



# ESG Report 2020

Environmental, social & corporate governance





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## Message from our CEO

The year 2020 has been a year of unprecedented events. The COVID-19 pandemic presented enormous challenges and brought significant changes to the world and the shipping industry specifically and reminded us of our fragility and the impact of climate risk.

Despite the world coming to a standstill at the beginning of the COVID-19 pandemic, the global economy and commerce demonstrated remarkable perseverance and resilience and there is a need now, more than ever, to reflect on the delicate balance between economic growth and sustainability, and create long term value for all stakeholders.

Latsco enjoys a maritime heritage of over 70 years with unique shipbuilding experience, technical management of the highest standards and an impeccable commercial track record. As a pioneer in the shipping industry, we believe it is our responsibility and duty to be leaders and go above and beyond the targets set by the industry's regulators.

Our vision and our goal is to provide a world class fleet of tankers, LPG and LNG carriers to our customers and to service the shipping industry with the highest possible standards of safety and efficiency while we remain strongly committed to protecting the environment.

This is Latsco's first ESG report, however sustainability has been an integral part of the culture of the Latsis family and the modus operandi of the company, long before today's increased focus.

We are assigning equal weight to all three pillars of the ESG spectrum, namely the Environment, Social and Governance as it is engraved in the company's philosophy to operate in a manner that is also beneficial to society. Furthermore, our Board of Directors ensures that through our strong and effective corporate governance we advocate an inclusive environment and operational excellence, both on-shore and at sea, on the foundations of trust, integrity, transparency and teamwork.

As we are now halfway through 2021, the shipping industry is being subjected to complex, disruptive and diverse regulation, considered to be a game changer for the industry. Technical, operational and market-based-measures will be used from the IMO's and the EU's arsenal, in order to ensure that the shipping industry meets the 2030 and 2050 Greenhouse Gases reduction targets.

As such, the industry is entering an era of accelerated innovation in technology and increased transparency that will differentiate forward-thinking companies by way of competitive advantage, in the disruptive energy sector.

Latsco is successfully navigating through these challenges, thanks to the efforts of all its employees and seafarers, and is responding early by instilling a companywide culture to underpin sustainable development. In this respect, a dedicated team is spearheading the company's ESG and decarbonization strategy, in order to future-proof our operations and our fleet.

**George I. Margaronis**

*CEO, Latsco Shipping Limited*





## About this report

### Scope

This is our first Environmental, Social, and Governance (ESG) report. The purpose of this report is to share with our internal and external stakeholders key elements of our ESG performance and to disclose our commitments towards improving our sustainability impact.

The report focuses on our ESG strategy and the actions we undertake in order to meet the objectives set by the International Maritime Organization (IMO) and the United Nations Sustainable

Development Goals (UN SDGs). This report is prepared in accordance with the Global Reporting Initiatives (GRI) Standards Core option and the Sustainability Accounting Standards Board (SASB) for Marine transportation.

Latsco Shipping Limited has a long-standing reputation of performance, reliability and safety and this ESG report is a means of communicating our firm commitment to create sustainable long-term growth and value for all our stakeholders.

### Reporting period

The report refers to the period starting in January 1st, 2020 and ending in December 31st, 2020. All data and information provided within this report represent activities undertaken within the year 2020, while in some instances we provide information for the preceding year as well, for comparative purposes.

### Reporting Frameworks

#### Global Reporting Initiative (GRI Standards: Core option)

Reporting based on the GRI Standards ensures that the content and issues discussed are relevant, consistent, and comparable across companies and sectors.

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

The report discloses information on the basis of SASB maritime industry-specific metrics.

This is our first ESG report, prepared in accordance with **GRI Standards "Core" option**, **SASB's Marine Transportation** material topics and the guidance of **PwC Greece**



# Our company

**Latsco Shipping Limited**, is a privately-owned company, whose predecessor was established in 1937, when the company's founder, Captain John S. Latsis, first ventured into passenger and commercial deep-sea shipping. With more than 70 years of experience in the shipping industry, the company originally operated under the name "Petrola International S.A.". Latsco Shipping Limited was incorporated in 2004 to consolidate the shipping activities of the Latsis family.







John S. Latsis acquires his **first passenger ship**, named "**Effi**" and soon after his **second one** "**Niki**". At the end of the year, he purchases "**Laurana**", then renamed to "**Neraida**".

1949



The fleet grows to **40+** vessels and expands in product **tankers** and **LPG**.

1970s



Shift into clean-specific strategy, placing **large newbuild orders** in **clean tankers**.

1990s



Acquisition of additional secondhand clean Eco-spec tankers, & placement of **newbuilding orders**.

2010s

1937



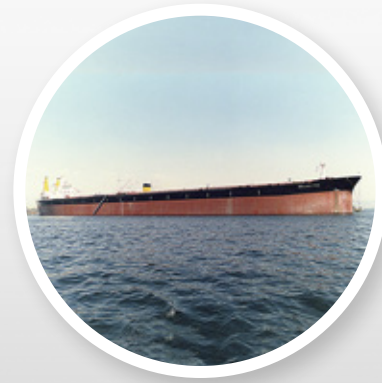
**Latsis Group** was founded by **Captain John S. Latsis**, who was **born** on 15 September **1910** in Katakolo in the western Peloponnese.

1958



Group enters into the tanker segment with the acquisition of its **first tanker**, named "**Spyros**".

1980s



**Hellas Fos** is acquired in 1979, the **world's largest tanker ever built**, with total capacity of **556,000 dwt**.

2000s



Group increases its clean and LPG exposure, by placing **VLGC orders** in 2001 & 2005.

2020

Latsco's current fleet consists of **29 vessels** with an approximate age of **6 years**.





## Group's Structure

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

**Latsco LNG LLC** is incorporated in the Marshall Islands and is in the process of opening a branch in Monaco.

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

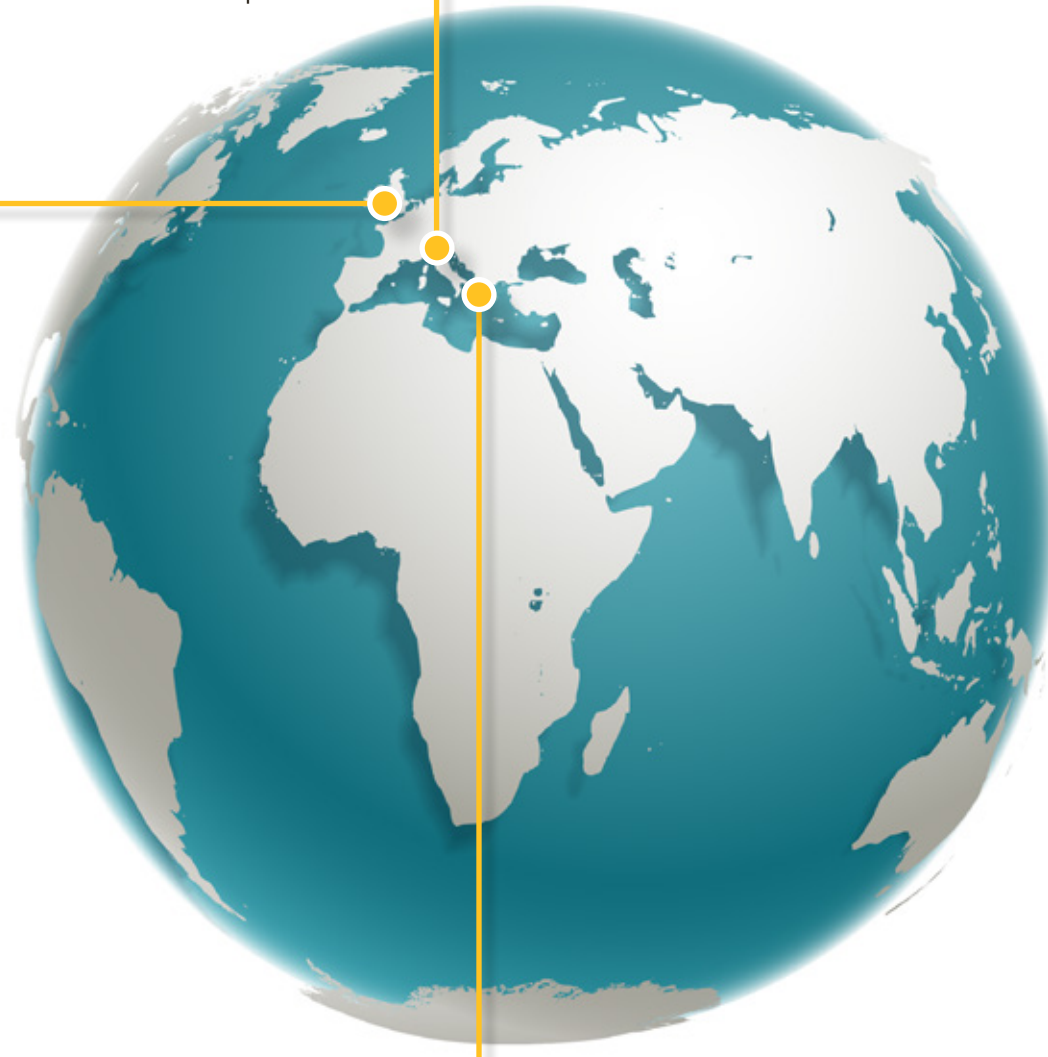
LMM and LLNG provide technical management to our vessels and Latsco (London) Ltd. is assigned with the commercial management of the fleet.

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



**MONACO**  
Latsco Shipping Limited

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



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

## Our core values

Our mission is to operate our constantly growing fleet of oil & chemical tankers and gas carriers in accordance with the highest standards of excellence in terms of performance, safety, reliability and environmental protection. Long term relationships and sustainable fleet growth form the pillar of our philosophy. Fleet renewal and expansion coupled with a balanced employment portfolio constitute the basis of our strategy, ensuring our successful performance and resilience throughout the industry's cycles.



### BUSINESS EXCELLENCE & QUALITY

We focus on business excellence, ensure the highest of standards and sustain our best-in class status. We are results-oriented, striving to continuously improve and manage risk in a way that maintains the trust of our partners and respects our reputation and tradition.



### SAFETY & ENVIRONMENT

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



### FOCUS ON OUR CUSTOMERS

We are committed to fulfilling our customers' expectation to add value and protect their interests. We build long-term partnerships through close cooperation, engagement and our strong service culture.



### OPERATE AS ONE TEAM

We share one vision. We operate as one team fostering respect and inclusion. We come together sharing information, trusting and supporting each other



### CARE FOR OUR PEOPLE

We put people first. We care about their well-being and we nurture a fair and just culture that promotes equal opportunities and participation. We support people to evolve through continuous learning and development.

## Our memberships

We have established strong relationships with reputable organizations and participate in initiatives around maritime sustainability, including:



**Global Maritime Forum** is an international not-for-profit organization which is committed to increase sustainable long-term economic development and wellbeing in the shipping industry.



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



**INTERTANKO** (the International Association of Independent Tanker Owners) is a trade association that represents the interests of its Members at national, regional and international levels.



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



# Key Highlights



MORE THAN  
**70**  
YEARS  
of experience  
in the shipping industry



**\$ 259.7 million**  
Revenue in 2020



**785**  
ashore & crew  
employees



**2**  
LNG  
CARRIERS  
delivered in 2021



**Offices**  
in Athens, London, Monaco



**Single use  
plastic**  
policy



**29**  
VESSELS  
on the water:  
18 Product Tankers,  
11 Gas Carriers



**4**  
VLCCs  
on order  
to be delivered in 2022



**1,991,702 miles**  
distance travelled



**981**  
PORT CALLS  
in 2020



**55,572,600**  
ton-mile  
TRANSPORT WORK  
in 2020



**81**  
COUNTRIES  
visited in 2020



**10,609.7**  
OPERATING DAYS  
in 2020





## Our fleet

Our fleet consists of product and chemical tankers, as well as liquefied petroleum gas (LPG) carriers which are deployed on a wide range of trading routes. More specifically, in 2020, our vessels on the water comprised eighteen (18) product tankers and eleven (11) gas carriers.

4 VLCC newbuildings have been ordered with expected delivery in 2022

The Latsco group is also moving into the LNG carrier sector by placing orders for two 174,000 cbm, dual-fuel vessels, the Hellas Diana and the Hellas Athina, to be delivered in 2021.

Latsco has specialized technical management and ship-building experience with over 35 newbuildings and long-standing relations with Hyundai Heavy Industries Shipbuilding Group and other leading shipyards.

6  
YEARS

AVERAGE AGE OF OUR FLEET



### LR2 Tankers

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

### Gas Carriers

	TYPE	CBM	YEAR OF BUILD
1. Hellas Fos	VLGC	82,386	2008
2. Hellas Glory	VLGC	82,440	2008
3. Hellas Serenity	VLGC	82,440	2008
4. Hellas Hercules	VLGC	84,134	2015
5. Hellas Poseidon	VLGC	84,084	2015
6. Hellas Gladiator	VLGC	84,116	2016
7. Hellas Sparta	VLGC	84,055	2016
8. Hellas Dynasty	VLGC	80,000	2020
9. Hellas Voyager	VLGC	80,000	2020
10. Hellas Eagle	LGC	60,159	2016
11. Hellas Apollo	LGC	60,178	2016

### MR Tankers

	TYPE	DWT	YEAR OF BUILD
1. Hellas Enterprise	MR	51,246	2008
2. Hellas Explorer	MR	51,309	2008
3. King Gregory	MR	51,441	2012
4. Lady Malou	MR	51,486	2013
5. Hellas Avatar	MR	49,997	2015
6. Hellas Fighter	MR	49,997	2015
7. Hellas Revenger	MR	49,975	2016
8. Hellas Nemesis	MR	49,997	2016
9. Hellas Aphrodite	MR	49,992	2016
10. Hellas Tatiana	MR	49,834	2017
11. Hellas Margarita	MR	49,879	2017
12. Hellas Calafia	MR	49,810	2018
13. Hellas Marianna	MR	49,834	2018

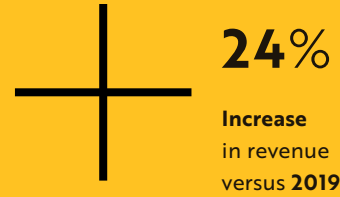




## Creating value

### Financial Performance

Our fleet generated a total revenue of **\$259.7 million** for the FY2020, increased by 24% compared to the 2019 revenue.



### Operational & Commercial Performance

Despite the challenges presented by the global pandemic of Covid-19 in 2020, we kept our operations running effectively and efficiently and demonstrated strong operational performance throughout the year. More specifically, during 2020 our

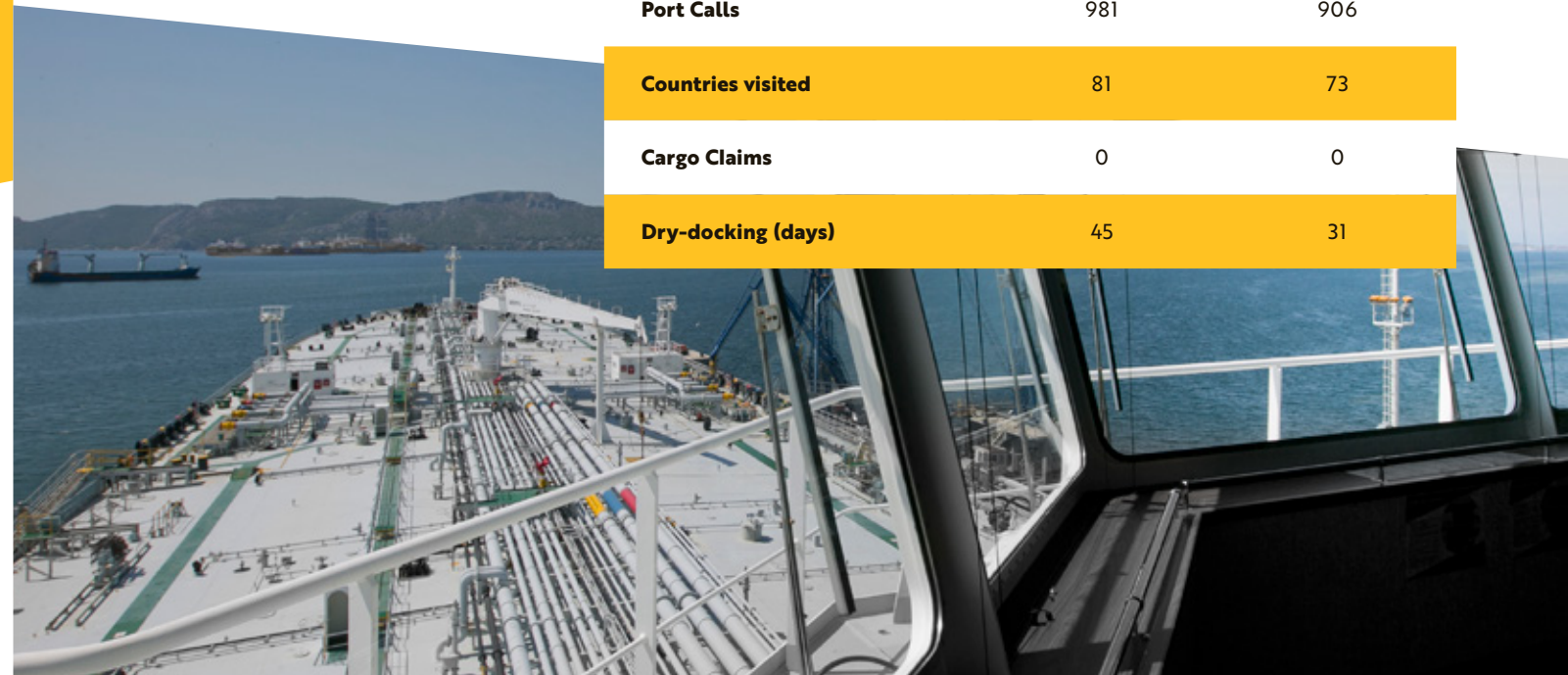
daily operating expenses, equaling \$ 6,256, were decreased by 0.7% compared to 2019. In addition, investments in environmental infrastructure (CAPEX) amounted to \$ 4,878,000 in 2020.

