



**ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED**  
(Company Registration No. 200411055E)

Sustainability Report 2019

Date of issue: 29 May 2020

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*This sustainability report has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”). This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this sustainability report including the correctness of any of the statements or opinions made or reports contained in this sustainability report.*

*The contact person for the Sponsor is Ms Lee Khai Yinn (Telephone number: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*



Part

1

Overview

## Part 1: Overview

- ❖ *GRI: 102: General disclosures*
- ❖ *GRI: 102-1: Name of the organization*

### 1.A. Corporate Profile

Atlantic Navigation Holdings (Singapore) Limited (the “Company” and together with its subsidiaries, the “Atlantic Group” or the “Group”) is listed on the Catalist board (“Catalist”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

This report was prepared in accordance with third year sustainability reporting requirements under Catalist Rules 711A and 711B, read with Practice Note 7F Sustainability Reporting Guide of the Catalist Rules.

- ❖ *GRI: 102-2: Activities, brands, products, and services*
- ❖ *GRI: 102-7: Scale of the organization*

The Atlantic Group’s business activities started in 1997 when Atlantic Marine Services LLC was incorporated in Dubai, United Arab Emirates (“UAE”) to provide ship repair, fabrication and other marine services to ship owners in the Middle East region. The Atlantic Group has since evolved from a ship repair, fabrication and other marine services provider to a ship owner and integrated offshore service provider.

As an integrated offshore service provider, we currently operate mainly through our subsidiaries, namely Atlantic Maritime Group FZE which is based in Hamriyah Free Zone, Sharjah, as well as Atlantic Ship Management LLC which is based in Abu Dhabi, both based in the UAE.

Listed on the Catalist, the Company changed its name to Atlantic Navigation Holdings (Singapore) Limited on 31 July 2012, following the completion of the reverse acquisition by Fastube Limited.

Over the years, our dedicated services have enabled us to establish strong and stable relationships with various leading oil companies, offshore contractors, survey companies, ship owners, ship yards and ship brokers/charterers in the region.

## Our Industry

### Primary

- Offshore Marine Oil & Gas Service Provider
- Shipownership & ship management via MLS Division

### Secondary

- Ship repair & maintenance of marine vessels via SRM Division

## Our Services: (1) Marine Logistics Services (“MLS”)

Our MLS Division provides ship chartering and technical management, principally for the offshore oil and gas as well as marine construction industries, currently operating across the Middle East region.

The division is supported by our owned fleet of 20 vessels (including 1 vessel under investment in Joint Operation) which comprise of 2 lift-boats (a.k.a. jack-up barges), 1 mid-sized DP2 PSV, 4 maintenance utility vessels, 1 work utility vessel, 8 various AHT and AHTSs, 1 crew boat, 1 utility vessel and 2 tugboats. The fleet list and the salient features of these vessels are presented on Page 11 of the Company’s Annual Report 2019 (“AR2019”).

In addition, we also cross-charter vessels from third parties to service contracts which are secured to serve the specific needs of our customers.

We provide services supporting across the different phases of offshore oil-field development encompassing broadly exploration, construction, production, and post-production.

Below is a list of selected main services offered by the MLS Division:

- Anchor handling operations and towage of vessels including drilling rigs, construction barges etc.
- Supporting offshore diving and seismic survey operations, including Remotely Operated Vehicles (“ROV”)
- Transporting materials and structures for offshore construction and installation  
Assisting pipe-laying, cable-laying, jacket commissioning or decommissioning
- Providing standby duties such as fire-fighting duties and anti-pollution and prevention measures
- Providing supply services for production and maintenance operation
- Providing support for Single Buoy Mooring (“SBM”) operation and maintenance
- Cross chartering and management of third parties vessels to serve the specific needs of our customers

## **Our Services: (2) Ship Repair, Fabrication and Other Marine Services (“SRM”)**

Our SRM Division provides afloat and supports dry-dock repair and maintenance services with the workshop facilities based at our premises at Hamriyah Free Zone, Sharjah, UAE, to customers in the shipping and off-shore oil and gas industries as well as to our own-fleet of vessels utilized in our MLS Division.

The types of services provided by SRM are mainly as follows:

- Fabrication, steel and mechanical works, and carpentry
- Electrical and air-condition works
- Blasting and painting
- Tank cleaning

## **Our Services: (3) Project Work**

We also work with other service providers in the offshore oil and gas business to bid for projects that leverage off the strength and core competences of each business. As an illustration, Atlantic Ship Management LLC was involved in a consortium which was awarded a US\$45.2 million project for the purchase and removal of decommissioned offshore and onshore facilities (the “Project”) in April 2017 by a Middle Eastern National Oil Company (“MENOC”), with project completion and closure in 4Q FY2019.

The Group is currently engaged in similar project work which utilizes our DP2 PSV vessel, i.e. AOS Neptune, in supporting offshore operations including those involving ROV operations and seismic studies where project and coordination work with the end-client and other companies providing the supporting services are required.

### *❖ GRI: 102-6: Markets served*

Over the years, our dedicated services have enabled us to establish strong and stable relationships with various leading MENOCs, Engineering, Procurement and Construction (“EPC”) contractors, survey companies, ship owners, ship yards and charterers in the region which currently includes Saudi Arabia, UAE, Oman, and Qatar.

We are a pre-qualified marine support and service provider to various MENOCs and oil majors such as Saudi Aramco, Abu Dhabi National Oil Company and its marine operating companies such as Bunduq Oil Company, Qatar Gas and Qatar Petroleum as well as international offshore EPC contractors including J Ray McDermott, SAIPEM, Subsea 7 and NPCC.

❖ *GRI: 102-9: Supply chain*

❖ *GRI: 102-10: Significant changes to the organization and its supply chain*

The supply chain involves mainly the clients, the operations involving the MLS and SRM operations and the suppliers as summarized on Pages 5 and 6 of this report. There have been no significant changes in supply chain from the last sustainability report.

