2), page21 (12-9) page30-31 (25-1), page38-40	79	
	102-26 Role of highest governance body in setting purpose, values, and strategy	2.1	7	
	102-27 Collective knowledge of highest governance body	6.1, Nakilat Corporate Governance Report 2021 - Page12 (5), page18 (9-4), page17 (8-10)	79	
	102-28 Evaluating the highest governance body's performance	6.1, Corporate Governance Report 2021 - page11(4-5, 4-7), page18 (8-13), page24 (18-1-7)	79	
	102-29 Identifying and managing economic, environmental, and social impacts	3.4, Nakilat Corporate Governance Report 2021 page 2-4, page10 (4-4), page15(8-2-4), page17(8-10), page27-28 (22-1, 226)	17	
	102-30 Effectiveness of risk management processes	3.2, 6.3, Nakilat Corporate Governance Report 2021 page 2-4, page10 (4-4), page15(8-2-4), page17(8-10), page27-28 (22-1, 226)	13, 85	
	102-31 Review of economic, environmental and social topics	3.4, Nakilat Corporate Governance Report 2021 page 2-4, page10 (4-4), page15(8-2-4), page17(8-10), page27-28 (22-1, 226)	17	
Stakeholder engagement	102-40 List of stakeholder groups	3.3	15	
	102-41 Collective bargaining agreements	0% covered		
	102-42 Identifying and selecting stakeholders	3.4	17	
	102-43 Approach to stakeholder engagement	3.3	15	
	102-44 Key topics and concerns raised	3.3	15	
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	102-46 Defining report content and topic boundaries	1.1	1	
	102-47 List of material topics	3.4	17	
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	102-49 Changes in reporting	1.1	1	
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	102-54 Claims of reporting in accordance with the GRI Standards	1.1	1	
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GRI 201: ECONOMIC PERFORMANCE 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
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	201-3 Defined benefit plan obligations and other retirement plans	5.2	61	
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GRI 202: MARKET PRESENCE 2016	Indicator and Disclosure	40.333 mm	Page Number in this Report	Omissions / remarks
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	202-2 Proportion of senior management hired from the local community	5.2	59	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016				
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Indirect Economic Impacts	203-1 Infrastructure investments and services supported	2.2, 5.2, 6.4	9, 59, 91	
	203-2 Significant indirect economic impacts	2.2, 5.2, 6.4	9, 59, 91	
GRI 204: PROCUREMENT PRACTICES 2016				
GRI 204: PROCUREMENT PRACTICES 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
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GRI 205: ANTI-CORRUPTION 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Anti-corruption	205-2 Communication and training about anticorruption policies and procedures	6.2	83	
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GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	6.2	83	

GRI 207: TAX 2019 [Effective for reports or other materials published on or after 1 January 2021]	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Management approach disclosures	207-1 Approach to tax	6.5	92	
	207-2 Tax governance, control, and risk management	6.5	92	
	207-3 Stakeholder engagement and management of concerns related to tax	6.5	92	
Topic-specific disclosures	207-4 Country-by-country reporting	6.5	92	

**GRI 300 - ENVIRONMENTAL STANDARDS**

GRI 301: MATERIALS 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Material	301-1 Materials used by weight or volume	4.5	46	

GRI 302: ENERGY 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Energy	302-1 Energy consumption within the organization	4.3	37	
	302-3 Energy intensity	4.3	37	
	302-4 Reduction of energy consumption	4.3	37	
	302-5 Reductions in energy requirements of products and services	4.3	37	

GRI 303: WATER AND EFFLUENTS 2018	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Management approach disclosures	303-1 Interactions with water as a shared resource	4.3	37	
	303-2 Management of water discharge-related impacts	4.3	37	
Topic-specific disclosures	303-1 Water withdrawal by source	4.3	37	
	303-2 Water sources significantly affected by withdrawal of water	4.3	37	
	303-3 Water recycled and reused	4.3	37	

GRI 304: BIODIVERSITY 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
	304-2 Significant impacts of activities, products, and services on biodiversity	4.4	43	
	304-3 Habitats protected or restored	4.4	43	

GRI 305: EMISSIONS 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
	305-1 Direct (Scope 1) GHG emissions	4.2	33	
	305-4 GHG emissions intensity	4.2	33	
	305-5 Reduction of GHG emissions	4.2	33	
	305-6 Emissions of ozone depleting substances (ODS)	4.2	33	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.2	33	

GRI 306: WASTE 2020	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Management approach disclosures	306-1 Waste generation and significant waste-related impacts	4.5	44	
	306-2 Management of significant waste-related impacts	4.5	44	
Topic-specific disclosures	306-3 Waste generated	4.5	44	
	306-4 Waste diverted from disposal	4.5	44	
	306-5 Waste directed to disposal	4.5	44	

GRI 307: ENVIRONMENTAL COMPLIANCE 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	4.1	23	

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Supplier environmental assessment	308-1 New suppliers that were screened using environmental criteria	5.4	72	
	308-2 Negative environmental impacts in the supply chain and actions taken	5.4	72	

**GRI 400 - SOCIAL STANDARDS**

GRI 401: EMPLOYMENT 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Employment	401-1 New employee hires and employee turnover	5.2	59	
	401-2 Benefits provided to fulltime employees that are not provided to temporary or part-time employees	5.2	59	
	401-3 Parental leave	5.2	59	