**\$4,878,000**  
CAPEX  
FOR ENVIRONMENTAL INFRASTRUCTURE IN  
2020



Latsco enjoys long standing relationships with major oil and gas companies and the big commodity trading houses, cultivated through years of business partnerships based on mutual trust and common goals. This impeccable track record is further solidified by the strong commercial presence of our London Office.

DESCRIPTION	2020	2019
Vessels in operations	29	27
Operating Days	10,383	9,855
Utilization Rate	99.38%	99.16%
Distance travelled (nm)	1,991,702.00	2,017,159.00
Cargo carried (mt)	27,902.00	25,885.00
Port Calls	981	906
Countries visited	81	73
Cargo Claims	0	0
Dry-docking (days)	45	31



### Digital transformation

A core element of our business strategy is the digital transformation of our organization. Digitalization enables us to improve our efficiency and reduce our costs by:

- ✓ Providing the company users and our vessels with modern, user friendly applications and tools to perform their tasks effectively
- ✓ Accelerating and enhancing the business processes
- ✓ Providing reporting capabilities to support management decisions
- ✓ Ensuring the optimum operation of our IT systems and the availability of our data ashore and off-shore

At Latsco we place great emphasis on the integrity of our data in order to ensure its accuracy, consistency and completeness.







# 2 ESG at Latsco Group



## Supporting UN Sustainable Development Goals (SDGs)

In 2015, the United Nations adopted the 17 Sustainable Development Goals (SDGs), also known as Global Goals, aiming at ending poverty, protecting the planet and ensuring that by 2030 there will be prosperity and peace across all parts of the globe. The SDGs are highly interrelated, and their collective

purpose is to tackle the global challenges that the world is facing. The SDGs framework provides a blueprint that businesses can implement in order to improve their performance on sustainable development and achieve a better future for all.

<b>1</b> NO POVERTY 	<b>2</b> ZERO HUNGER 	<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>4</b> QUALITY EDUCATION 
<b>5</b> GENDER EQUALITY 	<b>6</b> CLEAN WATER AND SANITATION 	<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>10</b> REDUCED INEQUALITIES 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 
<b>13</b> CLIMATE ACTION 	<b>14</b> LIFE BELOW WATER 	<b>15</b> LIFE ON LAND 	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 
<b>17</b> PARTNERSHIPS FOR THE GOALS 			





At the same time, the International Maritime Organization (IMO) is also working towards the 2030 Agenda for Sustainable Development and the associated SDGs. Specifically, IMO regulations for shipping offer a tangible emphasis on how innovators can develop pioneering and game-changing technical solutions.



Latsco has integrated SDGs into its business strategy and has prioritized the topics that are most material to its operations and stakeholders.

We believe that businesses play a key role in contributing to and achieving the SDGs; thus, we gradually incorporate these principles in the way we do business, in order to promote a better and more sustainable future.

## Our decarbonization journey

In April 2018, the IMO adopted an ambitious GHG reduction strategy with a vision to decarbonize international shipping within this century. This strategy aims to reduce total GHG emissions by at least 50%, while at the same time reducing the average carbon intensity by at least 40% by 2030, and 70% before 2050, setting 2008 as the baseline year.

At Latsco, we are integrating sustainability into our business strategy and we apply measures to further optimize our fleet's operations to meet the industry's goals.

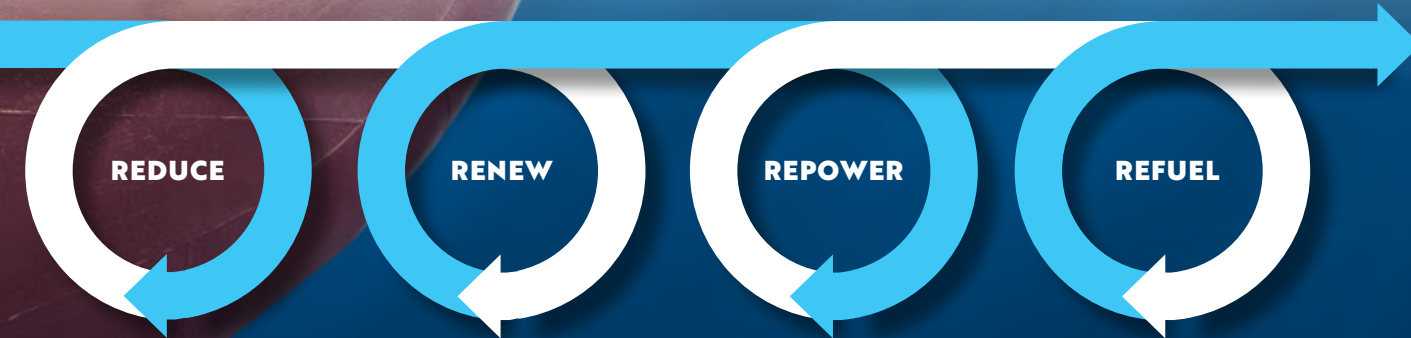
It is our goal to act early and decisively and to be front-runners in the quest to net-zero. In this respect we:

**Latsco is committed** to follow the industry's vision for a **sustainable & carbon-neutral future**

- ✓ **Monitor all performance and emissions** related data through state-of-the-art software and hardware systems and ensure data integrity and transparency
- ✓ **Comply with the resolutions adopted by the industry's regulators**, as well as the global developments on the environmental and climate change front
- ✓ **Participate in the development and adoption of new technologies** relevant to ship design, propulsion systems, fuel systems and alternative fuels
- ✓ **Benchmark our fleet** and deploy strategic, technical and operational measures in order to minimize our emissions
- ✓ **Create synergies** with our customers, lenders and other stakeholders, aiming to improve the efficiency across our value chain
- ✓ Set, monitor and review **GHG reduction targets** and aim to do more than is required

We have set a course to reduce our carbon emissions, by:

- Monitoring and minimizing our fleet's greenhouse gas and air emissions
- Renewing our fleet with technically advanced vessels
- Performing retrofits and upgrades to our fleet in order to further improve energy efficiency
- Using alternative fuels





## Our ESG topics

As a company with global presence, it is crucial for us to determine and understand the ESG topics that are most important for our stakeholders and our business at large. We have therefore conducted a materiality analysis, in order to identify

the key ESG priorities of our business partners. Ultimately, this analysis will help us define our goals and align our strategy with the issues that matter most to our stakeholders.

## Stakeholder Engagement

In order to execute this analysis, we conducted an online survey addressed to all our internal and external stakeholders, focusing on universal and company specific ESG topics.

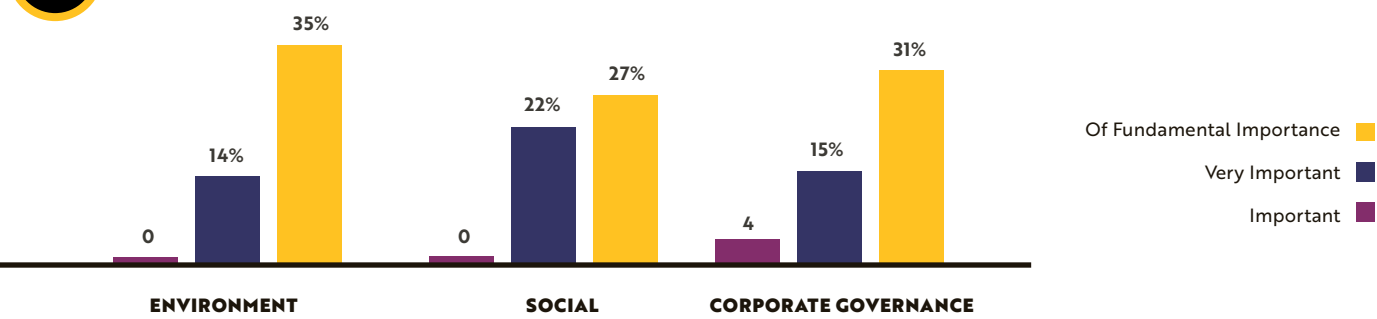
Our key stakeholder groups include the following:

- Charterers
- Office employees and seafarers
- Financial institutions
- Suppliers
- Classification Societies
- Flag States
- Port Authorities
- Industry organisations
- Insurers / P&I Clubs
- Shipyards
- Manning Agents
- Academic institutions

For the first part of our stakeholder engagement process, we formulated two key questions for our internal management team, business partners, as well as external stakeholders. Our

aim was to gain an insight on how our stakeholders perceive the overall ESG framework and its importance over the next years. The two questions are listed below:

### 1 How would you evaluate the importance of the three broad ESG categories?



### 2 How do you expect the importance of ESG to evolve going forward?

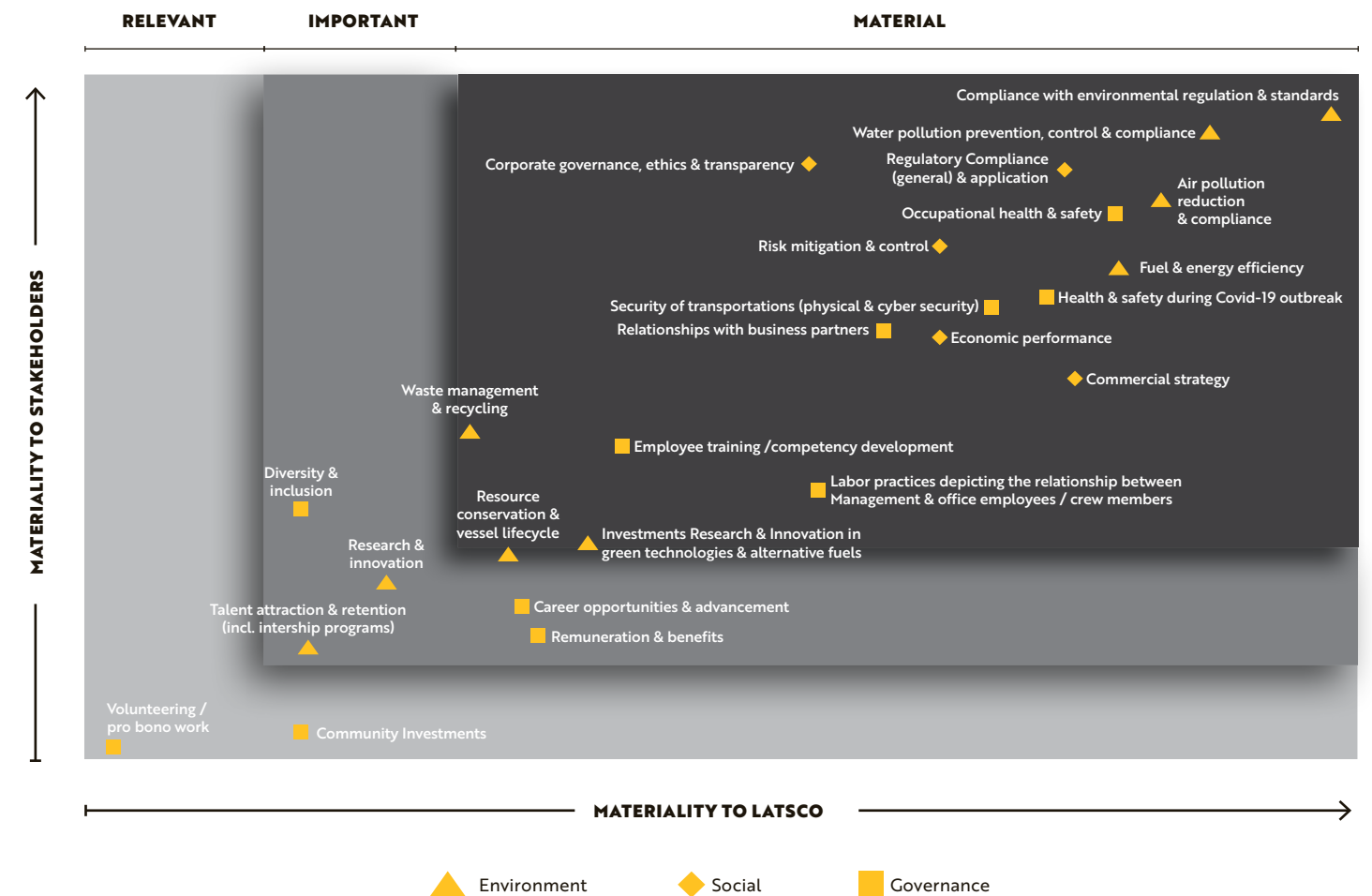


The results show the significance of ESG to the shipping industry. Based on the responses, the majority of our stakeholders believe that the environmental issues play the most critical role in our business and that the overall ESG factors are of growing importance and will influence the shipping industry to a great extent over the following years.

## Materiality Matrix

For the second part of our analysis, our stakeholders were asked to rate selected ESG aspects, based on their level of importance, and how they affect our company, goals and strategy. The responses were classified in three categories in the following Materiality Matrix:

- **Material Topics:** areas identified as critical related to our ESG performance and will be monitored, reported and embedded in our business strategy to achieve long-term value for our company and our stakeholders.
- **Important Topics:** areas identified as being significant to us and our stakeholders, which we will be monitored, managed and reported.
- **Relevant Topics:** areas that are identified as relevant to our business in which we will engage in the future.



**ESG performance in 2020**

**13.88** gr CO<sub>2</sub> / tn-mile  
Average EEOI



**705,768** (tonnes) CO<sub>2</sub>

**5.97** gr CO<sub>2</sub> / DWT-mile  
Average AER

SO<sub>x</sub>  
**1,969** (tonnes)

NO<sub>x</sub>  
**12,941** (tonnes)

PM  
**3,054** (tonnes)

**100%** of our fleet will be equipped with BWTS by Q4 2023

**0** oil spill to the marine environment

**667**

crew onboard

**99.5%**

crew retention rate

**\$ 633,440**

crew training & development costs



**118**

employees ashore

**42%**

of our employees and 30% of our managers are women

**20%**

employees with seagoing experience



**↓ 13%**

consumption of plastic bottles onboard

**↑ 185%**

CO<sub>2</sub> savings by delivering spare parts via sea instead of air



**426 m<sup>3</sup>**

of plastic garbage waste generated onboard

**0**

Violations of our Ethical Code & Anti-Corruption policy

**0**

Cyber Security incidents



**ESG Business Priorities**

ESG practices are among the top priorities of our company, and we are committed to raise awareness throughout our organization, both at sea and ashore, and to promote a sense of responsibility towards all ESG related issues.

We focus on the ESG issues that are relevant to our business and offer the greatest potential to create value to our stakeholders. We monitor and report information on key ESG metrics and initiatives.

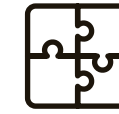
Our ESG Business priorities are:



**Protection of the Environment**



**People Wellbeing & Development**



**Engagement with the Community**



**Development of strong management & governance practices**



**Promotion of Health & Safety**

**Challenges to achieve our ESG goals**

Making progress in our ESG strategy in order to reach our goals is challenging, because of exogenous factors such as the timing of technological and technical advancements, policy and regulatory changes, supply chain constraints as well as stakeholder expectations. Indicatively, we have created a list with some of the most important challenges we believe we may come across over the following years:

**Environmental**

1. GHG and air emissions and enforcement of laws and regulations to reduce the industry's environmental footprint.
2. Waste generation elimination and marine ecosystem protection.
3. Technological developments and alternative fuels.