❖ *GRI: 102-3: Location of headquarters*

Our corporate headquarters is based in Singapore, with the registered office details are as follows:

Address: 30 Cecil Street, #19-08, Prudential Tower, Singapore 049712

Tel: +65 6812 1611

Fax: +65 6812 1601

Furthermore, our share registrar's location is at the following details:

Name: Boardroom Corporate & Advisory Services Pte. Ltd.

Address: 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623

❖ *GRI: 102-4: Location of operations*

While we are registered and headquartered in Singapore, our main operations are in the Middle East, principally in UAE and Saudi Arabia.

The business office addresses of our main subsidiaries are as follows:

(i) Atlantic Maritime Group FZE ("AMG FZE")

Address: Plot No. HD-02 P.O. Box 6653, Hamriyah Free Zone, Sharjah, United Arab Emirates

Tel: +971 6 5263577

Fax: +971 6 5260292

(ii) Atlantic Ship Management LLC ("ASM LLC")

Address: P.O. Box 37288 Abu Dhabi, Unit 205, Al Salam Street, Al Salam HQ Building, Abu Dhabi, United Arab Emirates

Tel: +971 2 4453838

Fax: +971 2 4453837

- ❖ *GRI: 102-5: Ownership and legal form*
- ❖ *GRI: 102-45: Entities included in the consolidated financial statements*

Our ownership and legal form as well as the entities included in consolidated financial statements being audited being the Company and its subsidiaries are presented on Page 16 of AR2019.

- ❖ *GRI: 102-12: External initiatives*

Atlantic Group conducts its operations in line with external initiatives, specifically with Global Reporting Initiative (“GRI”) - Core indicators, and being committed and in compliance with several global industry standards and codes, such as IMO, SOLAS, MARPOL. (See topic [3.A. Material Topic #1: Environmental Protection and Compliance](#))

## **1.B. Board Statement**

- ❖ *GRI: 102-14: Statement from senior decision-maker*
- ❖ *GRI: 102-32: Highest governance body’s role in sustainability reporting*

The operations of the Atlantic Group are managed by the senior management, currently the Chief Executive Officer who is also an Executive Director of the Company, the Chief Financial Officer as well as the Project Director (collectively, the “Senior Management”). While focusing on the operational and financial performance of the Atlantic Group, the Senior Management is conscientiously being mindful and is guided by sustainable business practices being determinants of long-term viability of the Atlantic Group.

The interaction between the board of directors (the “Board” or the “Directors”) of the Company with the Senior Management has enabled the Board to satisfy itself on the way sustainability reporting is structured and functioning through the various levels of management. The Board, together with the Senior Management, is of the view that this sustainability report provides a reasonable and transparent presentation of the Atlantic Group’s sustainability performance. In this respect, we collectively affirm that our sustainability reporting is in compliance with the third year reporting requirements under the Catalist Rules.

The Directors affirm that that the Board has fulfilled its role in considering and determining the material sustainability issues throughout this report, and has considered and will continue to consider and further assess environmental, social, and governance (“ESG”) factors on an ongoing basis.



## 1.C. Ethics & Integrity

### ❖ *GRI: 102-16: Values, principles, standards, and norms of behavior*

The handbook on the Code of Conduct of the Company (the “Code”) sets out the standards of behavior expected all of the employees of the Atlantic Group who are to comply with all existing and applicable laws and regulations in locations where they operate including, but not limited to, compliance to laws relating to fraud, corruption, bribery and all criminal offenses as well as all policies related to Health, Safety and Environment (“HSE”) as per the respective manuals of the Atlantic Group. We aim to achieve the highest levels of corporate ethics and transparency through sound corporate governance and appropriate internal controls.

The Group has a whistle-blowing policy whereby employees may report possible improprieties and breach laws, regulations, public policies and Atlantic Group’s policies as per the Code. All employees may contact their respective heads of department with discussions in confidence on such matters, with his/her identity being protected from reprisals within the limits of the law. All employees also have access to Senior Management with communication channels to the Chairman of the Board, and such matters, if any, are discussed at board meetings.

There have been no reports of corruption, bribery and criminal offenses as well as cases of whistle-blowing in the Atlantic Group during the reporting period. The Atlantic Group will continue to maintain the whistle-blowing policy and other internal controls in place to prevent wrongful acts.

## 1.D. Governance

### ❖ *GRI: 102-18: Governance structure*

The Board of Atlantic Navigation Holdings (Singapore) Limited is committed to maintaining a high standard of corporate governance within the Company and the Atlantic Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

The revised Code of Corporate Governance was recently issued on 6 August 2018 (the “2018 Code”), with the aim to enhance board quality by strengthening board independence and diversity and encourage better engagement between companies and all stakeholders. The 2018 Code is effective for annual reports covering financial years commencing from 1 January 2019. Accordingly, the Company has adopted the 2018 Code in presenting its Corporate Governance Report 2019.

The Corporate Governance Report 2019 in its entirety can be found on Pages 17 to 37 while the information on the members of the Board and the Executive Officers can be found on Pages 7 to 9 of AR2019.

## 1.E. Risk Management

### ❖ *GRI: 102-11: Precautionary principle or approach*

Principle 9 of Atlantic Group’s Code of Corporate Governance is concerned with the importance of risk management and internal controls which can be found on Pages 30 and 31 of AR2019 in its entirety.

## 1.F. Reporting Practice

### ❖ *GRI: 102-54: Claims of reporting in accordance with the GRI Standards*

### ❖ *GRI: 102-48: Restatements of information*

### ❖ *GRI: 102-49: Changes in reporting*

### ❖ *GRI: 102-51: Date of most recent report*

This is Atlantic Group’s third sustainability report (“Sustainability Report 2019”) where GRI Standards: Core Option as sustainability framework is adopted. There are no material changes in the information provided in the second sustainability report dated 29 May 2019. Previous sustainability reports have provided comprehensive information which remain largely applicable while the Sustainability Report 2019 will be streamlined with discussions focused on targets as per the Material ESG Topics.