GRI 402: LABOR / MANAGEMENT RELATIONS 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Labor / management relations	402-1 Minimum notice periods regarding operational changes	5.2	61	

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Management approach disclosures	403-1 Occupational health and safety management system	5.1	51	
	403-2 Hazard identification, risk assessment, and incident investigation	5.1	51	
	403-3 Occupational health services	5.1	51	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.1	51	
	403-5 Worker training on occupational health and safety	5.1	51	
	403-6 Promotion of worker health	5.1	51	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1	51	
Topic-specific disclosures	403-8 Workers covered by an occupational health and safety management system	5.1	51	
	403-9 Work-related injuries	5.1	51	
	403-10 Work-related ill health	5.1	51	

GRI 404: TRAINING AND EDUCATION 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Training and education	404-1 Average hours of training per year per employee	5.2	59	
	404-2 Programs for upgrading employee skills and transition assistance programs	5.2	59	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.2	59	

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	5.3	70	
	405-2 Ratio of basic salary and remuneration of women to men	5.3	70	

GRI 406: NON-DISCRIMINATION 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	5.2	59	

GRI 408: CHILD LABOR 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	5.4, Nakilat Code of Conduct and Ethics	72	

GRI 410: SECURITY PRACTICES 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Security practices	410-1 Security personnel trained in human rights policies or procedures	5.2	59	

GRI 412: HUMAN RIGHTS ASSESSMENT 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Human rights assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	5.2	59	
	412-2 Employee training on human rights policies or procedures	5.2	59	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	5.2	59	

GRI 413: LOCAL COMMUNITIES 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Local communities	413-1 Operations with local community engagement, impact assessments and development programs	5.5	76	

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Supplier social assessment	414-1 New suppliers that were screened using social criteria	5.4	72	

GRI 418: CUSTOMER PRIVACY 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.4	91	

GRI 419: SOCIOECONOMIC COMPLIANCE 2016	Indicator and Disclosure	Report Section	Page Number in this Report	Omissions / remarks
Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	6.2	83	

## 8.3 UNITED NATIONS GLOBAL COMPACT

### Human rights

Principle	Relevant Report Section / Link
Principles 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	5.2, 5.4
Principle 2: make sure that they are not complicit in human rights abuses.	5.2, 5.4

### Labor

Principle	Relevant Report Section / Link
Principle 4: the elimination of all forms of forced and compulsory labor;	5.2, 5.4, Nakilat Code of Conduct and Ethics
Principle 5: the effective abolition of child labor; and	5.2, 5.4, Nakilat Code of Conduct and Ethics
Principle 6: the elimination of discrimination in respect of employment and occupation.	5.2, 5.4, Nakilat Code of Conduct and Ethics

### Environment

Principle	Relevant Report Section / Link
Principle 7: Businesses should support a precautionary approach to environmental challenges;	4.1
Principle 8: undertake initiatives to promote greater environmental responsibility; and	4.1-4.5
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	4.3

### Anti-Corruption

Principle	Relevant Report Section / Link
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribe	6.2

## 8.4 SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

### SASB Marine Transportation Disclosures – (Scope: Shipping)

Code	Topic	Accounting Metric	Category	Units of Measure	2019	2020	2021	Comment
TR-MT-110a.1	Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO <sub>2</sub> e	5,167,254	5,470,881	5,362,365	
TR-MT-110a.2	Greenhouse Gas Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	-	-	-	
TR-MT-110a.3	Greenhouse Gas Emissions	(1) Total energy consumed,	Quantitative	Gigajoules (GJ)	69,610,610	74,015,625	73,694,908	
		(2) percentage heavy fuel oil	Quantitative	Percentage (%)	73.66%	73.28%	68.23%	
		(3) percentage renewable	Quantitative	Percentage (%)	0%	0%	0%	
TR-MT-110a.4	Greenhouse Gas Emissions	Average Energy Efficiency Design Index (EEDI) for new ships	Quantitative	Grams of CO <sub>2</sub> per ton-nautical mile	-	5.371	5.208	
TR-MT-120a.1	Air Quality	Air emissions of the following pollutants: - (1) NOx (excluding N2O)	Quantitative	Metric tons (t)	128,017	138,292	128,580	
		Air emissions of the following pollutants: - (2) Sox	Quantitative	Metric tons (t)	257,455	133,152	6,562	
		Air emissions of the following pollutants - (3) particulate matter (PM10)	Quantitative	Metric tons (t)	11,023	11,980	10,888	
TR-MT-160a.1	Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	Quantitative	Number of travel days	-	-	-	
TR-MT-160a.2	Ecological Impacts	Percentage of fleet implementing ballast water - (1) exchange	Quantitative	Percentage (%)	78%	77%	78%	
		Percentage of fleet implementing ballast water - (2) treatment	Quantitative	Percentage (%)	22%	23%	22%	
TR-MT-160a.3	Ecological Impacts	(1) Number and (2) aggregate volume of spills and releases to the environment	Quantitative	Number, Cubic meters (m <sup>3</sup> )	0	0	0	