**Social**

1. Increasing need for strong health & safety occupational measures to meet the challenges of COVID-19 pandemic.
2. Promotion of equal opportunities in a highly evolving and diverse marketplace.
3. Supply chain complexity.
4. Customers' expectations and demand.

**Governance**

1. Adoption of a coherent Code of Conduct and Ethics to prevent fraud, corruption, bribery, discrimination and/or any other intimidating, hostile or offensive behaviors.
2. Cyber-attack threats, due to the rapid technology advancements.
3. Call for increased transparency.



# 3 OUR PEOPLE

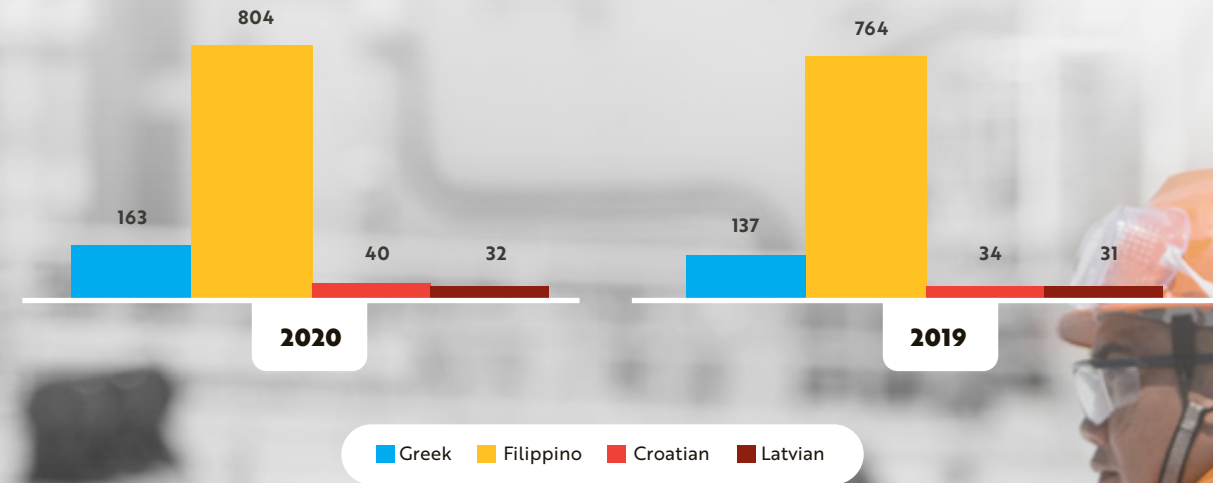


## Seafarers

Our seafarers have always been an integral part of Latsco's commitment to excellence and success. We recognize their added value, and we embrace their efforts and dedication, especially during the unprecedented conditions of the pandemic. Our

seafarers onboard increased from 621 in 2019 to 667 in 2020, selected from a pool of 1,039 high-skilled and experienced seafarers. The majority of our seafarers are Filipino (approximately 77%), with the rest being Greek, Croatian and Latvian.

POOL OF SEAFARERS PER NATIONALITY



**667**

CREW ONBOARD IN 2020

**36**

CREW AVERAGE AGE

## Crew development & welfare

Our seafarers are strongly engaged and committed to us, and our aim is to provide them a rewarding working environment, where they can grow and progress. We place great emphasis on providing equal opportunities in hiring and promotions, benefits and wages.

During 2020 there was a 59% increase of crew promotions compared to 2019 and our onboard employees reflected the highest retention rate of 99.5%, a two-percent increase since 2019.

**89**

Crew promotions in 2020

**95.5%**

Crew Retention Rate

**\$37,336,837**

Crew Salaries & Bonuses



## Our Maritime Training Center (MTC)

One of our Company's key achievements related to crew development was the establishment of the LMM Maritime Training Center (MTC) in December 2015. The MTC's main purpose is to provide sophisticated and comprehensive training to the seafarers by conducting a variety of training programs. The trainings provide a complete learning experience that goes beyond regulatory requirements and industry guidelines.

The training courses, programs and simulator trainings conducted at MTC include the following areas:

### Training Courses

- Health, Safety, Security, Quality, Environmental and Energy Management System Awareness
- Risk assessment & safety practices
- On-the-job trainings on programs and systems familiarization
- Leadership and Team working skills

We invest in both the personal and professional development of our crew, and we perform dedicated trainings to enhance their skills.



Latsco's MTC has received the following certifications:

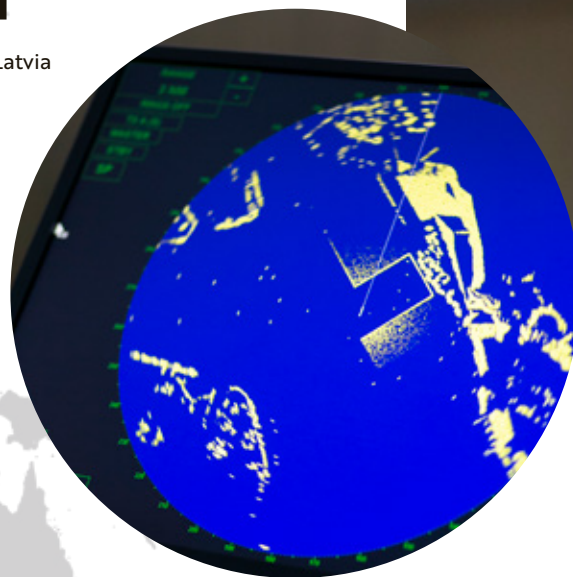
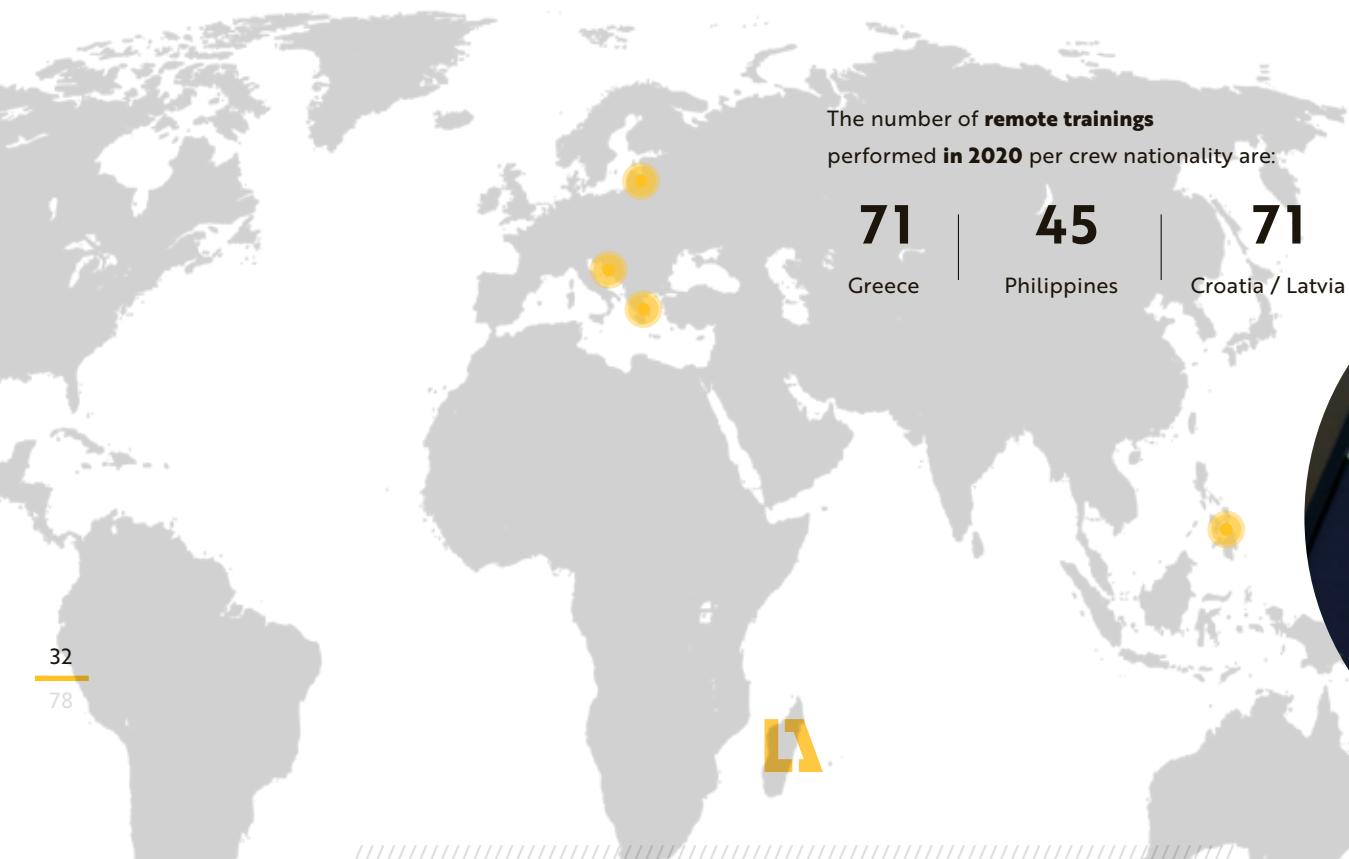
### Certification of Compliance & Certification of Approval

**Certificate of Compliance (CoC)** with the requirements of ABS Guide for Certification of Maritime Education Facilities and Training Courses (valid for three years subject to annual surveillance audit).

**Certificate of Approval** by the Authority for Transport in Malta and by the Office of the Maritime Administrator of the Republic of the Marshall Islands, in accordance with the requirements set out in the International Convention or standards of training Certification and Watch keeping for seafarers (valid for five years subject to satisfactory periodical reviews).

Additional certifications are received by research and training centers, classification societies and schools located in Greece, Philippines, Croatia, Montenegro, Latvia, Poland and United Kingdom.

DESCRIPTION	2020	2019
Training costs for crew training & development	\$ 633,440	\$ 568,478
Training hours	6,065	7,413



## On-Shore employees

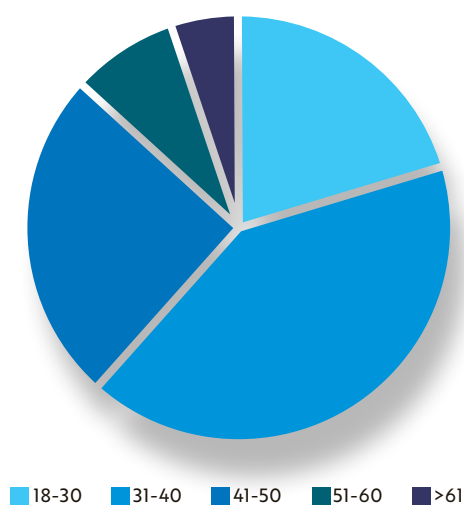
Our personnel consist of highly skilled people who support our vessels' operations. Their professionalism and reliability are the drivers of the company's competitive advantage. Our goal is to provide equal opportunities for all our employees, and a workplace, where everyone is valued for their qualifications and contribution.

Through our Leadership development program and our team building and communications skills initiatives we aim to cultivate leaders and a workforce fully engaged in the company's strategic direction.

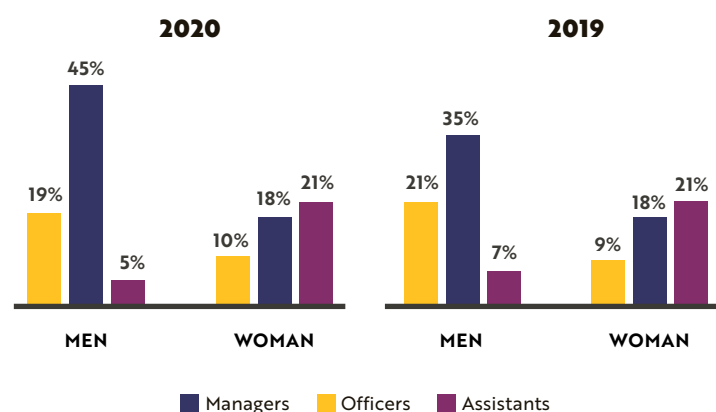
The total headcount for the year ending December 31, 2020 was 118 ashore employees, (29 Managers, 63 Officers including superintendents, 26 Assistants), while at the end of 2019, the total number of ashore employees was 111 (30 Managers, 53 Officers including superintendents and 28 Assistants).

We actively support and promote diversity at all levels within the company, in accordance with our diversity and inclusion philosophy. We aim to include a broad variety of backgrounds, perceptions and expertise, while also considering other important factors, such as, gender diversity and nationality. During 2020, 42% of our employees were women.

EMPLOYEE AGE COMPOSITION

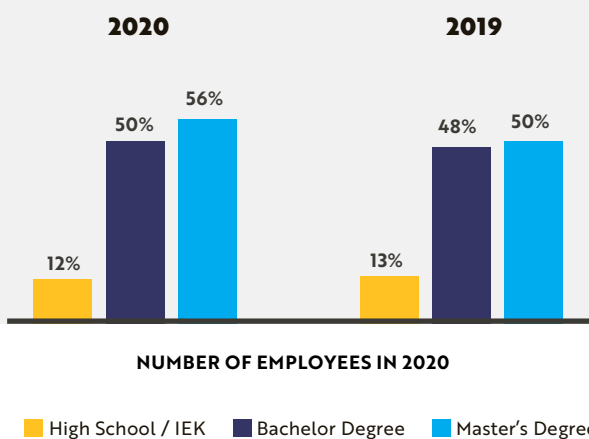


EMPLOYEE HEADCOUNT BY LEVEL



Our employees have a strong educational background. 90% of our employees hold a bachelor or a post graduate degree. Furthermore, 20% of our employees have seagoing experience.

EMPLOYEE EDUCATIONAL BACKGROUND



**20%**  
employees  
with seagoing experience

NUMBER OF EMPLOYEES IN 2020

High School / IEK Bachelor Degree Master's Degree

Aiming to instill a culture of continuous improvement, we have developed an internal performance appraisal process, in order to support our employees advance their career paths. As such, all eligible employees received performance review.



**6**  
PROMOTIONS  
in 2020



**ALL**  
MANAGERIAL POSITIONS  
in 2020 were covered internally

We aim to attract and retain an effective, talented and ethical workforce. In 2020, our shore-based retention rate was 94.67%, increased by 4% compared to 2019, and our turnover rate was 7.9%.

During the same period, we offered 17 internships, 5 of which resulted in permanent hires, thus increasing the total number of hires in our Athens and London offices to 15.

**118** employees ashore

**15** new hires

**17** internships

**30%** of the company's managers are women

**94.7%** retention rate





## Learning & Development

The continuous development of our employees is deeply rooted in the company's culture and as such, we have created a comprehensive training program (both outsourced and in-house). Although the COVID-19 pandemic disrupted our training program, all our employees attended at least one training course during 2020.

	2020	2019
Number of training hours	2,480	3,499
Number of courses	38	71
Average training hours per employee	21	31.5
Number of participations	317	427

### All our employees attended at least one training course during 2020

One of our Company's key values is to embrace and enhance our employees' wellbeing, physical and mental wellness:

#### Employee Health & Wellness Initiatives

- Medical Scheme for all employees and their families;
- Initiatives such as doctor in the field, free health examination & annual flu vaccination;
- Physical activities on HOCSH company sports games;
- Social activities & teambuilding;
- Soft skills enhancement programs.