### ❖ *GRI: 102-50: Reporting period*

Our financial year end is 31 December (“FY”). Therefore, our reporting period would be from 1 January to 31 December. For the purpose of this third year report, the reporting period is 1 January 2019 to 31 December 2019, unless otherwise stated.

### ❖ *GRI: 102-52: Reporting cycle*

Pursuant to Catalist Rule 711A, an issuer must issue a sustainability report for its financial year, no later than 5 months after the end of the financial year. Our reporting cycle, then, is to report on the previous financial year’s sustainability activities by the 31<sup>st</sup> May of each year.

### ❖ *GRI: 102-56: External assurance*

#### **External Assurance of Sustainability Report:**

While this is the 3<sup>rd</sup> sustainability report, we have yet to conduct external sustainability assurance over our sustainability report which we are considering in the future.

## External Assurance of Financial Reports:

External assurance over our financial reports is provided by our external auditors: Ernst & Young LLP. The opinion of our auditors over our financial statements for FY2019 remains unqualified.

❖ *GRI: 102-53: Contact point for questions regarding the report*

We welcome feedback to the Sustainability Reporting 2019 and its sustainability endeavours. For further questions and information regarding Sustainability Reporting, the contact point would be:

Name: Mr. Hsu Chong Pin  
Position: Chief Financial Officer  
Organization: Atlantic Navigation Holdings (Singapore) Limited  
Telephone: +971 6 5263577  
E-mail: [cphsu@amguae.net](mailto:cphsu@amguae.net)



Part

2

**Stakeholder  
Engagement,  
Materiality &  
Material Topics  
Alignment**

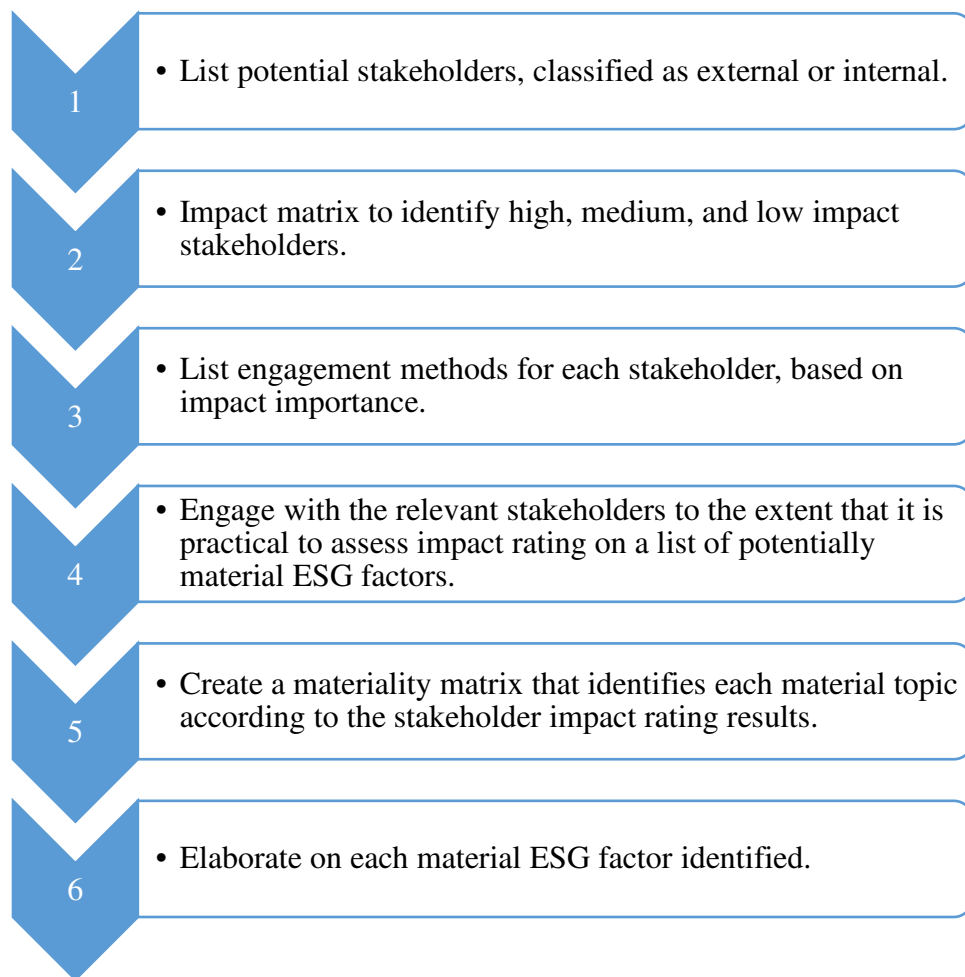
## Part 2: Stakeholder Engagement, Materiality & Material Topics Alignment

### 2.A. Stakeholder Engagement

❖ *GRI: 102-46: Defining report content and topic boundaries*

The previous sustainability reports provided detailed discussion on our stakeholder-centered approach and process. They continue to remain largely relevant but been streamlined and summarized below.

#### Stakeholder-Centered Approach to Materiality



**Step 1:**

❖ *GRI: 102-40: List of stakeholder groups*

The Atlantic Group interacts with and impacts (directly and indirectly) a variety of stakeholder groups. As per previous sustainability reports, the list of 9 potentially relevant stakeholders below, classified as to whether they are internal or external to the organization, continues to be relevant:

<b>SN#</b>	<b>Stakeholders</b>	<b>Classification</b>
1	Customers	External
2	Employees	Internal
3	Management	Internal
4	Shareholders	Internal
5	Creditors	External
6	Suppliers	External
7	Community	External
8	Government / Regulators	External
9	Competitors	External

❖ *GRI: 102-41: Collective bargaining agreements*

The Atlantic Group does not have any collective bargaining agreements with employees or other stakeholders.