Code	Topic	Accounting Metric	Category	Units of Measure	2019	2020	2021	Comment
TR-MT-320a.1	Employee Health and Safety	Lost time incident rate (LTIR)	Quantitative / Rate	NSQL	0	0.36	0.27	
				STASCO	0.87	0.28	0	
				TK2	0	0	0	
				TK3	0	0	0	
				MOL	0	0	0	
				NYK1	0	0	0	
				NYK2	0	1.01	1.01	
				KLINE	0	1.77	1.8	
				PRONAV	0	0.97	0	
MGM	0	0.26	0					
ILT3	0	0	0					
TR-MT-510a.1	Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Number	0	0	0	
TR-MT-510a.2	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	0	0	0	
TR-MT-540a.1	Accident and Safety Management	Number of marine casualties, percentage classified as very serious	Quantitative	Number, Percentage (%)	0	0	0	
TR-MT-540a.2	Accident and Safety Management	Number of Conditions of Class or Recommendations	Quantitative	Number	0	0	0	
TR-MT-540a.3	Accident and Safety Management	Number of port state control - (1) deficiencies	Quantitative	Number -NSQL	2	2	1	
				Number - STASCO	9	0	2	
				Number -NSQL	0	0	0	
TR-MT-540a.3	Accident and Safety Management	Number of port state control - (2) detentions	Quantitative	Number - STASCO	0	0	0	

\*Note: This data represents our entire shipping fleet.

SASB Activity Metrics Disclosures - (Scope: Shipping)

Code	ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	2019	2020	2021	Comment
TR-MT-000.A	Number of shipboard employees	Quantitative	Number	3,248	3,362	3,017	
TR-MT-000.B	Total distance travelled by vessels	Quantitative	Nautical miles (nm)	6,282,661	6,023,833	6,579,066	
TR-MT-000.C	Operating days	Quantitative	Days	24,679	26,583	26,605	
TR-MT-000.D	Deadweight tonnage	Quantitative	Thousand deadweight tons	9,159,159	9,420,553	9,689,876	
TR-MT-000.E	Number of vessels in total shipping fleet	Quantitative	Number	69	70	73	
TR-MT-000.F	Number of vessel port calls	Quantitative	Number	786	764	1,434	
TR-MT-000.G	Twenty-foot equivalent unit (TEU) capacity	Quantitative	TEU	n/a	n/a	n/a	Company fleet does not carry containers

\*Note: This data represents our entire shipping fleet.

SASB - Industrial Machinery and Goods- (Scope: N-KOM)

Code	Topic	Accounting Metric	Category	Units of Measure	2019	2020	2021
RT-IG-130a.1	Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	1) 358,649 GJ 2) 100% 3) 0%	1) 265,579 GJ 2) 100% 3) 0%	1) 292,987 GJ 2) 100% 3) 0%
RT-IG-320a.1	Employee Health and Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	1) 1.50 2) 0	1) 0.65 2) 0	1) 1.43 2) 0
RT-IG-410a.1	Fuel Economy and Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton-miles	N-KOM does not have any medium and heavy-duty vehicles in its Inventory	N-KOM does not have any medium and heavy-duty vehicles in its Inventory	N-KOM does not have any medium and heavy-duty vehicles in its Inventory
RT-IG-410a.4	Fuel Economy and Emissions in Use-phase	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines <sup>2</sup>	Quantitative	Grams per kilowatt-hour	N-KOM does not have (a), (b), (c) & (d) in its Inventory	N-KOM does not have (a), (b), (c) & (d) in its Inventory	N-KOM does not have (a), (b), (c) & (d) in its Inventory
RT-IG-440a.1	Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	Pre-qualification for the suppliers includes the Environmental Certification criteria. Furthermore, stock replenishments for critical materials through Material Resource Planning system also considered to minimize associated risks.	Pre-qualification for the suppliers includes the Environmental Certification criteria. Furthermore, stock replenishments for critical materials through Material Resource Planning system also considered to minimize associated risks.	Pre-qualification for the suppliers includes Environmental Certification criteria. Furthermore, stock replenishments for critical materials through Material Resource Planning system are also considered to minimize associated risks
RT-IG-440b.1	Remanufacturing Design and Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	N-KOM does not engage in remanufactured products and services	N-KOM does not engage in remanufactured products and services	N-KOM does not engage in remanufactured products and services
RT-IG-000.B	Number of employees	Quantitative	Quantitative	Number	1,300	1,300	1,300

SASB - Industrial Machinery and Goods– (Scope: QFAB)<sup>51</sup>

Code	Topic	Accounting Metric	Category	Units of Measure	2021
RT-IG-130a.1	Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	1) 53,640 GJ 2) 100% 3) 0%
RT-IG-320a.1	Employee Health and Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	1) 0 2) 0 3) 0
RT-IG-410a.1	Fuel Economy and Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton-miles	QFAB does not have any medium and heavy-duty vehicles in its Inventory
RT-IG-410a.4	Fuel Economy and Emissions in Use-phase	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines <sup>2</sup>	Quantitative	Grams per kilowatt-hour	QFAB does not have (a), (b), (c) & (d) in its Inventory
RT-IG-440a.1	Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	Pre-qualification for the suppliers includes Environmental Certification criteria. QFAB doesn't procure any critical material.
RT-IG-440b.1	Remanufacturing Design and Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	QFAB does not do remanufacturing design and services
RT-IG-000.B	Number of employees	Quantitative	Quantitative	Number	90

<sup>51</sup>2021 SASB is the First declaration from QFAB.