#### Financial Support Initiatives

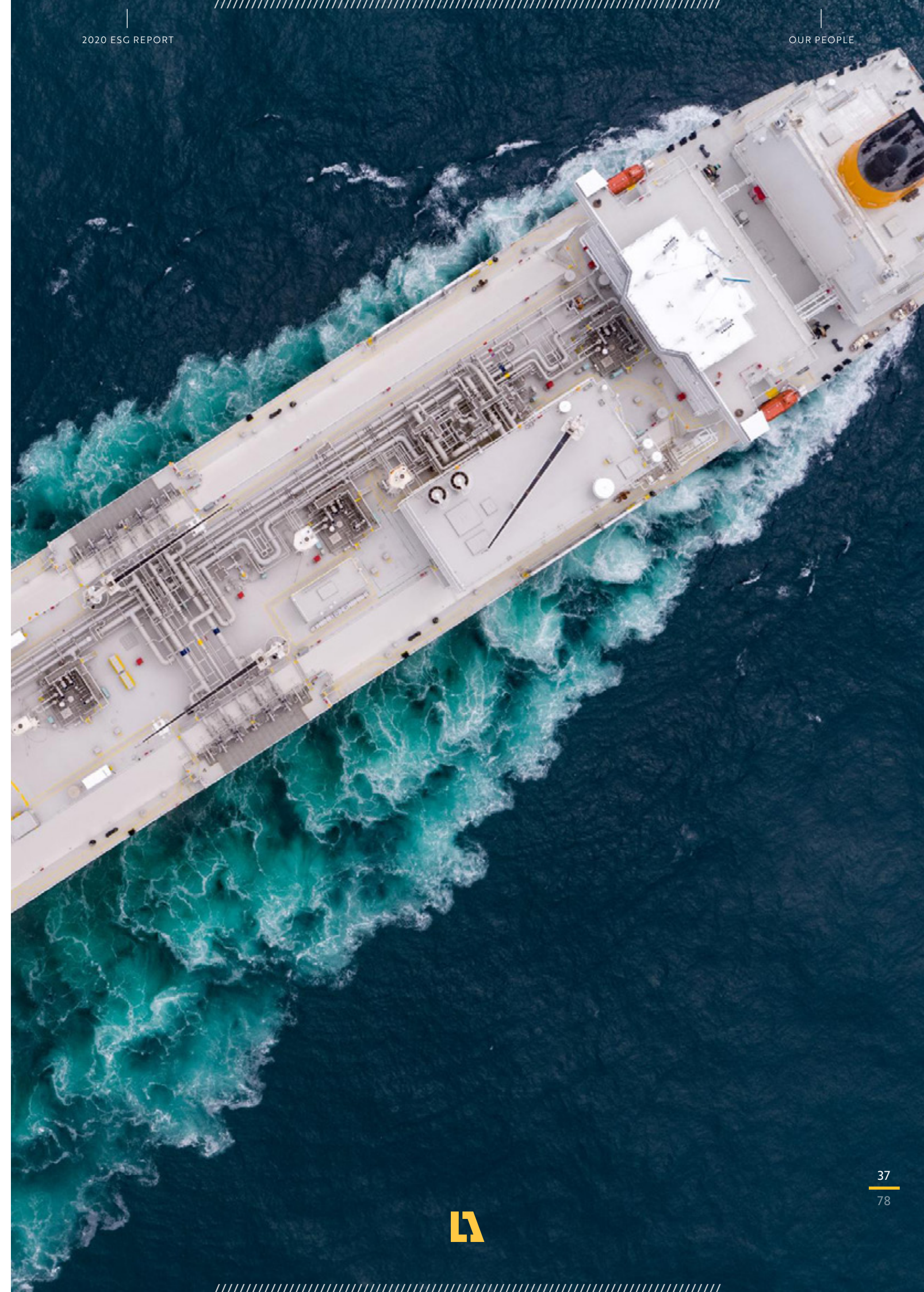
- Financial support for children's expenses that aims at supporting all female employees with children from the age of one until the start of their compulsory education;
- Financial support under special circumstances;
- Professional studies support including funding higher education degrees.

#### Initiatives for Employees' Families

- Awards to employee's children that have outstanding performance in their high school or post high school studies;
- Gifts to employees' children during Christmas.

#### Initiatives for Additional Employee Benefits

- Pension plan for all employees;
- Performance related bonus scheme addressing all employees;
- Food allowances;
- Travel vouchers (tickets & accommodation) during Christmas.





# 4 CORPORATE GOVERNANCE



Strong and effective corporate governance helps cultivate a culture of integrity, teamwork, transparency and trust, leading to long-term, sustainable, value creation.

At Latsco, corporate governance is initiated at Board level and daily responsibility for its implementation lies with the CEO.

Through its governance, Latsco's philosophy is to optimize its value chain, processes, and procedures and to reduce its impact on the environment.

## Board of Directors

Our dedication to sustainability stems from the top. The Board drives our Company's sustainability and growth strategy and is composed of a diverse background with unique shipping expertise.

## Board Composition of Latsco Shipping Limited

as of 31/12/2020

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





## Risk management

As Latsco conducts business on a worldwide scale, the company is exposed to a wide variety of risks, so we have in place a robust corporate governance framework, and have established an effective risk management system and an internal control framework. Our Risk Management procedures provide an insight into our key business risks and lead to better and proactive decision making:

### Our top risks include:

1. Disruption in the land transportation industry and rapid electrification may negatively affect demand for crude oil and products
2. Accelerated climate change may force the industry's regulators to implement stricter regulation as regards to GHG emissions
3. Disruption in global financial and commodity markets and economic conditions could have a material impact on our results
4. Interest rate and foreign exchange risk
5. Disruptive technologies. We are closely monitoring the impact of new technologies on the maritime industry and our shipping portfolio specifically
6. Operational risks may result in unexpected drydocking costs, delays, affect earnings and cash flow
7. Volatile tanker charter rates may negatively affect profitability if they stay at low levels for prolonged periods
8. Covid-19 pandemic risk which may affect the health and safety of our people and impact our operations
9. Cyber-security risk. Failure to protect the information systems against security breaches could adversely affect our operations

## Sanctions

Latsco is taking actions in order to eliminate the risk of sanctions.

Since October 2020, we have conducted over 300 sanction checks, via the online platform "Sanction Search". No trading nor potential client was found sanctioned or became sanctioned before the completion of the trading/hiring.

## Commitment to Ethical Principles

Latsco is strongly committed to promoting honest and ethical business conduct.

Doing what's right is far more than just complying with legal requirements; it requires creating a culture of integrity and commitment to our values and ethical principles. By sharing common values, we set the foundations for a work environment

where we can recognise the desired behaviours and do what is right. An environment where we always feel safe and comfortable to speak up when misconduct, or violations are observed.

Our Code of Conduct and Ethics fosters a value driven employee's culture and supports our commitment to manage our business with integrity.

All employees, full-time, part-time and interns as well as officers and directors are expected to adhere to the policies set forth in the Code, including, inter alia:

- Compliance with applicable law, rules and regulations;
- Avoidance of conflicts of Interest;
- Gift policy and anti-bribery;
- Protection and proper use of company resources and assets;
- Protection of confidentiality and privacy;

Through our Code of Conduct and Ethics, we are building a work environment that is inclusive, safe and secure with zero tolerance towards any discrimination, harassment and inappropriate, hostile or insulting behavior. More specifically, we have set the following policies, anchored to our values and ethical principles:

- Diversity and inclusion;
- Open communication and sharing of information;
- Equal opportunity and impartiality (e.g. fair pay and treatment across job roles);
- Safe and healthy working environment

Latsco encourages its employees and third parties to report concerns in case of wrongdoing or poor practice. The Company has already taken active steps to ensure that all complaints and reports received via internal or external channels will be taken seriously, treated in confidence and trigger the appropriate actions in accordance with the Code and the applicable law. Latsco will take particular care to ensure that there will be no retaliation of any kind against anyone who reports any wrongdoing of any nature.

During 2020, zero cases of bribery, fraud and corruption were reported.

In 2020, only 14% of our port call were in areas that are listed in the 20 lowest rankings of the Transparency International's Corruption Perception Index (CPI).

# 0

Violations of our ethical code & anti-corruption policy

# 14%

Port calls in countries with the 20 lowest rankings in CPI





## Cyber Security & Protection of Information Assets

Latsco Marine Management is verified by the ISO 27001:2013, which refers to the Information Security Policies applied in the organization. The company applies Cyber Security Policies and procedures, in order to prevent cyber incidents and protect information assets. Cyber risks constitute a threat to our people, our vessels, our company and the environment and are carefully monitored.

It is of the highest priorities for Latsco Marine Management to implement cyber protection policies and to provide a safe working environment for its people. Our company is committed to:

- Ensuring that adequate resources and all appropriate procedures and responsibilities are in place in order to mitigate any risks throughout all operational activities ashore and onboard;
- Providing the necessary support and resources to the Group Cyber Security Manager, Master, CSO and DPA, to complete their duties and responsibilities;
- Imparting that cyber risk management has both safety and security aspects that must be properly assessed and addressed through Cyber Risk Assessment, in order to ensure that the appropriate technical and procedural risk protection and control measures are in place;
- Conducting regular Cyber Risk Assessments for Operational Technology (OT) and Information Technology (IT) systems used within the company and onboard, in order to identify any threats, and implement relevant mitigating measures to ensure the safety, security and reliability of our operations;
- Improving cyber security skills of our employees, while actively endorsing a cyber-security awareness culture;
- Establishing safeguards to reduce cyber risks;
- Preparing contingency plans for emergencies relating to cyber security incidents.

It is crucial that our personnel, third parties and contractors, comply with our Cyber Security Policies and procedures. More specifically, they need to:

- Adhere to all Company's policies and cyber security requirements relevant to their role and the area they operate in;
- Act with the upmost integrity when using office or shipboard equipment and systems;
- Complete all cyber security trainings that apply to each role and rank;
- Report cyber security incidents to the Group Cyber Security Manager if they suspect anything that might disrupt cyber security or informational assets.

**0**  
Cyber Security  
Incidents





# 5

## HEALTH & SAFETY



### Our response to COVID-19

The COVID-19 pandemic had a serious impact across all industries, including the shipping sector. In order to ensure the safety of our employees and minimize the disruption to our operations, we responded immediately by implementing strict health & safety measures both ashore and onboard our vessels. These measures were in accordance with the guidelines set by the Government, the World Health Organization (WHO) and the industry's best practices.





## Ashore



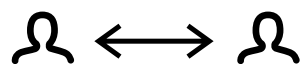
### HYGIENE OR PERSONAL PROTECTIVE EQUIPMENT

(including masks and hand sanitizers) that was available throughout our Company's premises.



### PCR TESTING

twice a month at our Company's premises. Under special circumstances, PCR tests were conducted at employees' homes.



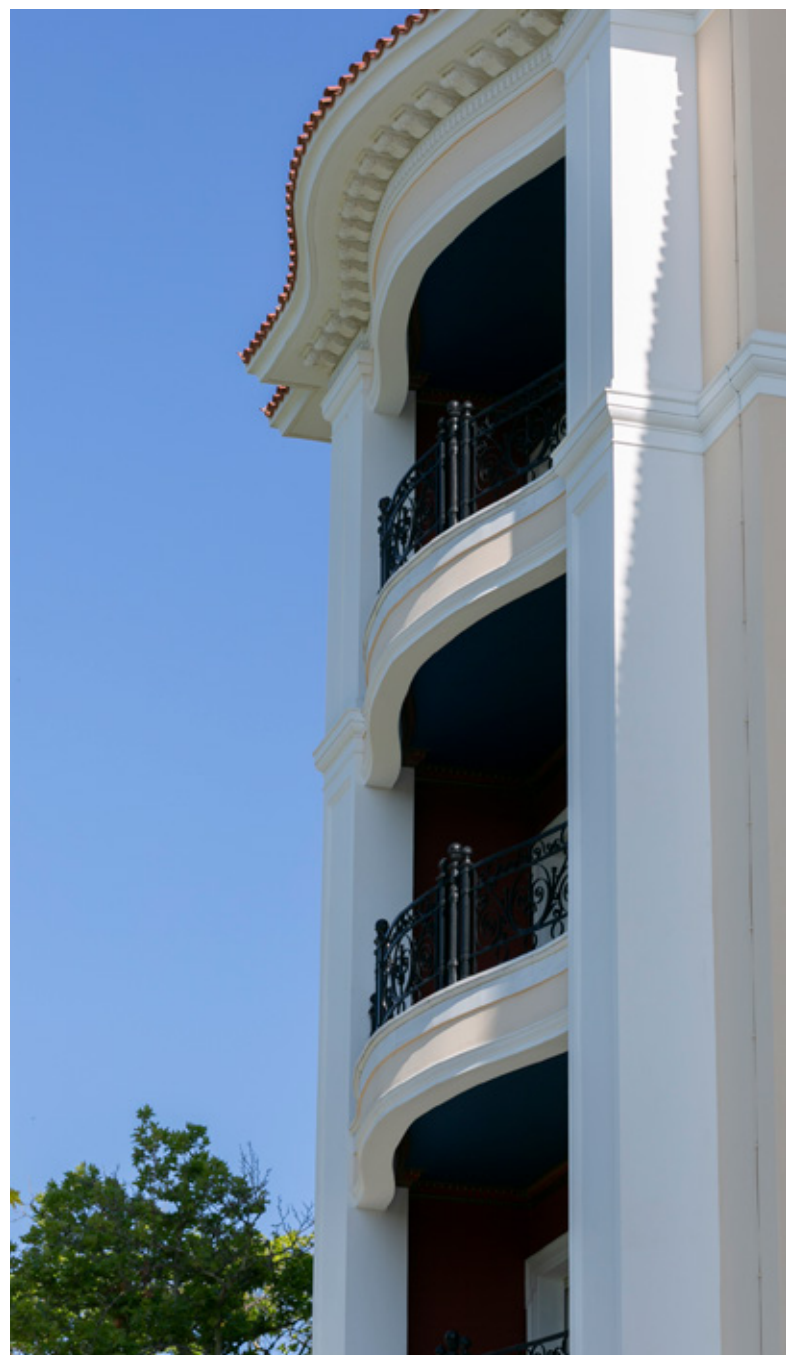
### SAFE DISTANCE

rotation scheme for reduced capacity of employees within the office as per Greek Government instructions



### TRANSPORTATION

alternatives are provided to our employees in order to reach with safety Company's premises.



## Onboard

For our onboard personnel, we developed an Outbreak Management Plan, which includes a set of guidelines to contain the spread of the virus. The purpose of this Plan is to ensure that all health and precautionary measures are applied by our crew, to control the COVID-19 outbreak onboard the vessel.



### SHIP-SPECIFIC 'CREW CHANGES' PLAN

taking into account risk factors relevant to country visited.



### PROTECTION OF CREW

in its exposure to onshore employees during operational activities onboard.



### EMERGENCY RESPONSE

in case of a suspected case onboard.



### RELEVANT CREW CHANGES

based on local regulations.



### HEALTH KIT

(including self-tests and other relevant hygiene equipment.



### 24 / 7 MENTAL HEALTH SUPPORT DEDICATED LINE

for communicating or reporting any concerns.



### MENTAL HEALTH CAMPAIGN

circulation of videos with important advice on stress management from industry specialists and key messages from the Company's Management.



### FINANCIAL APPRECIATION SCHEME

covering both seafarers onboard, as well as those ashore.





## Health & Safety Management System

We are committed to providing a high-quality work environment for our employees that is fully aligned with the international and local labor and human rights, as well as with all health and safety regulations. In this section, we focus on the Social component of our ESG framework and provide our in-

sights on highly significant social topics, such as, our health and safety standards, our approach towards diversity and inclusion, our initiatives for our onboard and ashore personnel, our procurement practices, as well as our contribution to the society.

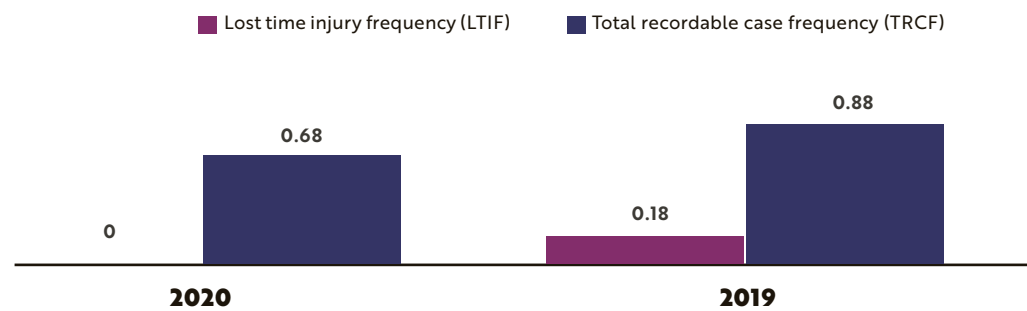
KPI	2020	2019
Number of port state control inspections	52	64
Number of port state control observations	12	13
Number of injuries classified as serious	1	1
Lost Time Injury Frequency (LTIF)	0	0.2
Total Recordable Case Frequency (TRCF)	0.7	0.9

Latsco puts in the first priority the health and safety of its people both onboard and ashore, and continuously strives to apply policies and measures that enhance their wellbeing and prevent any incidents, injuries or loss of life.

Our goal is to achieve zero incidents and zero spills and releases to the environment, and thus, we aspire to constantly improve, adhere to international and local regulations and stan-

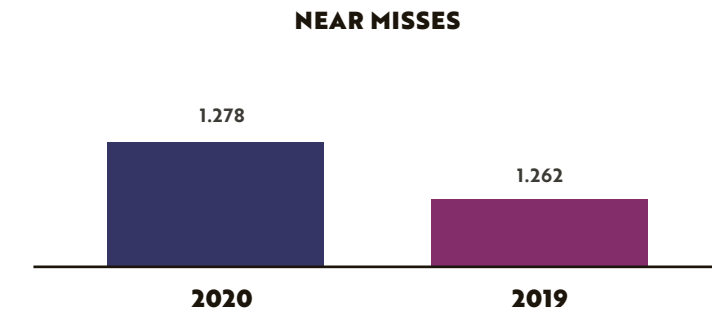
dards, enhance our employees' sense of personal responsibility and eliminate any potential risks which may jeopardize safety onboard our vessels.