**Step 2:**

❖ *GRI: 102-42: Identifying and selecting stakeholders*

After listing the 3 internal and 6 external stakeholder groups, assessment was done to determine the stakeholders' relevance based on the impact they have on us, as well as the impact we have on them. A further step adds a column on the right that helps determine the type of engagement with each stakeholder group from highest impact to lowest impact stakeholders.



The results are illustrated in the below Stakeholder Impact Matrix:

**Stakeholder Impact Matrix – with Engagement Type**

<b>Impact on Atlantic Group</b>	High	- Government / Regulators  - Community	- Shareholders	- Employees - Management	Empower
			- Suppliers	- Customers	Collaborate
	Medium		- Competitors - Creditors		Involve
	Low				Consult
					Inform
				Low	Medium
<b>Impact on Stakeholders</b>					

**Step 3:**

❖ *GRI: 102-43: Approach to stakeholder engagement*

After identifying the relevant stakeholders, the Atlantic Group determines how the various stakeholders are engaged with specific engagement methods Atlantic Group applies towards each of these stakeholder groups as per table below:

**Stakeholder Engagement Methods**

SN#	Stakeholders	Principal Methods of Engagement	
1	Customers	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>
2	Employees	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Employee events / programs</li> <li>• Training</li> <li>• Bulletins &amp; circulars</li> </ul>
3	Management	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Bulletins &amp; circulars</li> </ul>
4	Shareholders	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• SGX-ST website</li> <li>• Meetings</li> <li>• General Meetings</li> </ul>
5	Creditors	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>
6	Suppliers	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>
7	Community	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> </ul>	<ul style="list-style-type: none"> <li>• Community events</li> </ul>
8	Government / Regulators	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• SGX-ST website</li> <li>• Meetings</li> <li>• Government reports</li> </ul>
9	Competitors	<ul style="list-style-type: none"> <li>• Company website</li> <li>• News</li> <li>• Financial statements &amp; other reports</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings (discussion for potential areas of collaboration given similar industry)</li> </ul>



**Steps 4:**

**2.B. Identification of Materiality & Material Topics**

❖ *GRI: 102-44: Key topics and concerns raised*

After determining the most significant stakeholders and their engagement methods, the next step is to assess the ESG topics that are most material under present circumstances and working environment. Selected internal stakeholders, especially management and employees, were engaged to conduct an impact rating assessment on a list of potentially material ESG topics.

In view of the intense industry competition and challenging market environment, balancing the disclosure requirement with commercial sensitivities while bearing in mind the Atlantic Group’s continual strong emphasis on sustainability as guiding principles, the Atlantic Group assesses the material ESG topics as classified by their specific ESG elements as key areas of focus for Sustainability Reporting 2019.

**Step 5:**

**Material Topics – by ESG Classification and Materiality Matrix**

❖ *GRI: 102-47: List of material topics*

Based on the above discussion, we have identified the following material topics segregated by ESG Classification and Materiality Matrix:

<b>Topic #</b>	<b>Topic</b>	<b>By ESG Classification</b>
1	Environmental Protection and Compliance	Environmental
2	Occupational Health and Safety	Social
3	Human Resource Management, Diversity and Equal Access	Social
4	Economic Performance	Governance & Economic
5	IT Process Automation and Cyber Security	Governance & Economic

**By Materiality Matrix**

<b>Importance to Stakeholders</b>	High			<ul style="list-style-type: none"> <li>- Environmental Protection and Compliance</li> <li>- Economic Performance</li> </ul>
	Medium			<ul style="list-style-type: none"> <li>- Occupational Health and Safety</li> <li>- Human Resource Management, Diversity and Equal Access</li> <li>- IT Process Automation and Cyber Security</li> </ul>
	Low			
		Low	Medium	High
<b>Impact to Atlantic Group (i.e. internal)</b>				



Part

3

**Environmental  
Factors  
(GRI: 300)**

## Part 3: Environmental Factors (GRI: 300)

### 3.A. Material Topic #1: Environment Protection and Compliance

#### 3.A.1. Current Policies, Practices and Performance

The Group is committed to a strong set of environmental principles with our overall policy being to minimize the negative impact to the environment associated with our business operations. It is the intention of the Group to conduct all of its operations in such a manner as to minimize any actions that may endanger or harm the environment.

AMG FZE is certified to ISO 14001:2015, Environmental Management System since 2016. We strive to minimize our carbon footprint, manage our water discharge, reduce our wastage, ensuring strict compliance to environmentally friendly practices. We follow all applicable regulatory compliance standards to prevent pollution or environmental damage to land, water and air environments.

#### *Energy and Emissions*

As a responsible organization working in the offshore oil and gas industry that accounts for nearly 2% of total greenhouse gas (“GHG”) emissions yearly, the Group has taken proactive measures to minimize its carbon foot print.

To improve our fuel efficiency at an operational level, we have developed Ship Energy Efficiency Management Plans (“SEEMP”), which AMG FZE’s fleet vessels are in full compliance with, being mandatory for all vessels of at least 400GT. Furthermore, we operate and in compliance with the regulations of MARPOL – International Convention for the Prevention of Pollution from Ships.

As our fleet uses low sulphur Marine Gas Oil (“MGO”) instead of heavier fuel oils, our entire fleet is already compliant with the stringent sulphur cap regulations which limits sulphur emissions to less than 0.5% m/m by 1 January 2020. Our MGO sulphur content ranges from 0.01% to 0.10% m/m which we actively monitor through bunker delivery notes which would indicate the percentage of sulphur at all bunkering operations.

#### *Fuel Management on Vessels*

To the extent of supporting and being directed by our clients in time charters, our fleet in general is equipped with established advanced engines with established manufacturers that are outfitted with Engine Control Modules (“ECMs”) which mainly control a series of actuators on an internal combustion engine to ensure optimal engine performance. In addition, these ECMs allow for continuous monitoring of parameters such as temperature, pressure, fuel oil consumption which provide critical information for the crew for operational decision-making.