SASB - Oil and Gas – (Scope: NSW)<sup>52</sup>

Code	Topic	Accounting Metric	Category	Units of Measure	2021
EM-SV-110a.1	Emissions Reduction Services and Fuels Management	Total fuel consumed used in: (1) on-road equipment and vehicles	Quantitative	Gigajoules (GJ),	4,068
		Percentage renewable, percentage used in: (1) on-road equipment and vehicles		Percentage (%)	0
		Total fuel consumed, used in: (2) off-road equipment		Gigajoules (GJ),	n/a
		Percentage renewable, percentage used in: (2) off-road equipment		Percentage (%)	n/a
EM-SV-110a.2	Emissions Reduction Services and Fuels Management	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	Discussion and Analysis	n/a	SMS 10-003 Environmental management
EM-SV-110a.3	Emissions Reduction Services and Fuels Management	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	Quantitative	Percentage (%)	n/a
EM-SV-140a.1	Water Management Services	(1) Total volume of fresh water handled in operations	Quantitative	Thousand cubic meters (m <sup>3</sup> ),	11,494
		(2) percentage recycled		Percentage (%)	0
EM-SV-140a.2	Water Management Services	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	Discussion and Analysis	n/a	n/a
EM-SV-150a.1	Chemicals Management	Volume of hydraulic fracturing fluid used, percentage hazardous	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	n/a
EM-SV-150a.2	Chemicals Management	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	Discussion and Analysis	n/a	n/a
EM-SV-160a.1	Ecological Impact Management	Average disturbed acreage per (1) oil	Quantitative	Acres (ac)	n/a
		Average disturbed acreage per (2) gas well site			n/a
EM-SV-160a.2	Ecological Impact Management	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	Discussion and Analysis	n/a	n/a

<sup>52</sup> 2021 SASB is the First declaration from NSW.



Code	Topic	Accounting Metric	Category	Units of Measure	2021
EM-SV-320a.1	Workforce Health and Safety	(1) Total recordable incident rate (TRIR)	Quantitative	Rate	0.68
		(2) Fatality rate	Quantitative	Rate	0
		(3) Near miss frequency rate (NMFR)	Quantitative	Rate	0
		(4) Total vehicle incident rate (TVIR)	Quantitative	Rate	0
		(5) Average hours of health, safety, and emergency response training for (a) full-time employees,	Quantitative	Rate	1,595
		Average hours of health, safety, and emergency response training for (b) contract employees,	Quantitative	Rate	n/a
		Average hours of health, safety, and emergency response training for (c) short-service employees	Quantitative	Rate	n/a
EM-SV-320a.2	Workforce Health and Safety	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	Discussion and Analysis	n/a	Svitzer is certified to the following Integrated Management System (IMS) standards with GCL International. - ISO 9001:2015 Quality Management System - ISO 14001:2015 Environmental Management System and - ISO 45001:2018 Occupational Health and Safety Management System
EM-SV-510a.1	Business Ethics and Payments Transparency	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Reporting currency	n/a
EM-SV-510a.2	Business Ethics and Payments Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	n/a	The SVITZER Group has defined its commitment to excellence in Safety, Environment and Quality in its Safety and Sustainability Policy. This is supported by the A.P. Moller – Maersk Core Values and the APMM Commit (governance framework)
EM-SV-530a.1	Management of the Legal and Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	n/a	IMO - MARPOL convention and protocols
EM-SV-540a.1	Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion and Analysis	n/a	SMS 09-15 Risk Management - Safe System of Work
EM-SV-000.A	-	Number of active rig sites	Quantitative	Number	n/a
EM-SV-000.B	-	Number of active well sites	Quantitative	Number	n/a
EM-SV-000.C	-	Total amount of drilling performed	Quantitative	Meters(m)	n/a
EM-SV-000.D	-	Total number of hours worked by all employees	Quantitative	Number	n/a