In 2020 we managed to achieve zero (0) Lost Time Injury (LTIF) cases, versus a LTIF of 0.18, in 2019. Also, the Total Recordable Case Frequency (TRCF) was reduced from 0.88 in 2019 to 0.68 in 2020.



Furthermore, in 2020, we had zero fatalities, only 1 accident was classified as serious, while the total number of injuries were 9.

Committed to the highest safety standards, we maintain a strict near miss policy and we set targets for near miss reporting. In 2020, 1,278 near misses were reported.



We remain focused on providing the highest quality of services to our customers, while also following our Health & Safety standards. We have developed a Health & Safety Management plan which is applied effectively across all our operations and we continuously monitor its rigorous implementation through a strict schedule of onboard inspections and internal audits.

In 2020, the following audits and inspections were conducted onboard our vessels:

- 93 Ship Inspection Report Programme (SIRE) and Chemical Distribution Institute (CDI) inspections
- 52 PSC (Port State Control) inspections
- 18 External Voyage Data Recorder (VDR) remote audits

We have recorded zero Port State Control detentions and Conditions of Class Recommendations, both in 2019 and in 2020.

**52**  
PSC Inspections  
in 2020

**12**  
PSC Observations  
in 2020





## Supply Chain Management

Latsco has established a procurement procedure that ensures a service of the highest international standards and the best shipping practices.

We believe that sustainability transcends across supply chain stakeholders and, as such, we ensure that our business partners and their practices meet our quality, environmental, economic, ethical, and social standards. In this respect, we have established a proven evaluation process for our suppliers, which includes various criteria covering the following sections:

- ✓ Quality of the service
- ✓ Quality of the supplied product
- ✓ Environmental compliance
- ✓ Energy efficiency improvements
- ✓ Certifications and policies

**341**  
Supplier's evaluations  
performed in 2020

We also aim to consolidate our spare parts shipment and forwarding activities and use high traffic ports, which enables us to monitor and reduce our carbon footprint, while increasing efficiency.

Our procurement procedure is further streamlined, in terms of quality, cost and efficiency using an advanced e-procurement platform in combination with a state of the art ERP.

REGION	TOTAL PURCHASE ORDERS WITHIN 2020
Africa	210
America	1979
Asia	3528
Europe	1646
Oceania	61

**7.424**  
Total Purchase  
Orders within 2020

KPI	2020	2019
CO <sub>2</sub> saved by delivering spare parts & equipment via sea instead of air	173,245 kg	60,873 kg
Total Forwarding Cost	\$ 698,875	\$ 794,958
Forwarding consolidation ratio	6.5 orders per shipment	5.1 orders per shipment

**↑185%**  
CO<sub>2</sub> savings  
by delivering spare parts via  
sea instead of air in 2020





# 6 Environment



## Our approach towards environmental protection

We recognize the significance of climate change and we are taking steps forward to manage and measure our impact through specific actions. Our aim is to protect the marine environment, minimize our environmental footprint and reduce our vessel's emissions. Hence, we constantly aim to improve our operational performance at sea, by reducing the release of pollutants

into the environment and by eliminating the consumption of paper in our head offices. In addition to GHG emissions, other factors influence our environmental footprint and performance as well, such as, waste management, water ballast treatment, energy efficiency and green investments.

KPI	2020	2019
Average fleet Energy Efficiency Operation Index (EEOI) (gr CO <sub>2</sub> / ton - nm)	13.88	14.54
CO2 emissions (tonnes)	705,768	708,436
Average Annual Efficiency Ratio (AER) (gr CO <sub>2</sub> / ton - nm)	5.97	5.81
Total SOx emissions (tonnes)	1,969	9,915
Total NOx emissions (tonnes)	12,941	12,547
Total PM emissions (tonnes)	3,054	4,753
Total waste generated (m3) - Garbage	425.7	432.7
Percentage of fleet equipped with ballast water treatment system (%)	76%	74%
Number and volume of spills and releases to the environment	0	0





## Company Policy & Standards

### Environmental Management System

Latsco has incorporated within its Management System, the principles of ISO 14001:2015, ISO 50001:2018 and an Environmental Policy, through which the company is committed to the protection of the environment, the reduction of emissions, as well as to manage all environmental matters as an integral part of its business both ashore and at sea.

We make efforts to continuously improve vessels' energy performance, fuel consumption, energy use and to minimize energy waste. Through our Energy Policy, we are committed to the efficient conservation of energy both onboard and ashore.

We also aim to reduce the potential adverse effects of air pollution caused by ozone-depleting substances. Specifically, the relevant targets & our monitoring scheme for eliminating air pollution, applies for the following:

- Refrigerant system & onboard consumption
- NOx emissions
- SOx emissions
- Cargo emissions

We have developed and established a modern Operational Performance & Monitoring Center in our premises; in order to collect, analyze and produce reports related with sustainability goals and targets, dashboards, and performance metrics. Indicative activities may include Emissions Monitoring, MRV, IMO DCS, ECA and fuel switching, BWB, EEOI and more.

### High Quality Drinking Water & Ban on Single-use Plastic

Aiming to eliminate plastic bottles, we have installed reverse osmosis filtration systems on board our vessels, which provide unlimited, excellent quality drinking water to our seafarers.



↓13%

Consumption of plastic bottles onboard in 2020

### Preventing fuel spills in the marine environment

We are committed in ensuring safe and secure operations with the lowest impact to the environment. We apply vigorous safety standards and strict operating and monitoring procedures in order to minimize spills to the marine environment through our ISO 14001-environmental management system and the adoption of ISM code procedures for protecting the marine environment. In 2020, zero (0) spill incidents occurred to the marine environment, as a result of our operations.

**0**  
Spills or spill related incidents to the marine environment in 2020



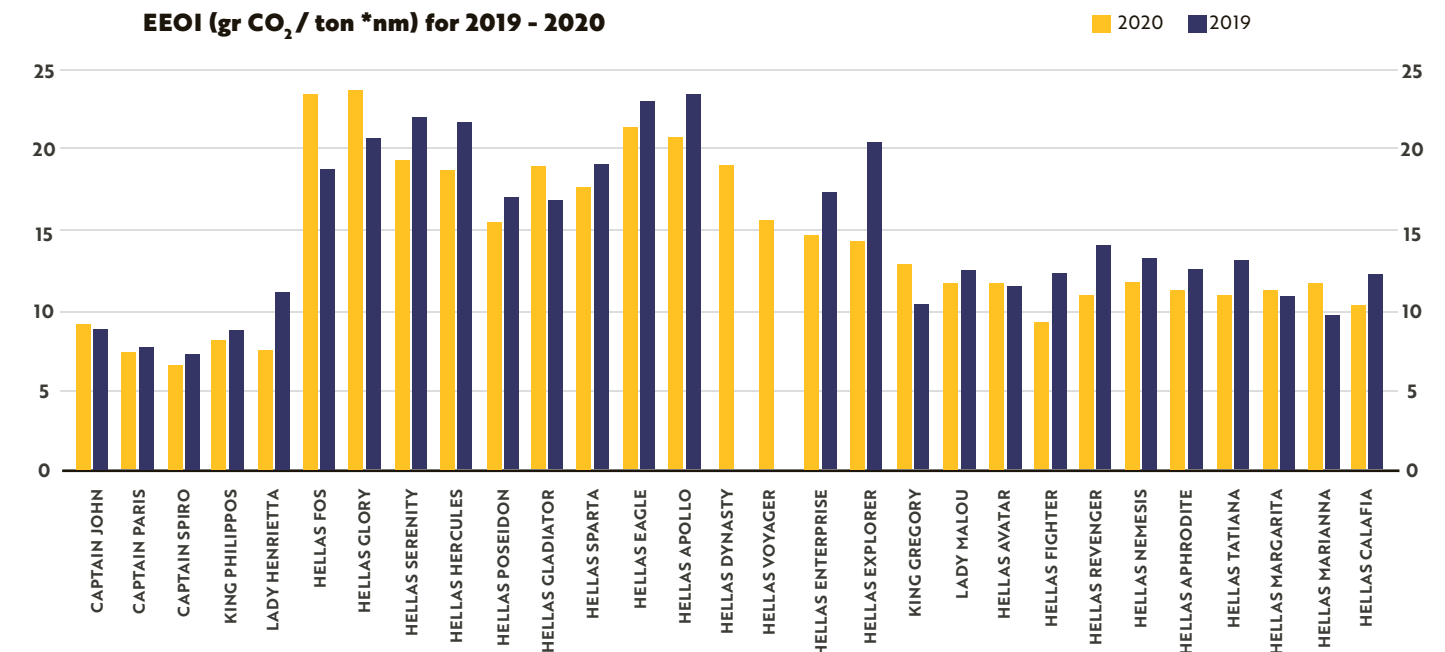
## Energy Efficiency Operational Indicator (EEOI)

Closely monitoring our fleet's energy efficiency is of the highest importance, and this is performed through the use of the IMO's Energy Efficiency Operational Indicator (EEOI). EEOI calculates the CO2 emitted per unit of transport work and is an indicator of the impact of operational enhancement and technical modifications. The units of EEOI are tonnes CO2/ (tonnes x nau-

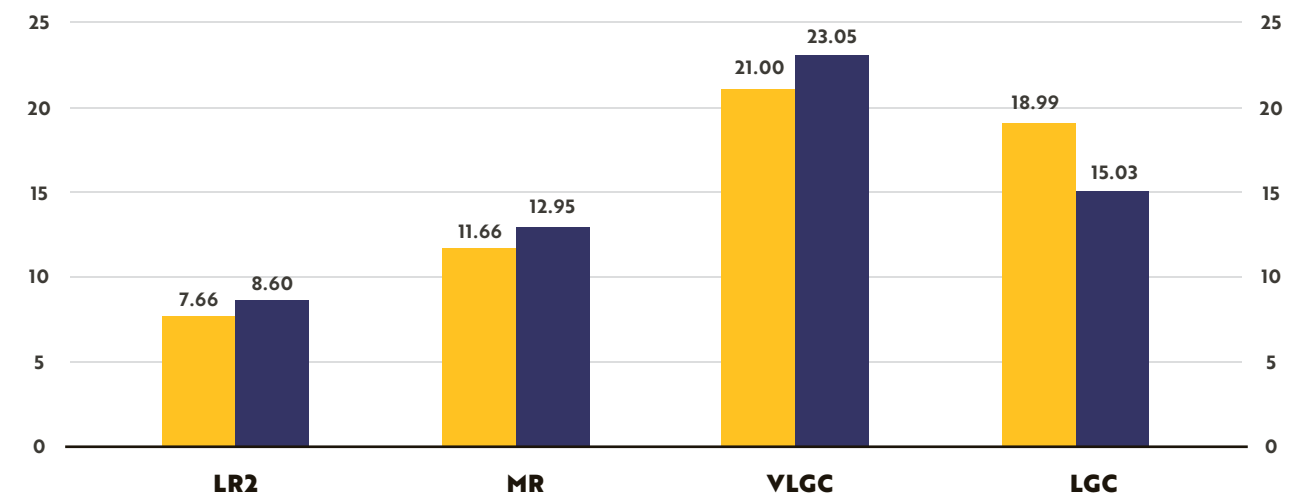
tical miles), meaning that, this indicator depends on the fuel consumption at sea as well as the transport work of the vessel, measured by transported cargo and distance travelled. The average EEOI (gr CO2 / ton\*nm) of our fleet decreased by 4.5% from 14.54 in 2019 to 13.88 gr CO2 / ton\*nm in 2020.

**13.88 gr CO<sub>2</sub>/ ton \*nm**

Average EEOI in 2020



Average EEOI (gr CO<sub>2</sub> / ton\*nm) per type of Vessel 2019 - 2020

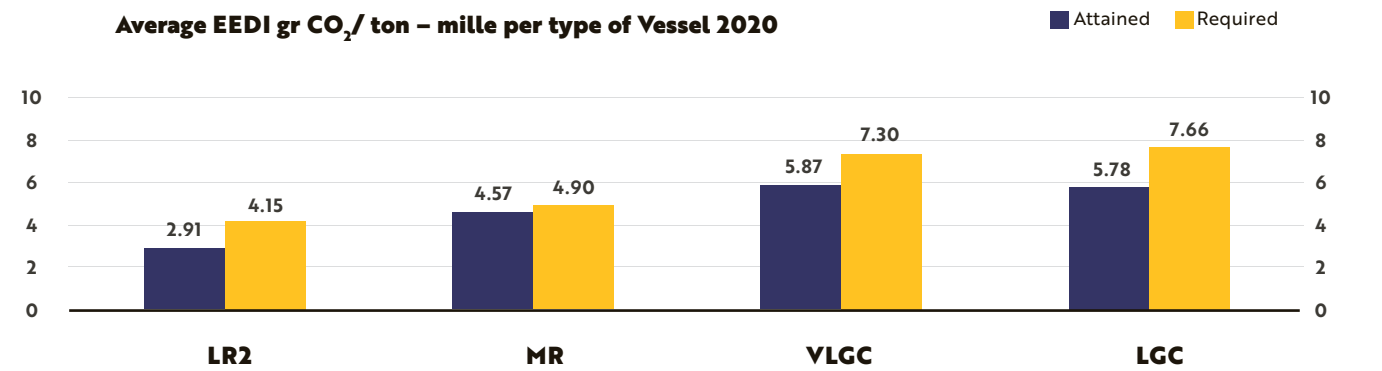
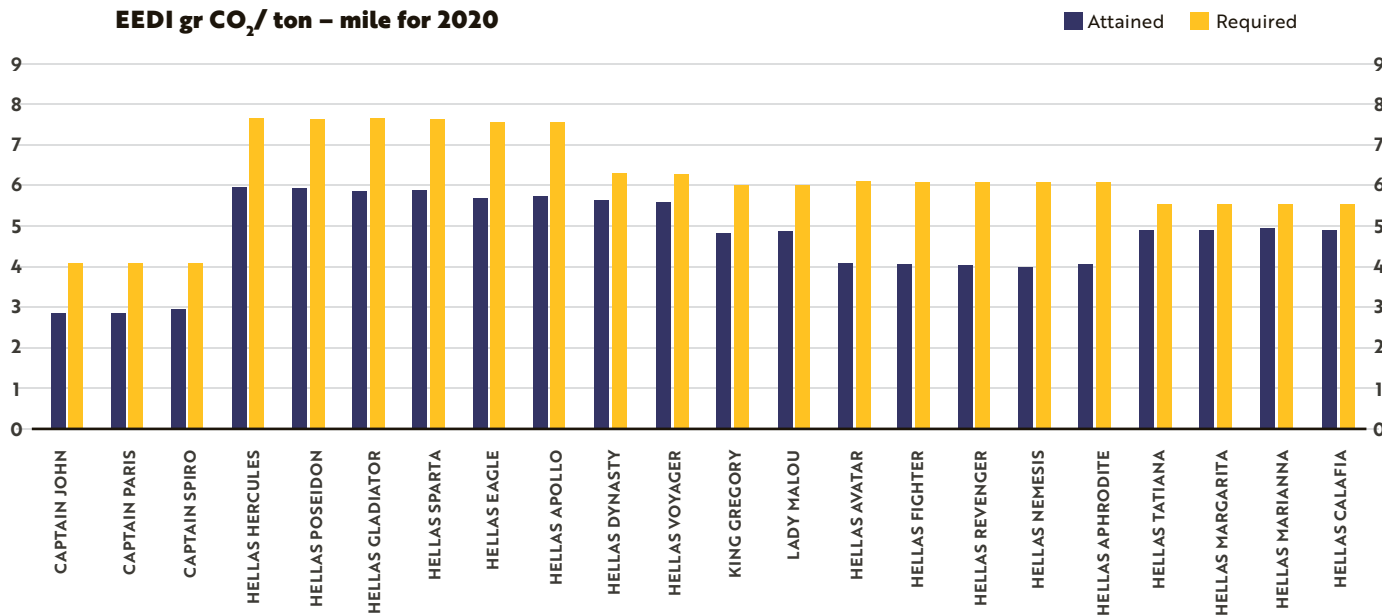




## Energy Efficiency Design Index (EEDI)

The Energy Efficiency Design Index (EEDI) per vessel, evaluates the energy efficiency of the vessel by design. EEDI has become mandatory for new ships at MEPC 62 (July 2011) with the adoption of amendments to MARPOL Annex VI and aims to promote the use of more energy efficient equipment and engines onboard the vessels.