Fuel consumption data are analyzed by operations manager and technical team to verify if the values are reasonable in view of the work environment and sea condition. This data also allows comparison with other identical vessels operating in the same field and thereby detect and implement corrective actions for overconsuming vessels.

GHG gas emissions are managed or reduced by the efficient planning of voyages, speed optimization, just-in-time activities, maintaining optimum trim and ballast, together with well-maintained engines and use of quality fuel oils.

*Compliance to International Standards or Regulations*

1	SEEMP	Mandatory for all ships of 400GT and all AMG FZE’s vessels are in full compliance
2	IMO 2020 regulation sulphur cap to less than 0.5% m/m	All AMG FZE’s fleet vessels are using MGO for Main Engines as well as for Generators of whose sulphur content is less than 0.5% m/m.
3	Ballast Water Management Plan (“BWMP”)	AMG FZE’s vessels due for their first International Oil Pollution Prevention (“IOPP”) renewal survey after 8 September 2019 have furnished onboard their respective required BWMPs which are approved by flag administration, with records of all ballast water operations in the respective BWM record books since 8 September 2017, i.e. date of entry into force of this convention

**3.A.2. Future Plans & Focus**

The Group continues to be committed to a progressive reduction of GHG emissions via a reduction in energy consumed through its operations. The introduction of ERP system implemented in 2020 and online working platforms are expected to reduce the paper documentations. The Group also encourages its employees to utilize technologies such as video-conferencing and online work platforms to limit travel and thereby reduce GHG emissions from transportation.

The International Convention for the Control and Management of Ships’ Ballast Water and Sediments (“BWM Convention”), which took effect in September 2017, requires all ships to implement a BWMP. All ships are also required to monitor ballast water discharge and carry out ballast water management procedures according to a given standard where our vessels fully comply with. Moving forward, the Atlantic Group has started pipeline modifications to effectively convert ballast tanks to sealed water tanks so as to achieve freshwater tank designation in consultation and compliance with Class requirements with schedules that coincide with the vessels’ respective special survey schedules, where the vessels upon modifications shall then be exempted from the BWM Convention.

### 3.A.3. Environmental Performance and KPI Targets

For FY2020, we intend to focus on the following Key Performance Indicators (“KPIs”):

#	KPI	FY2018	FY2019	FY2020 Target
1	% of sulphur content in fuel	0.01% - 0.10% m/m	0.01% - 0.10% m/m	Continue to be in full compliance
2	Number of oil spills or hazardous chemical spills	0	0	Target to remain at zero
3	Penalties received for violation of environmental rules including MARPOL, SEEMP	0	0	Target to remain at zero

We continue to monitor the electricity and water consumption at our main office in Hamriyah Free Zone, UAE, which includes workshop where the SRM operations are performed. The table below depicts the level of electricity and water consumption for FY2018 and FY2019 where in both instances there were less than 5% increases which is deemed acceptable given the increased level of activities with group revenue increasing 30% from FY2018 to FY2019 as a proxy.

Utilities KPI	FY2018	FY2019	FY2020 Target
Total Electricity Consumption at office (KWH)	256,320	267,360	To limit increase, if any, in line with activity levels with changes in group revenue as a proxy
Total Water Consumption (Gallons)	400,648	418,896	



Part

4

**Social Factors  
(GRI: 400)**

## Part 4: Social Factors (GRI: 400)

### 4.A. 4.A. Material Topic #2: Occupational Health and Safety

#### 4.A.1. Current Policies, Practices and Performance

The Group believes that the safe operation of vessels, safety of its employees (including contractors and all persons working under its control), together with the public are of paramount importance and the overriding responsibilities and considerations in carrying out its diverse marine operations.

The Group maintains strict control programs to monitor and control its operational risks. We remain focused on increasing Occupational Health and Safety (“OHS”) awareness amongst our employees and crew. Structured safety meetings are held and safety trainings were regularly organized for them throughout the year.

The Stop Work policy of the Group provides the authority to all relevant designated employees or contractors to stop an activity if, in his/her opinion or judgment, the activity is deemed to be an unsafe or risky behavior.

As ship manager, AMG FZE has successfully implemented and maintained an integrated management system in compliance with the latest ISO standards in Quality, Safety and Environment. AMG FZE follows a risk-based approach and proactive method of implementing control measures or taking preventive actions to minimize accident rates.

#### *Industrial Standards*

As one of the leading offshore companies operating mainly in the Middle East, the Group is fully committed to complying with applicable international standards, regulations and statutory requirements from:

- *International Maritime Organization (“IMO”) conventions*
- *International Convention for the Safety of Life at Sea (“SOLAS”)*
- *Maritime Labor Convention (“MLC”)*
- *International Organization for Standardization (“ISO”)*



❖ *GRI: 102-13: Membership of associations*

The Atlantic Group complies with various OHS-related standards and accreditations, including those as per the table below in addition to other specific requirements from our clients, and receive audit reports concerning our level of compliance to ensure that the Atlantic Group abides by the highest OHS standards:

<b>OHS Standards</b>	<b>Applicability</b>
<b>1</b> Maritime Labor Convention (MLC)	Mandatory
<b>2</b> International Safety Management (ISM) System	Mandatory
<b>3</b> International Organization for Standardization (ISO) 45001:2018 – Occupational Health & Safety Management System (OHSMS)	Voluntary

#### 4.A.2. Future Plans & Focus

Compliance with various OHS standards is critical to continue to serve our existing contracts and to secure and tender for new contracts from clients—whether existing and new. In order to ensure this into the future, we strive to not only meet the current standards, but to also proactively anticipate and prepare our fleet for any future possible OHS standards that may arise—whether from clients or from global/industrial initiatives.