## 8.5 POSEIDON PRINCIPLES

Vessel Name	Propulsion	Cargo Capacity CBM	Year built	Technical management	Nakilat's Ownership (%)	AER* 2019	AER 2020	AER 2021	EEOI** 2019	EEOI 2020	EEOI 2021
AL DAFNA	Motor	266,366	2009	NSQL	100%	9.79	10.02	9.71	27.62	28.25	22.07
AL GATTARA	Motor	216,200	2007	NSQL	100%	11.41	11.00	10.81	29.11	25.68	34.20
AL GHARRAFA	Motor	216,200	2008	NSQL	100%	11.73	10.75	10.28	30.13	25.88	26.40
AL GHASHAMIYA	Motor	217,591	2009	NSQL	100%	10.27	9.30	10.18	28.78	20.98	26.40
AL GHUWAIIRIYA	Motor	263,300	2008	NSQL	100%	8.97	7.76	8.05	34.86	26.38	24.82
AL HAMLA	Motor	216,200	2008	NSQL	100%	11.56	11.77	11.28	28.59	21.2	28.80
AL KHARAITIYAT	Motor	216,300	2009	NSQL	100%	10.22	10.62	9.98	24.89	25.49	25.00
AL MAFYAR	Motor	266,370	2009	NSQL	100%	9.52	9.49	9.44	30.7	27.5	23.99
AL MAYEDA	Motor	266,000	2009	NSQL	100%	9.49	9.75	11.31	22.71	27.46	26.59
AL REKAYYAT	Motor	216,293	2009	NSQL	100%	11.11	10.90	8.99	25.66	24.86	26.48
AL SADD	Motor	210,200	2009	NSQL	100%	10.17	10.35	8.99	29.97	28.51	24.77
AL SAMRIYA	Motor	263,300	2009	NSQL	100%	7.96	7.82	7.93	22.36	26.51	23.93
AL SHEEHANIYA	Motor	210,200	2009	NSQL	100%	9.38	9.00	9.14	31.62	23.83	31.12
AL WUKIR	Motor	82,491	2008	NSQL	50%	8.31	7.70	7.74	23.29	30.6	21.04
BU SAMRA	Motor	266,000	2009	NSQL	100%	9.36	9.77	9.26	22.06	12.16	10.26
BU SIDRA	Motor	82,419	2008	NSQL	50%	7.96	8.26	8.22	26.98	63.48	44.47
LIJMILIYA	Motor	263,300	2009	NSQL	100%	7.80	8.24	8.01	22.53	27.99	27.91
LUBARA	Motor	82,452	2009	NSQL	50%	8.99	8.09	8.58	35.87	40.45	16.94
MEKAINES	Motor	266,476	2009	NSQL	100%	9.11	9.08	9.75	22.85	22.74	27.47
MESAIMEER	Motor	216,312	2009	NSQL	100%	9.35	12.76	11.46	23.9	24.87	22.36
MOZAH	Motor	266,253	2008	NSQL	100%	10.06	9.99	9.79	25.22	28.14	25.40
ONAIZA	Motor	210,150	2009	NSQL	100%	8.86	9.33	9.36	32.95	22.88	21.65
TEMBEK	Motor	216,200	2007	NSQL	100%	9.94	10.94	10.76	22.07	19.64	32.22
UMM LAQHAB	Motor	82,408	2008	NSQL	50%	9.53	8.00	8.50	51.27	32.96	23.47
UMM SLAL	Motor	265,978	2008	NSQL	100%	9.53	9.79	9.40	21.49	31.55	23.51
AAMIRA	Motor	266,000	2010	STASCO	100%	12.81	11.00	8.89	25.57	24.1	22.81
AL BAHIIYA	Motor	210,100	2009	STASCO	100%	9.87	9.09	8.71	30.2	24.54	28.03
AL KARAANA	Motor	210,100	2009	STASCO	100%	9.66	9.06	8.89	29.76	26.15	24.46
AL KHATTIYA	Motor	210,150	2009	STASCO	100%	9.48	8.82	8.31	30.37	21.19	24.45
AL NUAMAN	Motor	210,100	2009	STASCO	100%	9.54	8.54	9.37	28.95	23.64	23.56
RASHEEDA	Motor	266,276	2010	STASCO	100%	10.51	11.14	8.99	25.23	25.51	20.69
SHAGRA	Motor	266,276	2009	STASCO	100%	9.70	10.18	9.44	22.65	24.86	27.26
ZARGA	Motor	266,000	2010	STASCO	100%	9.15	10.13	9.21	22.92	21.34	25.91