Seven of our vessels have been pre-EEDI delivered, while for the rest 22 the average attained EEDI is 4.8 gr CO<sub>2</sub>/ ton – mile, whilst the required EEDI equals to 5.9 gr CO<sub>2</sub>/ ton – mile.



**4.8 CO<sub>2</sub>/ ton \*nm**

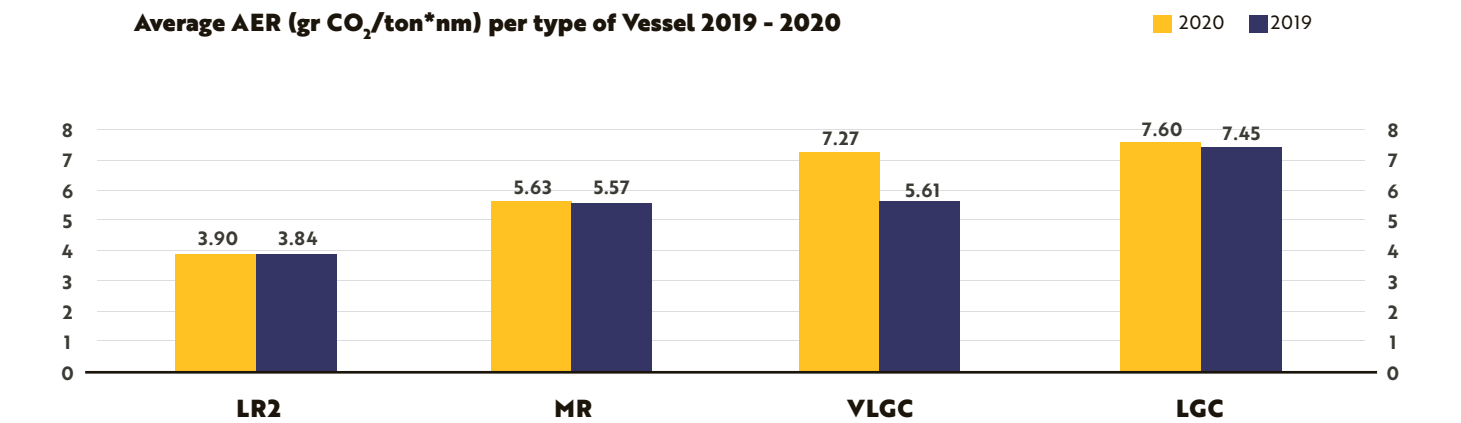
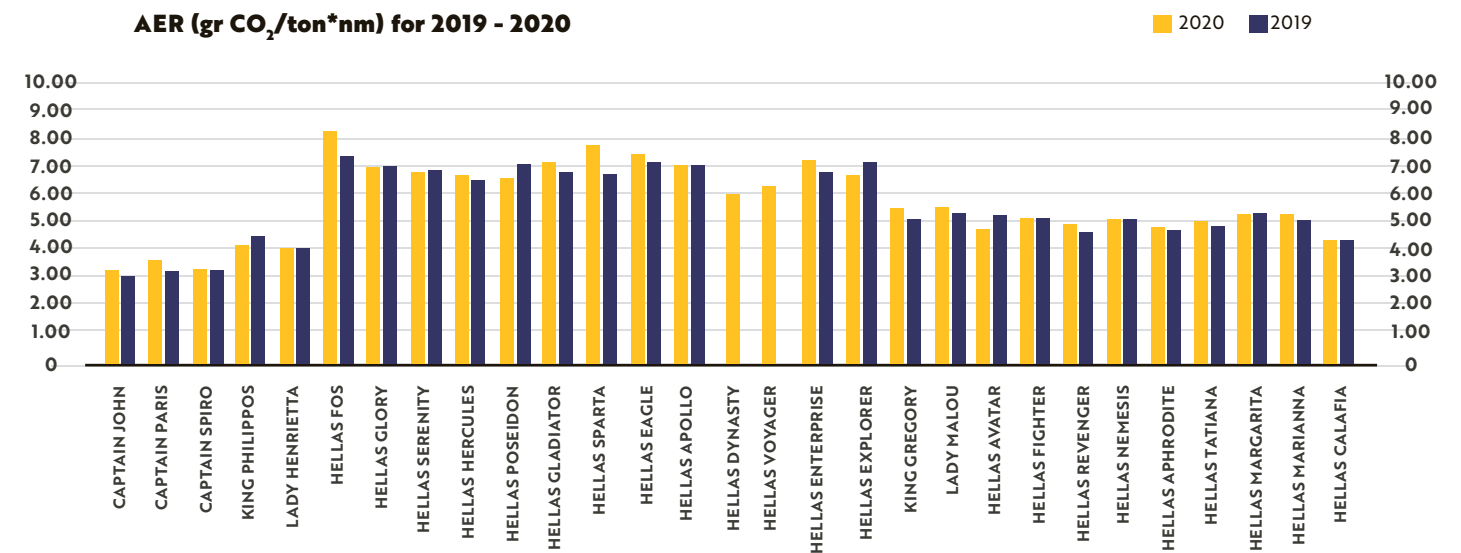
Average Attained EEDI in 2020

## Annual Efficiency Ratio (AER)

Another metric used to assess the energy performance of our vessels, similar to EEOI is the **Annual Efficiency Ratio (AER)**. AER is an independent indicator which is a function of the fuel consumption at sea, distance traveled and vessel's DWT. The increase or decrease of the indicator evinces the corresponding increase or decrease of the consumption over specific distance travelled. The average AER for our fleet in 2020 was 5.97 gr CO<sub>2</sub>/ ton – mile.

**5.97 gr CO<sub>2</sub>/ ton – nm**

Average AER in 2020

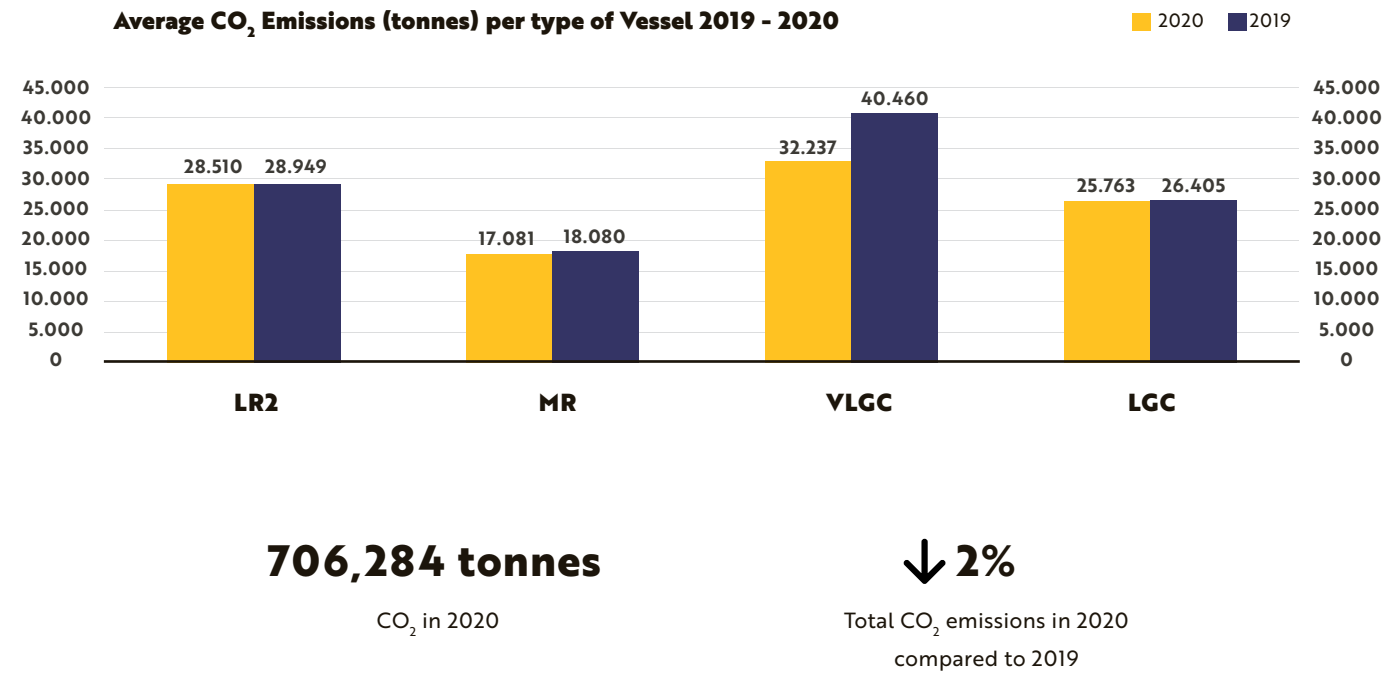
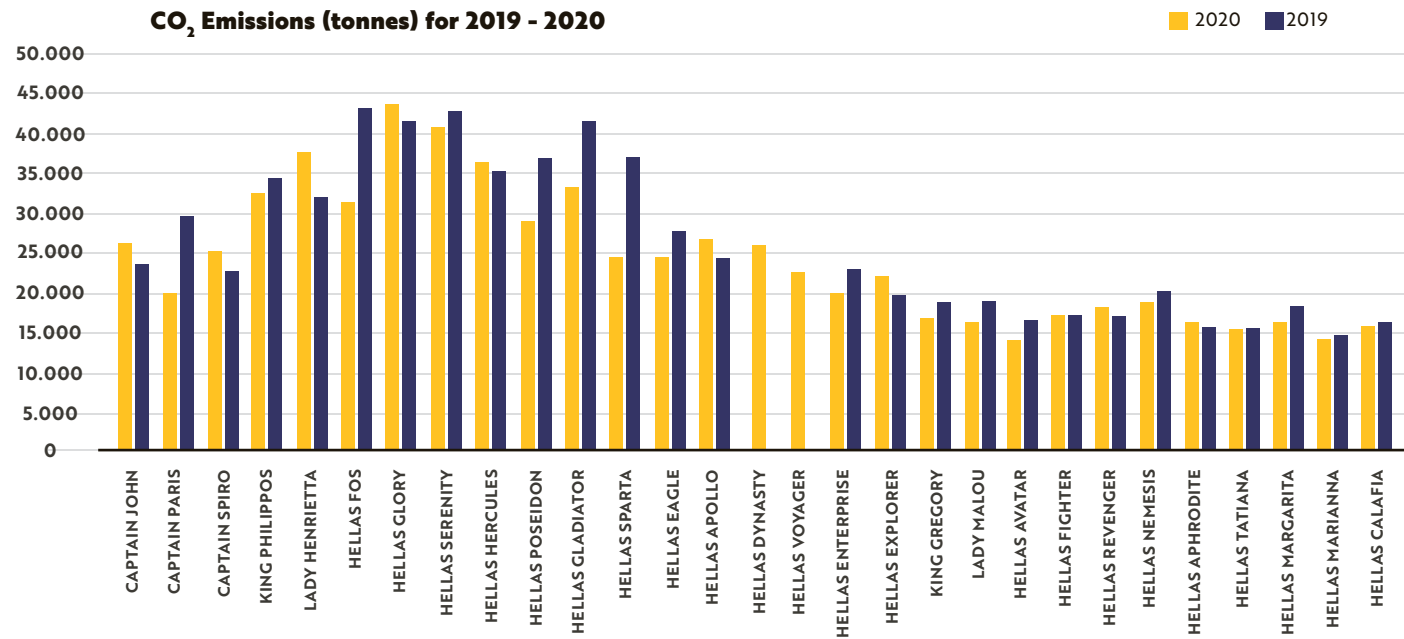




# Emissions Management

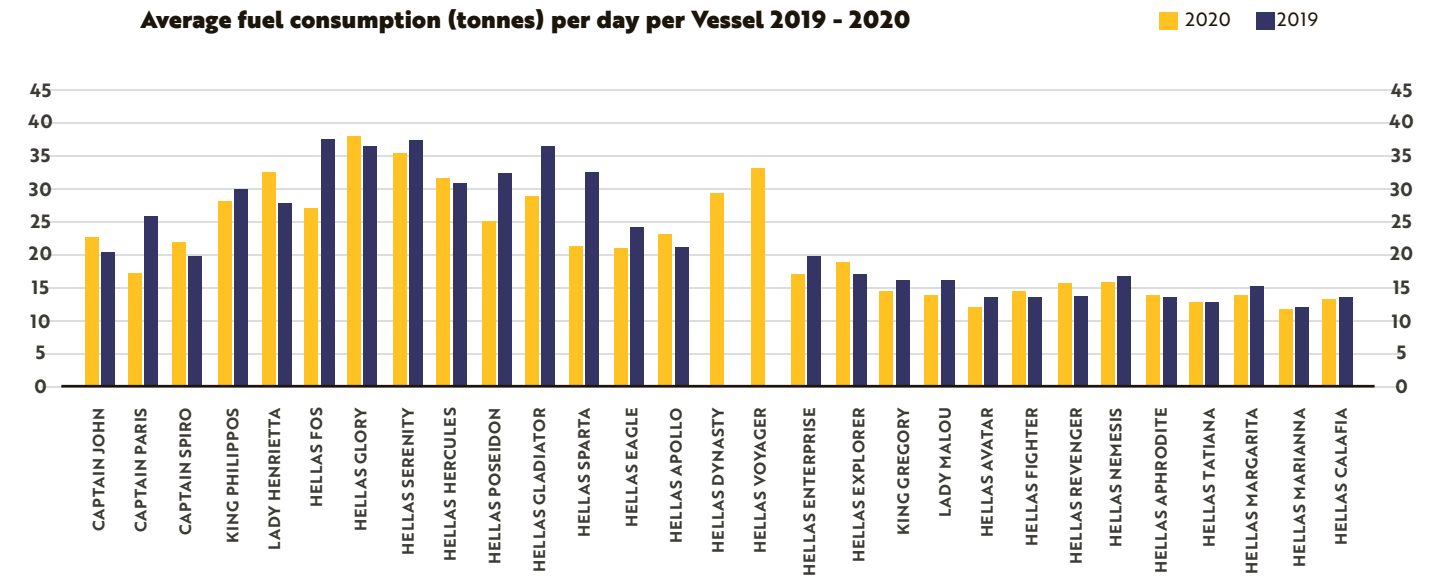
## CO<sub>2</sub> emissions

During 2020, our vessels emitted 705,768 tonnes of CO<sub>2</sub> representing a decrease of 0.4% in comparison with 2019 figures.



# Fuel Consumption

During 2020, our vessels consumed 223,561 tonnes of fuel oil, which is 0.5% less compared to 2019



**223,561 tonnes**

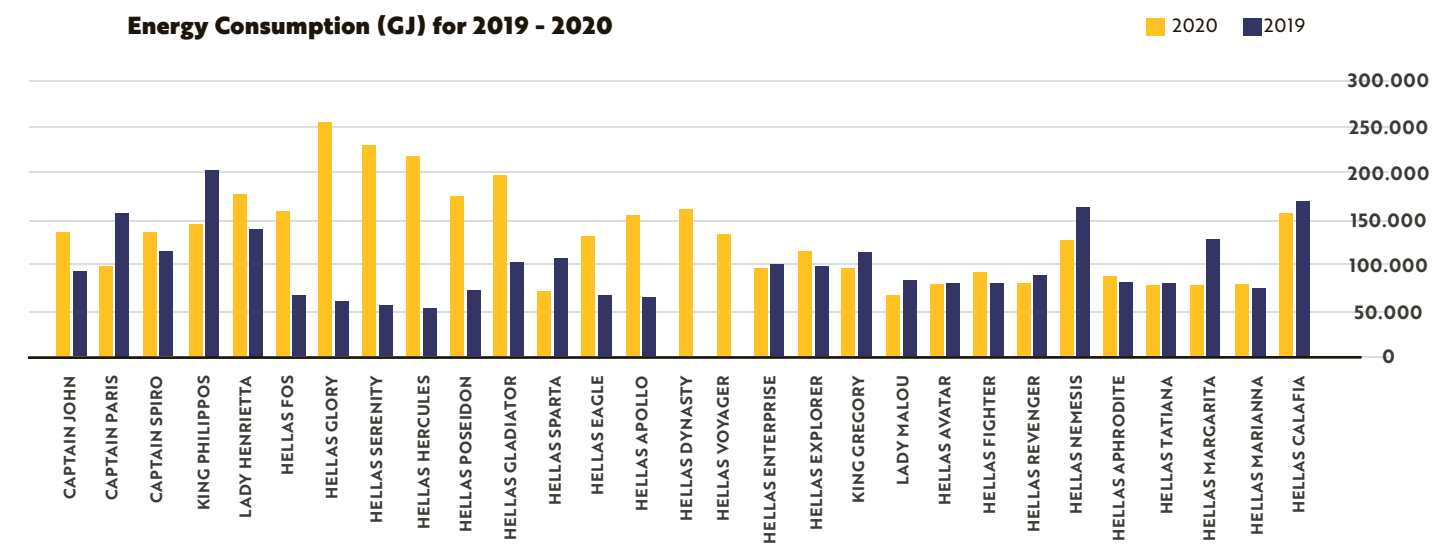
Fuel oil consumption by our fleet

**↓ 0.5%**

Fuel oil consumption in 2020 compared to 2019

# Energy Consumption

Our fleet energy consumption was 3,782,233 GJ in 2020.