In order to achieve this proactive compliance, we constantly keep ourselves abreast with OHS developments and their impacts through close interactions across the operational divisions as well as external clients, and continuously plan for and implement new measures to improve OHS elements within the Atlantic Group.

#### 4.A.3. OHS Performance and KPI Targets

For FY2020, we intend to focus on the following KPIs in relation to Occupational Health and Safety:

#	KPIs	FY2018	FY2019	FY2020 Target
1	# and type of accreditations, standards, and requirements, related to OHS, complied with	3	3	To maintain, while in full compliance with MLC, ISM and ISO OHSMS
2	# of OHS standards and requirements not complied with	0	0	To remain at zero, i.e. in full
3	Lost time injury (number count)	0 (Ratio*: N.M.)	1 (Ratio*: 0.28)	Target Ratio* of less than 1.0 per million man-hours** for offshore crew for relevant FYs.
4	Number of hours of training conducted onboard	1,138 (Ratio***: 16.3)	1,840 (Ratio***: 22.2)	To continue to increase Ratio*** of number per % unit, i.e. as a proportion, of vessel fleet utilization for the relevant FYs
5	Number of safety meeting sessions conducted	353 (Ratio***: 5.0)	1,076 (Ratio***: 13.0)	
6	Number of Safety drill sessions conducted	1,342 (Ratio***: 19.2)	1,560 (Ratio***: 18.8)	

\*\* Approximately 1.50 million man-hours in FY2018 and 3.59 million man-hours in 2019.

\*\*\* Fleet utilization in FY2018 at 70% vs FY2019 at 83% as previously disclosed



## **4.B. Material Topic #3: Human Resource Management, Diversity and Equal Access**

### **4.B.1. Current Policies, Practices and Performance**

We firmly believe that our employees as a collective group, i.e. human resource, is one of the key stakeholders which drives the operational and financial performances of the Atlantic Group. Having a group of key middle-level management employees in leadership positions to support the Senior Management is a source of competitive advantage whose experience and technical knowledge are crucial to ensuring the long-term sustainability of the Atlantic Group.

Underpinned by tolerance as to faith, religions and personal beliefs, the Atlantic Group believes in and is committed to fair employment practices, with recruitment, promotions and salary increment and benefit enhancement based on merit and continual performance. The key foundation is in fostering a cohesive work force based on teamwork and cooperation and reinforced by open communications across the different levels of the organization.

#### *❖ GRI: 102-8: Information on employees and other workers*

The Atlantic Group employs permanent staff in the MLS Division which is based in the UAE and Saudi Arabia as well as in the SRM Division whose operations are based mainly at our workshop in Hamriyah Free Zone, UAE. The MLS Division is supported by employees including those in corporate functions such as Human Resource, Finance and Administration, Legal, which in turn also support the operations of the SRM Division. The employees in SRM Division are mostly semi-skilled or general laborers and are supplemented by daily-rated workers if required.

Crew members work onboard vessels are not deemed as permanent employees as they are mainly on contracts on a “3 months on, 3 months off” basis, with numbers on each vessel complying with class society and other requirements and supplemented by further crew members in consultation with the end-client. As at 31 December 2019, there were 334 crew members onboard compared to 308 as at 31 December 2018 in line generally with the increase in fleet utilization of 83% for FY2019 compared to 70% for FY2018.



The salient information of the Group employees as segregated is as follows:

<b>Employee Information Segregation</b>		
<b>(Number count, except % as indicated)</b>	<b>As at 31 Dec 2018</b>	<b>As at 31 Dec 2019</b>
<b>Group Overall</b>	153	161
- Countries Represented	19	20
- Concentration of Top 5 countries* represented	82.4%	82.0%
<b>Division: MLS</b>	80	94
Of which based in:		
- the UAE	61	67
- Saudi Arabia	19	27
Diversity:		
- Countries Represented	18	19
- Concentration of Top 5 countries* represented	73.8%	74.5%
<b>Division: SRM, based in Hamriyah Free Zone, UAE</b>	73	67
Diversity:		
- Countries Represented	8	7
- Concentration of Top 5 countries* represented	97.3%	97.0%

\* Top 5 countries for FY2019 and FY2018 comprises mainly from the South Asia sub-region including India, Bangladesh, Pakistan and Nepal as well as the Philippines.

### ***Our Corporate Social Responsibilities (“CSR”) Initiatives***

For many years, the Atlantic Group has been involved in the annual Singapore Food Fair held in Dubai, UAE. This is annual charity event being organized and collaborated with our Singapore Consulate, Dubai. Singaporeans who reside in the UAE are encouraged to participate in this annual event. In FY2019, we set up a satay stall – a popular local Singaporean delicacy. Our employees from various departments volunteer to participate in this charity event. A percentage from the sale proceeds from our stall would be contributed to a local registered UAE charity organization as nominated by our Singapore Consulate.

During the main festive periods such as Chinese New Year, Ramadan, Eid, Diwali and Christmas, as a gesture of support and unity during such festivities, we distribute free meals to workers and staff. During the UAE national day, we contributed and donated funds to Hamriyah Free Zone where we operate to contribute to festivities and celebrations.

## 4.B.2. Future Plans & Focus

### *Diversity of Nationalities in Workforce*

Given that the UAE's population profile comprise of about 80% expatriates, our permanent employees come from various countries with different cultures, educational backgrounds and work experience. We will continue to be mindful of the number of nationalities represented as well as the concentration in numbers so that no nationality dominates the workforce and the Atlantic Group continues to benefit from cultural diversity.

### *Staff Turnover*

Additionally, the offshore oil and gas industry had in recent times undergone major changes in economic circumstances and transitions. These development had led to elevated levels of staff turnover where in FY2018 as the industry continued to be negatively impacted by industry conditions leading to staff leaving the industry while in FY2019 it was characterized by general industry recovery with oil price gradually increasing and being less volatile leading to our staff being poached or looking to be based in larger emirates such as Dubai and Abu Dhabi.