Vessel Name	Propulsion	Cargo Capacity CBM	Year built	Technical management	Nakilat's Ownership (%)	AER* 2019	AER 2020	AER 2021	EEOI** 2019	EEOI 2020	EEOI 2021
GLOBAL ENERGY	MEGI	173,400	2020	NSQL	60%	NA	6.56	6.88	NA	31.94	34.46
GLOBAL SEA SPIRIT	XDF	173,400	2021	NSQL	60%	NA	NA	5.89	NA	NA	338.44
GLOBAL STAR	MEGI	173,400	2021	NSQL	60%	NA	NA	6.60	NA	NA	17.50
AL KHARSAAH	Motor	217,000	2008	TK	60%	10.2	10.6	11.77	23.60	26.71	31.62
AL KHUWAIR	Motor	217,000	2008	TK	60%	10.6	11.1	10.65	26.66	28.63	27.31
AL SHAMAL	Motor	217,000	2008	TK	60%	10.6	10.7	11.70	21.78	27.90	28.49
EXQUISITE	FSRU	150,900	2009	NSQL	55%	NA	NA	1,001.82	NA	NA	1,021.50
AL GHARIYA	Motor	210,150	2008	PRONAV	45%	10.71	9.78	9.88	21.29	29.42	25.36
AL RUWAIS	Motor	210,150	2007	PRONAV	45%	9.34	9.78	10.02	26.69	27.75	27.28
AL SAFLIYA	Motor	210,150	2007	PRONAV	45%	8.68	9.79	10.23	26.11	31.67	27.93
DUHAIL	Motor	210,150	2008	PRONAV	45%	10.76	9.83	9.63	30.53	24.03	27.54
AL ORAIQ	Motor	210,200	2008	KLINE	40%	8.84	9.28	9.42	17.6	17.47	26.359
UMM AL AMAD	Motor	210,200	2008	KLINE	40%	7.17	8.70	9.25	14.85	10.71	25.74
AL JASSASIYA	Steam	145,700	2006	MGM	40%	12.35	15.38	13.39	30.93	37.39	38.114
MARAN GAS ACHILLES	DFDE	174,000	2016	MGM	40%	6.74	6.46	6.17	14.8	18.12	15.833
MARAN GAS ALEXANDRIA	DFDE	161,870	2015	MGM	40%	6.65	6.81	6.45	12.41	18.12	15.23
MARAN GAS APOLLONIA	DFDE	161,870	2014	MGM	40%	6.59	6.58	6.54	19.07	17.58	24.12
MARAN GAS ASCLEPIUS	Steam	145,822	2008	MGM	40%	13.36	17.07	12.36	32.08	42.39	32.50
MARAN GAS CORONIS	Steam	145,700	2012	MGM	40%	13.23	13.25	12.29	36.68	25.08	35.37
MARAN GAS DELPHI	DFDE	159,800	2014	MGM	40%	6.63	7.41	7.39	15.16	17.74	20.68
MARAN GAS EFESSOS	DFDE	159,800	2014	MGM	40%	9.98	6.76	6.97	19.00	22.79	16.97
MARAN GAS LINDOS	DFDE	161,870	2014	MGM	40%	7.74	7.96	6.46	18.00	21.30	20.34
MARAN GAS POSIDONIA	DFDE	161,870	2014	MGM	40%	6.38	6.06	8.05	11.61	19.03	17.30
MARAN GAS SPARTA	DFDE	159,800	2015	MGM	40%	7.55	6.46	7.03	19.01	19.19	14.48
SIMAISMA	Steam	145,889	2006	MGM	40%	13.35	14.05	12.45	34.64	37.51	35.45
UMM BAB	Steam	145,000	2005	MGM	40%	16.77	14.56	11.87	35.01	38.73	31.40
WOODSIDE GOODE	DFDE	159,800	2013	MGM	40%	7.32	7.06	6.89	17.85	17.86	20.29
WOODSIDE ROGERS	DFDE	159,800	2013	MGM	40%	7.89	7.50	8.22	17.10	15.74	21.38

Vessel Name	Propulsion	Cargo Capacity CBM	Year built	Technical management	Nakilat's Ownership (%)	AER* 2019	AER 2020	AER 2021	EEOI** 2019	EEOI 2020	EEOI 2021
AL AAMRIYA	Motor	210,168	2008	MOL	40%	11.49	11.42	11.83	30.98	25.4	29.67
FRAIHA	Motor	210,100	2008	MOL	40%	11.93	12.05	10.93	20.72	24.97	23.39
MURWAB	Motor	210,100	2008	MOL	40%	11.67	11.57	11.12	23.14	24.78	23.49
AL SAHLA	Motor	216,200	2008	NYK	40%	11.91	12.30	11.60	23.54	25.08	77.53
AL THUMAMA	Motor	216,200	2008	NYK	40%	10.60	11.19	13.26	24.77	29.04	73.14
AL UTOURIYA	Motor	215,000	2008	NYK	40%	10.19	11.03	13.43	21.48	25.44	59.38
AL HUWAILA	Motor	217,000	2008	TK	40%	10.5	12.1	10.90	25.25	27.34	28.40
EJNAN	Steam	145,000	2007	NYK	30%	16.08	15.76	15.65	31.14	30.32	61.12
AL AREESH	Steam	148,786	2007	TK	30%	13.0	13.1	12.21	35.02	36.85	31.20
AL DAAYEN	Steam	148,853	2007	TK	30%	12.9	13.3	13.03	32.63	38.44	34.87
AL MARROUNA	Steam	149,539	2006	TK	30%	13.0	12.4	13.54	34.58	31.73	42.38
ASEEM	DFDE	155,003	2009	ILT3	20%	9.62	10.48	8.76	8.06	7.58	5.81

\* (AER) Annual Efficiency Ratio

\*\* (EEOI): The Energy Efficiency Operational Indicator

## 8.6 LIST OF ABBREVIATIONS AND DEFINITIONS

LIST OF ABBREVIATIONS			
ABC	Anti-Bribery and Corruption	IMO	International Maritime Organization
ABMS	Anti-Bribery Management System (ISO 37001:2016)	IMS	MO Integrated Management System
ABS	American Bureau of Shipping	IOPP	International Oil Pollution Prevention
AGM	Annual General Meeting	ISO	International Organization for Standardization
AER	Annual Efficiency Ratio	ISM	IMO International Safety Management Code
API	American Petroleum Institute	ISPS	International Ship and Port Facility Security Code
BWM	Ballast water management	JV	Joint venture
BWMS	Ballast Water Management System	KPI	Key performance indicator
BWTS	Ballast Water Treatment System	LOPC	Loss of Primary Containment
CAPEX	Capital expenditure	LNG	Liquefied natural gas
cbm	Cubic metre	LPG	Liquefied Petroleum Gas
CEO	Chief Executive Officer	LSA Code	IMO Life Saving Appliance Code
CFO	Chief Finance Officer	LTI	Lost time injury
CG	Corporate governance	LTIF	Lost time injury frequency
COLREG	IMO Collision Avoidance Regulations	MARPOL	IMO Marine Pollution Convention
COO	Chief Operating Officer	MDO	Marine Diesel Oil
CWTP	Contaminated Water Treatment Plant	MGO	Marine Gas Oil
DCS	Data Collection System	MGM	Maran Gas Maritime
DFDE	Dual Fuel Diesel Electric	MRV	Monitoring, Reporting and Verification
DSME	Korean Shipyard	NGO	Non Governmental Organisation
DWT	Deadweight tonnage	NSQL	Nakilat Shipping Qatar Ltd.
ECA	Emissions Control Area (designated by IMO)	OCIMF	Oil Companies International Marine Forum
EEDI	IMO Energy Efficiency Design Index (New ship)	ODS	Ozone Depleting Substance
EEOI	IMO Energy Efficiency Operational Index	OHS	Occupational Health and Safety
EEXI	IMO Energy Efficiency Design Index (Existing ship)	OWS	Oily Water Separator
EMS	Enterprise Management System	P&I	Protection and indemnity
EMSA	European Maritime Agency	PDPA	Personal Data Protection Act
ERM	Enterprise Risk Management	PSC	Port State Control
ESG	Environmental, social and governance	QMS	Quality Management System
ETA	Estimated Time of Arrival	QMax/ QFlex	Size category of largest LNG ships in the world
EU	European Union		