**3,782,233 GJ**

Energy directly consumed by our fleet





## SOx, NOx & Particulate Matter

The operation of our ships is directly linked with the emissions released to the atmosphere:

### Sulphur Oxide (SOx)

From January 1, 2020 onwards, IMO introduced the "IMO 2020" regulations to significantly reduce SOx emissions via a number of ways:

- By using low-Sulphur (0.5%) fuel;
- By installing Exhaust Gas Cleaning Systems (EGCSs), or "scrubbers";
- By migrating to an alternate fuel, such as LNG;

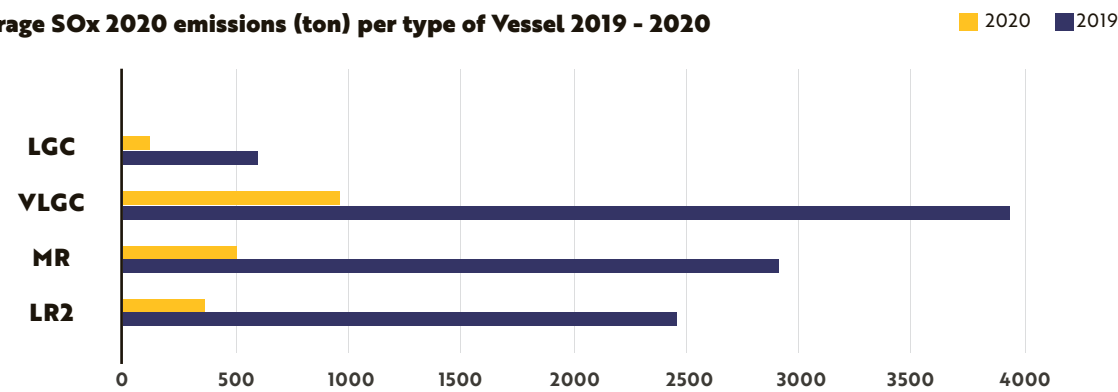
The amount of Sulphur Oxides released to the atmosphere is related to the amount of Sulphur in the fuel used by our vessels. All our ships can operate with low-Sulphur (0.5%) fuel. Furthermore, two vessels are fitted with scrubbers (EGCSs), while our four VLCCs newbuilding's will have scrubbers installed.

During the reporting period, our fleet emitted 1,969 tonnes of SOx. In relation to 2019, our SOx emissions were reduced by 80.1%.

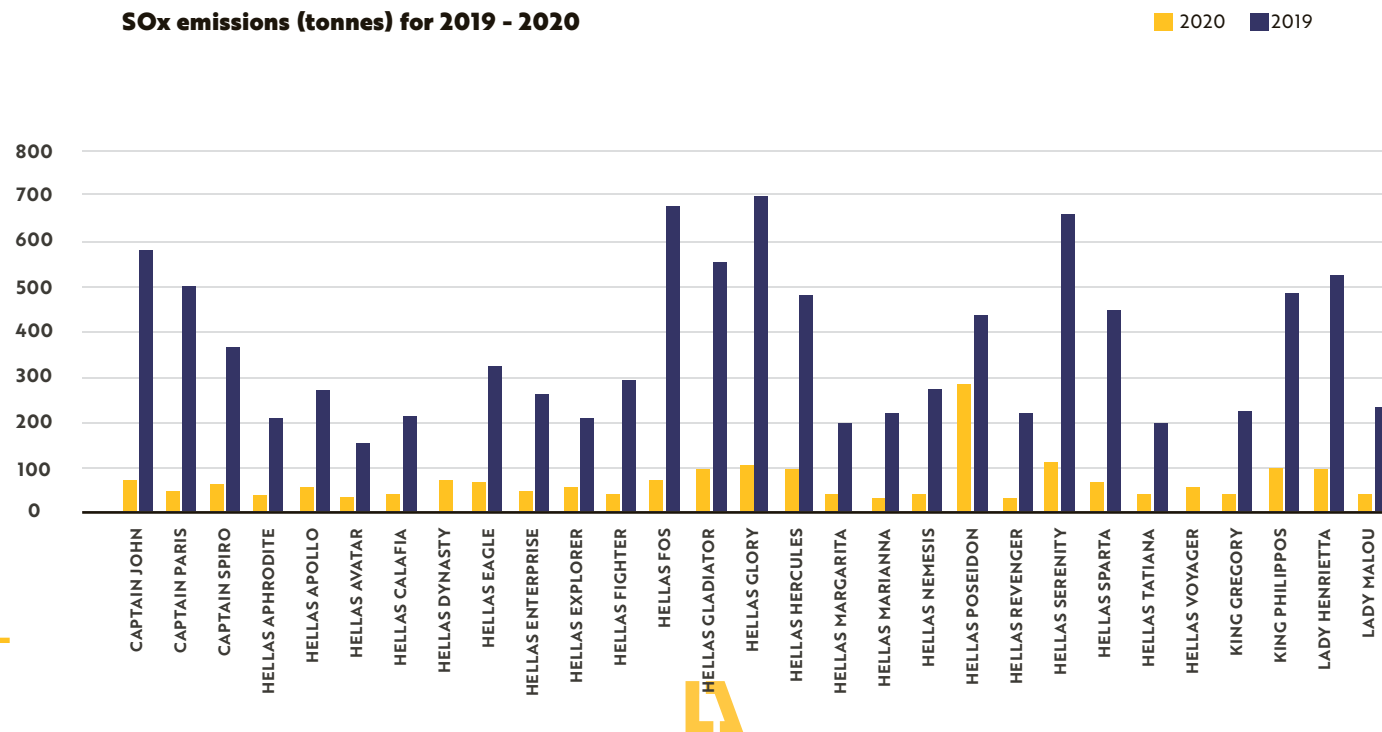
**1,969 (tonnes)  
SOx**

**↓ 80.1%**  
since 2019

Average SOx 2020 emissions (ton) per type of Vessel 2019 - 2020



SOx emissions (tonnes) for 2019 - 2020



### Nitrogen Oxide (NOx)

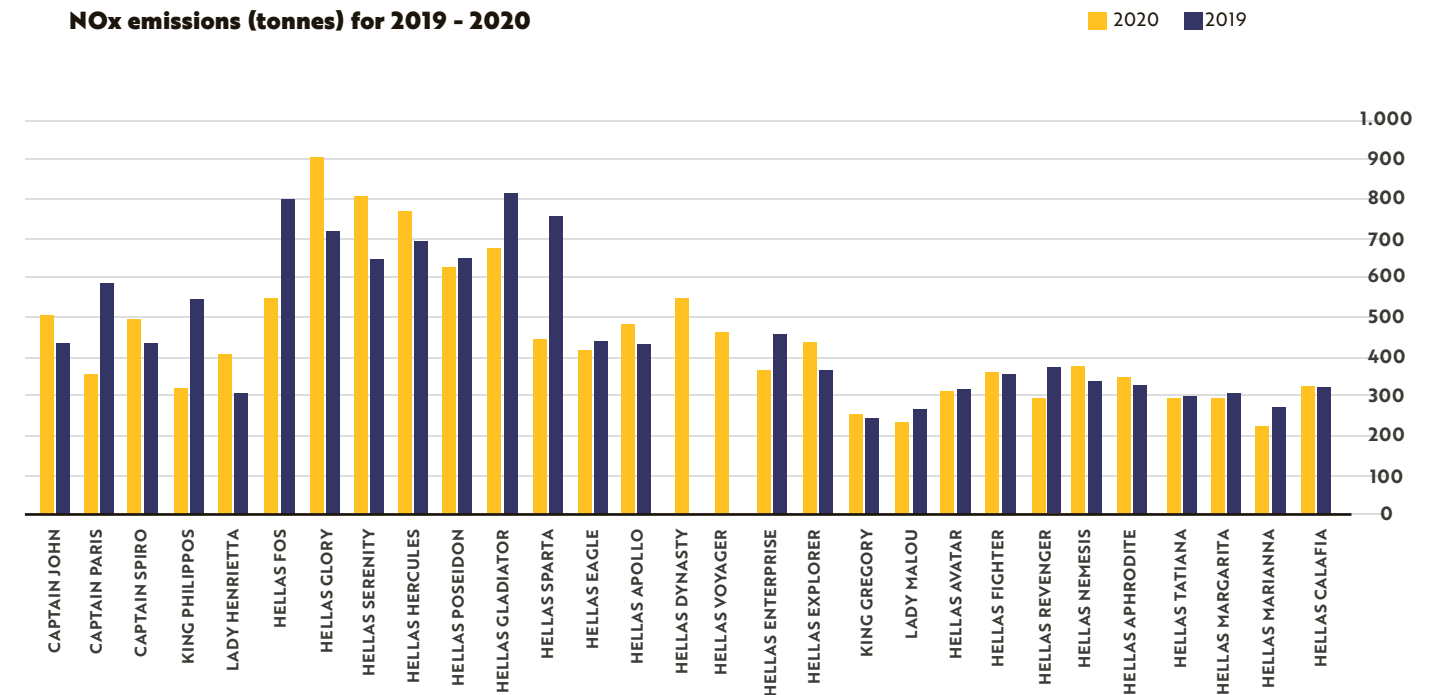
NOx emissions are released to the atmosphere from the reaction of nitrogen and oxygen gases during fuel combustion at high temperatures and are directly related to the amount of NOx produced by the ship's engines. We monitor and comply

with the regulations and guidelines set by the IMO. During the reporting period, our fleet emitted 12,941 tonnes of NOx.

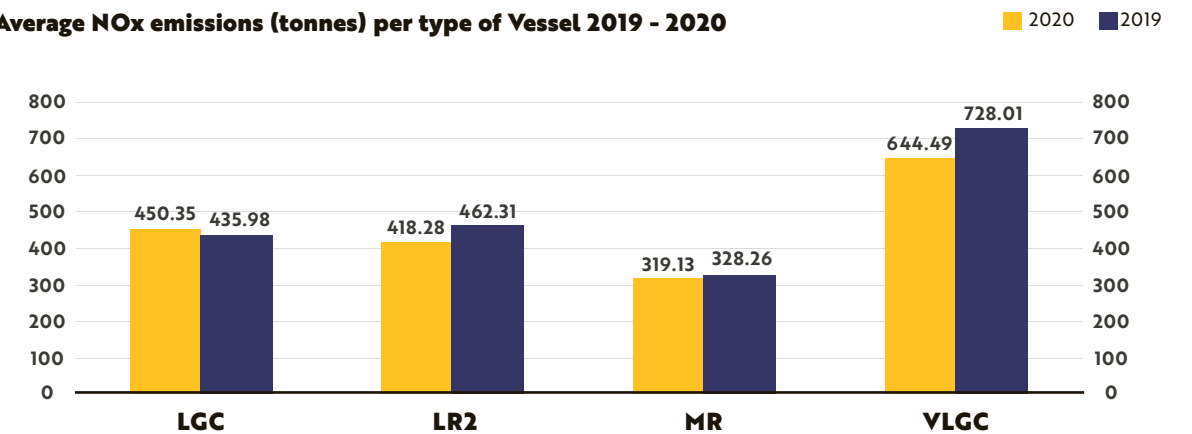
**12,941 (tonnes) NOx**

in 2020

NOx emissions (tonnes) for 2019 - 2020



Average NOx emissions (tonnes) per type of Vessel 2019 - 2020



## Particulate Matter (PM2.5/ PM10)

Particulate matter (PM) emissions refer to the solid particles and liquid droplets found in the air. We monitor PM10 and PM2.5 emissions. PM10 emissions are defined as particulate matter with a diameter of 10 micrometers and PM 2.5 refer to

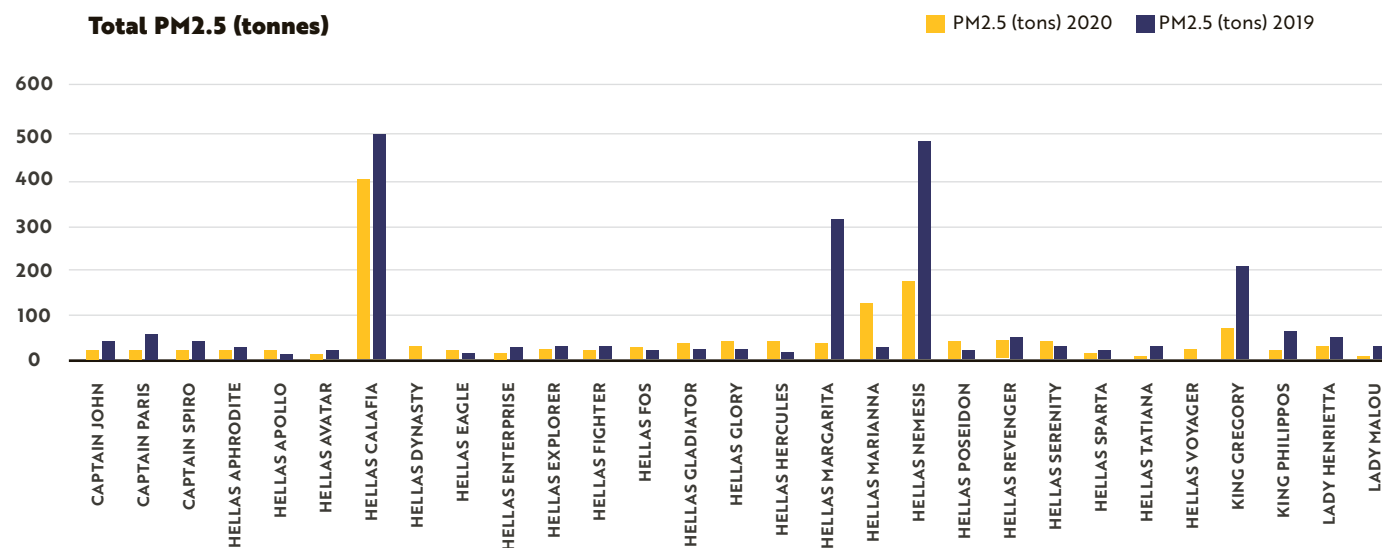
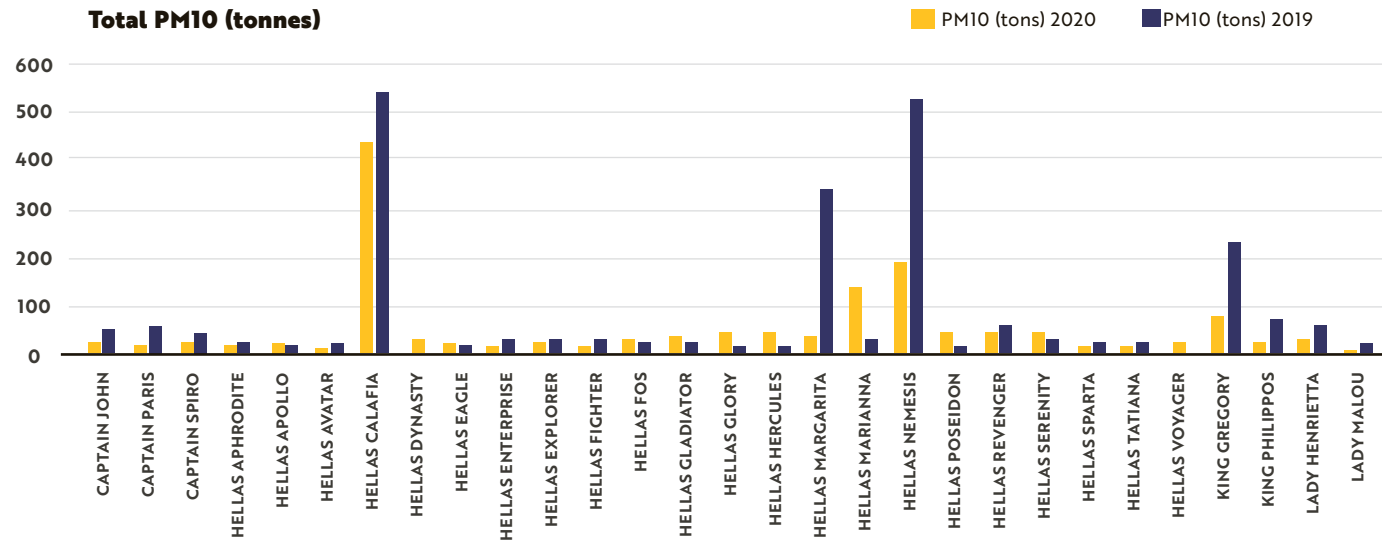
particles with diameter less than 2.5 micrometers. During the reporting period, our fleet emitted 3,054 tonnes of PM in total, reduced by 80.1% compared to 2019.