While at the time of release of this report, FY2020 had been extremely challenging in view of the COVID-19 pandemic and the collapse in oil prices, we intend to lower the staff turnover so that with a more stable base of employees, it would lead to continuity and enhanced productivity and efficiency through familiarity and team cohesiveness as well as grooming longer-serving employees with growth potential to leadership positions through accumulation of experience at the Atlantic Group.

### *Gender Mix and Equal Access*

Traditionally, the offshore oil and gas industry where our MLS and SRM Divisions serve are staffed by the male gender. While overall consideration are based on merit and suitability based on nature of job scope, we strive to equal access by placing emphasis on gender mix so that there is further diversity to benefit from more well-rounded perspectives and diversity of views with female staff participation in the Atlantic Group. More importantly, we aspire to fill leadership and supervisory positions with female staff especially in more relevant areas involving corporate functions where the Atlantic Group will benefit from leadership balance and diversity and with a view to enhance efficiency over time.

To the extent that it is within our control, given the traditional, cultural and resource backgrounds in Saudi Arabia and nature of work where SRM work is less suitable to the female gender, we will primarily focus on enhancing the diversity and gender mix on the workforce in the UAE within MLS where our female employees currently reside.

### 4.B.3. Human Resource Performance and KPI Targets

For FY2020, in view of the above discussion, we intend to focus on the following KPIs in relation to Human Resource as a key stakeholder group:

#	KPIs	FY2018	FY2019	FY2020 Target
1	Group overall: Diversity of workforce with countries representation; Concentration of Top 5 countries represented	19 Nationalities; 82.4%	20 Nationalities; 82.0%	Continue to monitor for stability of workforce
2	Staff Turnover (%)	24.7%	27.4%	Target to reduce to less than 20% for continuity, allowing for stability of organization, promotion and career progression for employees
3	Gender Mix, i.e. Female staff as proportion of all staff in MLS Division in the UAE	23.0%, 14 out of 61	20.9%, 14 out of 67	To monitor and review for scope for increase, where enhanced gender diversity would result incremental benefit to the organization
4	Female staff in Leadership and Supervisory Positions	4	6	
5	Salaries of Female in Leadership and Supervisory Positions as a % of Total Salaries in MLS Division in the UAE	4.6%	8.9%	
6	Salaries of All Female staff as a % of Total Salaries of MLS Division in the UAE	9.1%	12.6%	



Part

5

**Governance &  
Economic  
Factors  
(GRI: 200)**

## Part 5: Governance & Economic Factors (GRI: 200)

### 5.A. Material Topic #4: Economic Performance

#### 5.A.1. Current Policies, Practices and Performance

Given the ongoing COVID-19 pandemic and continuing subdued and volatility in oil prices, and general oversupply of vessels resulting in competitive pressures on charter rates, many offshore oil & marine companies including the Atlantic Group have been under significant financial pressures. Apart from operating expenditures, with offshore industry being capital intensive business, there are various demands for cash outflows including the continuing need to service loans and interest payments as well as spending on capital expenditures and maintenance resulting from respective annual and special surveys of the vessel fleet.

The Atlantic Group balances and actively manages the needs of these various operating, investing and financing requirements of the various respective stakeholders under the current difficult environment to enable the long-term sustainability of the Atlantic Group.

The Earnings Before Interest, Taxes, Depreciation and Amortization as adjusted for non-cash items (“Adjusted EBITDA”) are tabulated, and together with the fleet utilization rates, are disclosed in our quarterly financial results announced on SGXNet since 2QFY2019. This information provides indications of the economic performance leading to the cash generation abilities of the Atlantic Group to meet payment obligations to creditors and suppliers as well as to fulfil the capital and maintenance expenditures due to annual and special surveys in the upkeep of vessels to sustain operational performance.

#### 5.A.2. Future Plans & Focus

##### *Our Response to Challenges*

With the current difficult market environment, the focus of the Atlantic Group is on maintaining our enhanced level of fleet utilization to broadly commensurate with the current market conditions of our owned vessels supported by our long-term contracts. Sustaining a high utilization rate enables the generation of revenue and cash flows while avoiding unproductive operating expenditures as unutilized or off-hired vessels continue to incur cost while not generating revenue. In addition, maintaining the utilization rate of vessel fleet is supportive of the respective economic objectives of other various stakeholders including customers, employees, creditors and suppliers.

Having taken delivery of all the 7 new-built vessels progressively by January 2019 to support the long-term contracts secured with a MENOC, the Atlantic Group has established a relatively stable base for EBITDA generation as evident in FY2018 and FY2019. It is the intention of the Group to continue to reduce its debt and gearing levels through the EBITDA generated.



### 5.A.3. Economic Performance and KPI Targets

For FY2020, in view of the discussion above, we intend to focus on the following KPIs:

#	KPIs	FY2018	FY2019	FY2020 Target
1	Sustaining the fleet utilization rate	70%	83%	Continue to sustain the utilization rate at enhanced levels bearing in mind the current difficult market environment
2	Adjusted EBITDA generation	US\$16.3mil	US\$19.8mil	Target to sustain the Adjusted EBITDA against the backdrop of difficult market environment and intense competition
3	Gearing ratio	57%	55%	Continue to reduce the gearing ratio, i.e. net debt* divided by total capital plus net debt as tabulated for FY2018 and FY2019 on Page 109 of AR2019

\* Net debt comprises of loans and borrowings as well as trade and other payables, other liabilities, less cash and bank balances in aggregate.

The Atlantic Group looks forward to work closely with our various stakeholders in its endeavour to overcome the current challenging market and industry environment due to the COVID-19 pandemic and the volatility in oil prices to achieve the above objectives. While the above economic KPIs are areas of focus and aspirational targets, they are not to be construed as forecast or prospect statements for the purpose of Note 10 in the quarterly financial announcements on SGXNet.