LIST OF ABBREVIATIONS			
FSS Code	IMO Fire Safety System Code	ROV	Remotely Operated Vehicle
GHG	Greenhouse gas	RLIC	Ras Laffan Industrial City
HHI	Korean Shipyard	SECA	Special Emissions Control Area (designated by IMO)
HR	Human Resource	SOLAS	IMO Safety of Life at Sea Convention
HSE	Health, safety and environment	SCR	Selective Catalytic Reduction
HSSEQ	Health, safety, security, environment and Quality	SDG	Sustainable Development Goal
IFRS	International Financial Reporting Standards	SEEMP	IMO Shipboard Energy Efficiency Management Plan
IGC Code	IMO International Gas Carrier Code	SGMF	The Society for Gas as a Marine Fuel.
IGF Code	International Code of Safety for Ships using Gases or other Low-flashpoint Fuels	SHI	Korean shipyard
IHM	Inventory of Hazardous Material	SHEQ	Safety Health Environment Quality
ILO	International Labour Organization	SIRE	Ship Inspection and Reporting acc. OCIMF system
IMCA	International Marine Contractors Association	SMART	Specific, Measurable, Achievable, Relevant, Time Based
PM <sub>10</sub> / PM <sub>2.5</sub>	Particulate Matter	STASCO	Shell Trading and Shipping Company
SOx	Sulphur Oxides	STCW	Standards of Training, Certification and Watchkeeping
NOx	Nitrogen Oxides	TCO <sub>2</sub>	Tonnes CO <sub>2</sub>
VOC	Volatile Organic Compounds	TMSA	Tanker Management and Self Assessment
dba	Decibels, A weighted	TRCF	Total recordable case frequency
pH	potential of hydrogen	UN	United Nations
COD	Chemical Oxygen Demand	ug/m <sup>3</sup>	Micro gram per cubic metre
Pb	Lead	mg/l	Milligram per litre
Cu	Copper	CO	Carbon Monoxide
Fe	Iron	TSS	Total Suspended Solids
		BOD	Biological Oxygen Demand
		Cd	Cadmium
		Ni	Nickel
		Cr	Chromium
		Mn	Manganese

Nakilat Fleet Scorecard - KPI Definitions	
TRCF	<p>Total Recordable Case Frequency (TRCF) is defined as the number of major HSE incidents (TRC's) per million-man hours. TRC's are defined using a strict classification system and have major implications to fleet management. Procedures and new initiatives are often introduced as a result of TRC's in order to pursue the group objective of Goal Zero.</p> $TRCF = \frac{\text{Total number of TRC's} \times 1 \text{ Million}}{\text{Total exposure hours}}$
LTIF	<p>Lost Time Incident Frequency (LTIF) is defined as the number of work-related injuries that have resulted in lost time (as stated in IMS OMM: WP.3.05.15.08) per million-man hours.</p> $LTIF = \frac{\text{Total number of LTI's} \times 1 \text{ Million}}{\text{Total exposure hours}}$
Major (Actual)	Any incident resulting in serious personnel injury (PTD, Fatality) with irreversible effects or incident involving Fire, Explosion, Collision/Allision, Grounding / Stranding resulting in major damage, or spill to sea with moderate environmental effect, piracy / hijacking or major damage to reputation (as stated in NSQL IMS OMM WP.3.05.15.08). PTD - Permanent Total Disability
LOPC (>10Kg Cargo)	Loss of Primary Containment is the release of cargo (LNG or LPG) in an unplanned event from its primary containment system or storage unit.
Oil Spill to Water	Number of oil spill incidents, any amount.
Availability	<p>Percentage of total number of days the vessels were available to charterers during the evaluation period Definition of availability:</p> <p>At SEA:</p> <ul style="list-style-type: none"> <li>-When the vessel is stopped and neither of the engines are running for more than one hour on her sea passage due to breakdown or non-functionality of equipment</li> <li>-When the vessel has been partially prevented from efficient working causing net delay of more than three hours. (Regardless of meeting ETA or not)</li> </ul> <p>At BERTH: (After First Line Ashore till cast-off)</p> <ul style="list-style-type: none"> <li>-When the load/discharge operation is stopped for more than 1 hour.</li> <li>-When the loading operation continued but slowed down resulting in net delay of more than 1 hour. (Regardless of meeting time allowed for loading /discharging)</li> </ul> <p>Other:</p> <ul style="list-style-type: none"> <li>-When the vessel is unavailable to Charterers for more than 1 hour or the partial breakdown caused delay of more than 3 hours to planned voyage.</li> </ul> $\text{Availability} = \frac{\text{Total days} - \text{Unavailable days} \times 100}{\text{Total days}}$
Port Compliance	<p>Percentage of eventless cargo port call out of total cargo port calls in evaluation period</p> <p>Definition of 'Event' in formula: Between First Line Ashore and last line cast off, any vessel incurred delay/incident leading to terminal compliance/complaints, which results in an LOP being issued by the Terminal is to be recorded as an 'Event'.</p> <p>Note: LOPs received from Pilots/Tugs are not included as an 'Event' in Terminal Compliance and Complaints.</p> $\text{Port Compliance} = \frac{\text{Eventless port cargo operations calls (Load \& Disch.)} \times 100}{\text{Total number of cargo port calls}}$
SIRE Score (Final)	<p>The Ship Inspection Report (SIRE) is a survey of the condition and safety of the vessel. These inspections are conducted by external companies. For the purposes of the KPIs the main focus is on the final score.</p> $\text{SIRE Score} = \frac{\text{Total Final Score}}{\text{Number of SIRE}}$