**1,590 (tonnes) PM10**

**↓ 35.7%**  
since 2019

**1,464 (tonnes) PM2.5**

**↓ 35.7%**  
since 2019



## Waste & Water Management

### Waste

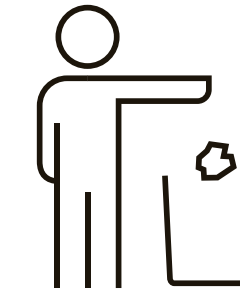
As part of our commitment related to Health, Safety, Quality and Environmental elements, we are monitoring the quantity of garbage generated onboard, and we have developed specific procedures included in our "Ship's Garbage Management Plan and Garbage Record Book", which are an essential part of our environmental management system and comply with the revised MARPOL Convention Annex V (MEPC 62).

We have set as a primary target to identify Single Use Plastic (SUP) onboard and to reduce plastics by 50% by Q1 2020, 75% by the end of Q2 2020, 90% by Q3 2020 and by 100% by the fourth quarter of 2020.

We are proud to report a 13% decrease in plastic waste, compared to 2019 levels, despite the increase of our fleet size in 2020.

**425.7 m<sup>3</sup>**

of plastic garbage waste generated onboard our vessels in 2020



**↓ 13%**

Reduction of garbage plastic generated in relation to 2019

### Water

We have performed a techno-economic evaluation for the installation of reverse osmosis systems onboard our vessels. "Infinity" units have been installed on 27 of our vessels resulting in a 13% decrease in the consumption of plastic bottles onboard our

vessels versus 2019. During the reporting year, 406,080 bottles of water were supplied across 29 vessels, while 466,560 bottles were supplied across 27 vessels in 2019 and we aim to further reduce the number of water bottles supplied to our vessels.



**406,080**

bottles supplied in 2020

**↓ 13%**

bottles consumption in 2020





## Biodiversity

### Ballast Water Management

The proper management of Ballast Water is an important measure undertaken to protect marine biodiversity. The IMO BWM Convention, which entered into force on 8 September 2017, requires all ships in international traffic to closely monitor and manage their ballast water. Ballast Water Treatments Systems (BWTS) remove and destroy non-native and inactive biological organisms (zooplankton, algae and bacteria) that may be present in ballast water and could potentially harm the marine environment.

Latsco has pioneered in the installation of BWTS onboard new-building vessels and took delivery of its first tanker equipped with BWTS in 2012. Since then, building of experience was continuous and all subsequent newbuilding projects have been equipped with BWTS.

As of December 31, 2020, 22 vessels and 4 new buildings (orders) are fitted with BWTS. We have scheduled to retrofit BWTS to 7 more vessels during the period 2022-2023.

**26**

Vessels have been fitted with BWTS

**100%**

of our fleet will be equipped with BWTS by Q4 2023

## Responsible recycling practices

### Initiatives ashore

In addition to the reduction of waste and hazardous material by our vessels, our company encourages additional recycling activities in our offices by:

- Sharing educational information with employees to encourage recycling;
- Placing additional recycling bins
- Recycling large quantities of paper;
- Recycling printer toners, electrical / electronic equipment and light bulbs;



## Ship Recycling

We are fully compliant with the EU regulation (1257/2013) on Ship Recycling and the International Maritime Organization's Hong Kong (HK) Convention, for the safe and environmentally sound recycling of ships. Ship recycling should always be performed in compliance with the stringent safety, health and environmental standards. All our vessels hold an Inventory of Hazardous Materials (IHM) certification, issued by Lloyd's Register (LR).

**100%**

of our fleet is compliant with Hong Kong & EU Convention







# SOCIAL RESPONSIBILITY

**Latsco has a strong sense of community.** Corporate philanthropy and social responsibility have always been at the forefront of our business philosophy and our aim is to continue to undertake such voluntary activities, in order to further improve our social impact.

We promote social prosperity by initiatives such as community contributions & grants, volunteering activities, public health & educational sponsorships.

## Philanthropic Activities

For many years, our company has been actively involved in major community-investment initiatives, by contributing to several non-profit and social welfare organizations, philanthropic foundations and NGOs, including the **John S. Latsis Public Benefit Foundation**, the **Neraida Floating Museum**, the **Greek Shipowners' Social Welfare Company 'SYN-ENOSIS'** and the Greek Company for the **Rehabilitation of Disabled Children "ELEPAP"**.

We stand next to families who need support. We uphold the work of "Floga", an association of parents of children with neoplastic disease.

We support associations and non-profit organizations, such as **Make-A-Wish Foundation**, **ELPIDA-Association of Friends of Children with Cancer**, **Childers on Earth Association**, **Ark of the World non-profit organization**, **Chatzikiriakio Childcare Institution**, **Pediatric Trauma Care's**, **Master's and Mates Union of Greek Merchant Marine**

We also contribute to the work of "**Save a Greek Stray**", whose goal is protecting animals.

## Blood Donation

Our employees donate blood on a quarterly basis in collaboration with the **Athens General Hospital**.

## Promotion of Maritime Education

Every year, in collaboration with various universities, we organize business days in our premises, in an effort to familiarize students and recent graduates with the shipping environment and provide them with networking opportunities. We also support potential future employees with free access to "**Yes Forum**" which is a platform of open dialogue in the Greek shipping industry with participations from principals, companies, university students, recent graduates and young executives. Latsco also participates in various **shipping and career forums** where our colleagues speak about their career paths and job responsibilities.

Moreover, we provide 2 scholarships per year to the students of the **University of the Aegean**, a monetary Award to one of the top performing students and a 6-month fully paid job to a top performing graduate.

We are also part of **Regeneration**, which is the largest paid placement, professional, and personal development program challenging brain drain in Greece by fostering youth employability.





## Environmental Impact & Regulations

### Regulatory Framework

#### 1 Inventory of Hazardous Materials (IHM)

A regulation to control hazardous materials onboard our ships for the Safe and Environmentally Sound Recycling of Ships. Any ship which is 500 GT or over, regardless of flag, will require a valid and certified IHM if calling at an EU port or anchorage. Non-EU flagged vessels can also be certified against EU SRR by complying with the HKC IHM requirements.



Entry into force  
**December 31, 2020**

#### Our response:

The company supports and adheres to the 2009 IMO Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, and the EU Ship Recycling Regulation 1257/2013, in accordance with flag requirements, through its Environmental Policy and the Environmental Management System implemented in compliance with ISO Standard 14001.

- All new building projects have been contracted with the highest voluntary environmental notation, in compliance with the Company's Quality Procedure for New Buildings and Environmental Commitment
- Green Passport Certificate of hazardous material is used in construction and updated through a vessel's operation is available for the fleet and we strictly control the consumable hazardous materials used in the operations.
- All company vessels hold an Inventory of Hazardous Material Certificate and a Statement of Compliance on IHM (HKC) as issued by the corresponding classification society, certifying that ships have been surveyed in accordance with Article 8 of Regulation (EU) No 1257/2013; and, that the inventory of hazardous material available and maintained onboard is fully compliant with the applicable requirements of this regulation.
- The Company's vessels hold interrelated certificates, such as the International Air Pollutions Prevention, with supporting record of Construction & Equipment, Asbestos Free and Antifouling.
- Having designated persons both onboard and ashore who are responsible to maintain the IHM.

#### 2 MARPOL Annex VI 0.50% Sulphur limit

A regulation intended to reduce the amount of Sulphur oxide emissions from ships - either by adopting alternate fuels (e.g. LNG), or installing Exhaust Gas Cleaning Systems (EGCS / scrubbers), or by using fuel oil with a Sulphur content of no more than 0.50% m/m (mass by mass)



Entry into force  
**January 1, 2020**

#### Our response:

- As of January 1st, 2020, our company ensures that the Sulphur content of any fuel oil used onboard ships shall not exceed 0.50% m/m - unless the vessel is fitted with Scrubber or makes use of alternate fuels.
- The company has implemented a comprehensive preparation and planning for the IMO 2020 Compliance framework which is covered for all existing vessels
- The Ship Implementation Plan is a vessel-specific document.
- In line with our Company's Vision to embrace innovation and new technologies and to follow a strategic direction towards sustainable shipping, the company participates in a number of innovative programs and projects relating to the promotion of investments in energy infrastructure and the adoption of clean-energy technologies, in collaboration with reputable industry stakeholders.

#### 3 IMO Strategy on reduction of GHG emissions from ships

Aims at the reduction in total GHG emissions from international shipping by at least 50% by 2050 compared to 2008 levels.



Entry into force  
**October, 2018**

#### Our response:

##### Emissions Monitoring Scheme:

- EEOI (Energy Efficiency Operational Indicator) (gr CO<sub>2</sub> / ton-mile) is monitored to provide an overview of the operational efficiency of the vessel.
- Well established and advanced data collection & analysis in line with the EU Monitoring, Reporting & Verification (MRV) regulation for Fuel Consumption, CO<sub>2</sub> emitted, Energy efficiency parameters, Distance travelled; time spent at sea & transport work.

##### EU Monitoring, Reporting & Verification (MRV) Regulation:

- All company vessels comply with the EU MRV Regulation and the corresponding vessel specific Monitoring Plans are also in place.
- Annual emissions reporting in accordance with EU Regulation 2015/757 as amended.
- GHG emissions of company vessels travelling to and from EU ports are also subjected to third party verification by an independent accredited verifier.



# 4 IMO Ballast Water Management Convention

Sets standards for proper management of ballast water and sediments to prevent the spread of harmful marine species.



Entry into force  
**September 8, 2017**

**Our response:**

- The company's vessels are built in compliance with the D-2 performance standards of the International Convention for the control and Management of Ship's Ballast water and sediments, 2004 (BWM Convention), as amended, as well as the relevant IMO Guidelines
- Ballast water systems installed on LMM vessels are in full compliance with Classification Societies' guidelines and USCG extra requirements.
- Installation of BWTS in all newbuilding projects since 2012 and building up of experience with BWTS since then
- All vessels maintain Ballast Water Record Book and manage their ballast water in accordance with a Ballast Water Management Plan approved by the respective Classification Society. This approved Ballast Water.

# 5 Energy Efficiency Existing Ship Index - (EEXI)

A technical efficiency standard which requires a vessel to achieve a required level of technical efficiency, based on a required reduction factor. Expected to be adopted in June 2021.



Entry into force from  
**January 1, 2023**

**Our response:**

- For 7 out of 29 vessels that have been built prior to the date that the Energy Efficiency Design Index came into force i.e. January 2013 we have calculated the respective index for existing vessels under the name EEXI (gCO2/ton-mile) and we compare it with the reference EEXI that the IMO will implement soon.





## SASB marine transportation material issues

CATEGORY	DISCLOSURE TOPIC	CODE	PAGE REFERENCE
<b>GHG emissions</b>	Gross global Scope 1 emissions	TR0301-01	58
	Description 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	TR0301-02	25
	Total energy consumed, percentage from heavy fuel oil, percentage from renewables	TR0301-03	59
	Energy Efficiency Design Index (EEDI) for new ships	TR0301-05	56
<b>Air Quality</b>	Air emissions for the following pollutants: NOx, SOx, and particulate matter (PM)	TR0301-04	60-62
<b>Ecological impacts</b>	Shipping duration in marine protected areas and areas of protected conservation status	TR0301-06	-
	Percentage of fleet implementing (1) ballast water exchange and (2) ballast water treatment	TR0301-07	64
	Number and aggregate volume of spills and releases to the environment	TR0301-08	54
<b>Employee health and safety</b>	Lost time injury rate (LTIR)	TR0301-12	48
<b>Business ethics</b>	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	TR0301-09	41
	Amount of legal and regulatory fines and settlements associated with bribery or corruption	TR0301-10	N/A
<b>Accident &amp; safety management</b>	Number of serious marine incidents	TR0301-11	48
	Number of Conditions of Class or Recommendations	TR0301-13	49
	Number of port state control (1) deficiencies and (2) detentions	TR0301-14	49

## GRI contents index

GRI STANDARD	DISCLOSURE TOPIC	SECTION	PAGE
<b>GRI 102: General Disclosures</b>	102-1 Name of the organization	Our Company	10-21
	102-2 Activities, brands, products, and services		
	102-3 Location of headquarters		
	102-4 Location of operations		
	102-5 Ownership and legal form		
	102-6 Markets served		
	102-7 Scale of the organisation		
	102-8 Information on employees and other workers		
	102-9 Supply chain		
	102-10 Significant changes to the organization and its Supply Chain		
	102-11 Precautionary Principle or approach	-	
	102-12 External initiatives	-	
	102-13 Membership of associations	Our Company	15
	102-14 Statement from senior decision-maker	Message from our CEO	7
	102-16 Values, Principles, standards, and norms of behavior	Corporate Governance	15
	102-17 Mechanisms for advice and concerns about ethics	Corporate Governance	41



GRI STANDARD	DISCLOSURE TOPIC	SECTION	PAGE
<b>GRI 102: General Disclosures</b>	102-18 Governance structure	Corporate Governance	39
	102-40 List of stakeholder groups	ESG at Latsco	26-27
	102-41 Collective bargaining agreements	-	
	102-42 The basis for identifying and selecting stakeholders with whom to engage	ESG at Latsco	26-27
	102-43 Approach to stakeholder engagement	ESG at Latsco	26-27
	102-44 Key topics and concerns raised	ESG at Latsco	26-27
	102-45 Entities included in the consolidated financial statements	Our Company	14
	102-46 Defining report content and topic Boundaries	-	
	102-47 List of material topics	ESG at Latsco	26-27
	102-48 Restatements of information	-	
	102-49 Changes in reporting	-	
	102-50 Reporting Period	About this report	9
	102-51 Date of most recent report	-	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	-	80
	102-54 Claims of reporting in accordance with the GRI Standards	About this report	9
	102-55 GRI content index	Appendices	73-78
	102-56 External assurance	-	



GRI STANDARD	DISCLOSURE TOPIC	SECTION	PAGE
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### Anti-corruption

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	ESG at Latsco	26-27
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 205: Anti-corruption</b>	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance	41

### Emissions

<b>GRI 103: Management approach</b>	103-1 Explanation of the material topic and its Boundary	ESG at Latsco	26-27
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 305: Emissions</b>	305-1 Direct (Scope 1) GHG emissions	Environment	58
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		60-62

### Effluents and waste

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	ESG at Latsco	26-27
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 306: Effluents and Waste</b>	306-3 Significant spills	Environment	54





GRI STANDARD	DISCLOSURE TOPIC	SECTION	PAGE
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### Environmental compliance

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	ESG at Latsco	26-27
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 307: Environmental Compliance</b>	307-1 Non-compliance with environmental laws and regulations	Appendices	68-70

### Employment

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	ESG at Latsco	26-27
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 401: Employment</b>	401-1 New employee hires and employee turnover	Our People	34-35

GRI STANDARD	DISCLOSURE TOPIC	SECTION	PAGE
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### Occupational health and safety

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	ESG at Latsco	26-27
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 403: Occupational Health and Safety</b>	403-1 Occupational health and safety management system	-	
	403-2 Occupational health services	-	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	-	
	403-4 Worker participation, consultation, and communication on occupational health and safety	-	
	403-5 Worker training on occupational health and safety	-	
	403-6 Promotion of worker health	-	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	
	403-9 Work-related injuries	Health & Safety	48-49



## CATEGORY

## DISCLOSURE TOPIC

## SECTION

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## Training and Education

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	ESG at Latsco	26-27
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 404: Training and Education</b>	404-1 Average hours of training per year per employee	Our People	36

## Diversity and equal opportunities

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	ESG at Latsco	26-27
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1 Diversity of governance bodies and employees	Corporate Governance, Our People	39, 34



## Non-discrimination

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	ESG at Latsco	26-27
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>GRI 406: Non-discrimination</b>	406-1 Incidents of discrimination and corrective actions taken	We had no incidents of discrimination in 2020.	





# ESG Report 2020

Environmental, social & corporate governance



[www.latsco.com](http://www.latsco.com)

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