## **5.B. Material Topic #5: IT Process Automation and Cyber Security**

### **5.B.1. Current Policies, Practices, and Performance**

#### ***IT Process Automation***

The Atlantic Group is continually seeking to improve its work flows and processes and enhance its efficiency, and effectiveness. One of the key areas of focus where such improvements can be achieved is through the IT system which integrates the various functions of the Group across departments from purchase requisition, raising of purchase orders, delivery notes and invoicing as well as interfacing with Human Resources (“HR”) including crewing and payroll requirements.

Given the nature and importance of IT and the related issues of connectivity and use of applicable software and licensing, the Atlantic Group has been investing and adopting IT initiatives relating to the above to achieve its end objective to enhancing productivity. With the increased levels of activities and complexities in our operations across different countries, the focus has been to upgrade our IT softwares to improve efficiencies with enhanced Management Information System (“MIS”) capabilities to better enable, amongst others, revenue and cost analysis, and strategic decision making.

In view of the strategic importance of IT, ensuring robust data protection and security is of paramount importance to the Atlantic Group. Our efforts are focused on business continuity through secured hosting and back-up retrieval as contingency in events of disruptions caused by natural environmental events and mishaps (such as flooding, fire etc.) or deliberate means through attempted unsavoury IT attacks and security breaches with adoption of adequate firewalls and updating of security patches and undergoing training to keep abreast of latest threats and developments.

### **5.B.2. Future Plans & Focus**

The Atlantic Group intends to continue to review our requirement and invest in where required to upgrade its IT processes and systems, embrace new technologies, and conduct training to enhance efficiency through connectivity and communications and able to react and respond to clients and operating demands in a timelier manner. In middle of FY2019, a decision was undertaken to overhaul the new back-office accounting ERP system which will integrate with the HR ERP system. After shortlisting various softwares and vendors, an established software was selected by September 2019. Implementation work commenced shortly with the identification of user requirement and customization with targeted and eventually successful roll-out in 1QFY2020.

We are planning to continue to provide the necessary training required together with our service vendor to develop the skills and familiarity of our colleagues with the new ERP softwares and further customization to allow further efficiency emanating from its MIS capabilities.

### ***International Maritime Organization (IMO) - Cyber Security***

As per IMO, maritime cyber risk refers to a measure of the extent to which a technology asset could be threatened by a potential circumstance or event, which may result in shipping-related operational, safety or security failures as a consequence of information or systems being corrupted, lost or compromised. Cyber risk management then encompasses the processes of identifying, analyzing, assessing and communicating a cyber-related risk and accepting, avoiding, transferring or mitigating it to an acceptable level, considering costs and benefits of actions taken to stakeholders.

With the overall objective to support safe and secure shipping being operationally resilient to cyber risks, the Maritime Safety Committee, at its 98th session in June 2017, adopted among others, Resolution MSC.428(98) - Maritime Cyber Risk Management in Safety Management Systems (“SMS”). The resolution encourages companies to ensure that cyber risks are appropriately addressed in existing safety management systems (as defined in the ISM Code) no later than the first annual verification of the company's Document of Compliance (“DOC”) from 1 January 2021.

The Atlantic Group has already commenced preparation work, with policy and procedure manuals being prepared and requirements been determined for communications between on-shore staff and off-shore crew to ensure the data security and consistency of data transmission for safe and secure vessel operations. Maritime Cyber threat management will be based on Confidentiality, Integrity and Availability, i.e. “CIA” model when assessing the impact levels.

#### **5.B.3. IT Performance and KPI Targets**

For FY2020, in view of the discussion above, we intend to focus on the following KPIs:

#	KPIs	FY2018	FY2019	FY2020 Target
1	Dedicated IT Staff to support operations	1	2	Target to increase in line with requirements including IMO and sophistication
2	IT Expenditure and Investments (US\$'000, estimated)	45.7	46.7	Target and projected to increase in line with increased activities, IT compliance and initiatives to further enhance data security
3	Compliance with IMO – Maritime Cyber Risk Management in SMS	Preliminary assessment	Development work to formalize manuals and procedures	Progressive rollout and full compliance as included in first annual verification of DOC from 1 January 2021



Part

6

**GRI Content  
Index**

## Part 6: GRI Content Index

❖ *GRI 102-55: GRI content index*

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Part

7

**Index on SGX  
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## Part 7: Index on SGX Rulebook Compliance

Rulebook Clause	SGX Rulebook Requirement	Reference in Report
<b>711 A</b>	Sustainability report	<ul style="list-style-type: none"> <li>• Throughout</li> </ul>
<b>711 B1 a)</b>	Material environmental, social and governance factors	<ul style="list-style-type: none"> <li>• Part 2: Stakeholder Engagement, Materiality &amp; Material Topics Alignment</li> </ul>
<b>711 B1 b)</b>	Policies, practices, and performance	<ul style="list-style-type: none"> <li>• Part 3: Environmental Factors</li> <li>• Part 4: Social Factors</li> <li>• Part 5: Governance &amp; Economic Factors</li> </ul>
<b>711 B1 c)</b>	Targets	<ul style="list-style-type: none"> <li>• Part 3: Environmental Factors</li> <li>• Part 4: Social Factors</li> <li>• Part 5: Governance &amp; Economic Factors</li> </ul>
<b>711 B1 d)</b>	Sustainability reporting framework	<ul style="list-style-type: none"> <li>• Part 1: Overview → 1F. Reporting Practice → GRI Standards - Core</li> <li>• Part 2: Stakeholder Engagement, Materiality &amp; Material Topics Alignment → 2.A. Stakeholder Engagement</li> </ul>
<b>711 B1 e)</b>	Board statement	<ul style="list-style-type: none"> <li>• Part 1: Overview → 1.B. Board Statement</li> </ul>
<b>711 B2</b>	Primary content exclusion	Not Applicable