Nakilat Fleet Scorecard - KPI Definitions	
Nav Audit Score (Final)	<p>Navigation Audits assess the navigation skills and teamwork of the Captain and the deck officers. As with SIRE inspections, the main focus is on the final score.</p> $\text{Nav. Audit Score} = \frac{\text{Total Final Score}}{\text{Number of Nav. Audits}}$
PSC - Detention	<p>This KPI expresses the company's Port State Control Performance. The KPI counts the number of Port State Control Inspections resulting in detention.</p> $\text{Delay to Load/Disch Port/Terminals} = \frac{\text{Total Load/Disch call} - \text{Number of delays (events)}}{\text{Total Load/Disch Terminals called}}$
Delays to Load / Disch Port (Terminals)	<p>This KPI counts the percentage where the vessel was not able to meet the Scheduled Arrival Time to loading and discharging terminals, due to any event or incident related to vessel reliability.</p> <p>GREEN &lt;=100%.                  AMBER &gt;100&lt;=105%                  RED &gt;105%</p>
OPEX Budget Variation	<p>Operational Expenditure (OPEX) covers the day to day running costs of the ship. This includes items such as manning, lube oil, stores and supplies, repairs / maintenance and spares and Agency disbursement.</p> <p>GREEN &lt;=100%.                  AMBER &gt;100&lt;=105%                  RED &gt;105%</p>
Claims actual (Off-hire)	Number of Off-Hire claims raised in the calendar year.
Claims actual (Performance)	Number of Performance claims raised in the calendar year.
Benchmarking Position	<p>Benchmarking position based on performance of Seven Q-Flex Operators, in the following five categories (Safety/ Reliability/Cost): 1) Safety (LTI), 2) Unavailability, 3) Not meeting ETA/ETD, 4) Controllable OPEX &amp; 5) OPEX per ton mile. Benchmarking figures are for guidance purposes only and based on the previous recorded figures for JV's. This will be verified bi-annually by the C&amp;P team and scorecard updated accordingly.</p>
PSC - Deficiency (Code-17)	<p>This KPI expresses the company's Port State Control Performance. The KPI counts the number of Port State Control Inspections resulting in code 17 deficiency being reported during the calendar year. To ensure that the Manager is not being adversely penalized by erroneous inspectors, any code 17 deficiency recorded here will need to be substantiated with objective evidence that vessel is not in compliant of IACS regulations, Flag requirement or PSC MOU enhanced inspection criteria.</p>
PSC Inspections without Deficiency	<p>This KPI expresses the company's Port State Control Performance. The KPI counts the number of times where Port State Control Inspections are conducted without any observations being reported and divides this number by the total number of PSC inspections conducted during the same period.</p>
Flag State Inspection without Deficiency	<p>This KPI expresses the company's Flag State Inspection Performance. The KPI counts the number of times where Flag State Inspections are conducted without any observations being reported and divides this number by the total number of inspections conducted during the same period.</p>
Fleet TMSA Score	TMSA stands for Tanker Management and Self-Assessment and is run through the Oil Companies International Marine Forum (OCIMF). It consists of a grading framework that rates various aspects of ship management from a lowest of 1 to the highest of 4.
Garbage Reduction	This KPI captures the reduction in the quantity of garbage generated onboard. Baseline is taken as the average of last three years with a target reduction of 5%. Garbage includes discharged to sea, landed ashore and incinerated onboard.
Average CO <sub>2</sub> Index	<p>The EEOI is an indicator expressing the energy efficiency of the ship in operation and it is estimated by the equation below</p> $EEOI \text{ (g/ton mile)} = \frac{\text{CO}_2 \text{ conversion factor} \times \text{fuel consumption (g)}}{\text{Actual cargo weight (ton)} \times \text{actual voyage distance (mile)}}$