

A wide-angle photograph of an offshore wind farm at sunset. The sky is a mix of orange, yellow, and blue, with scattered clouds. Several wind turbines are visible, with one in the foreground on the right being particularly prominent. Two service vessels are in the water, leaving white wakes. The large white text '2024' is superimposed over the left side of the image.

2024

SUSTAINABILITY **REPORT**

Member of the SCHULTE GROUP



LETTER FROM OUR CEO

Strengthening Governance for a Sustainable Future

At BSM, we believe that strong governance is the foundation of sustainable success. Amid global uncertainty and the growing complexities of the maritime industry, we reaffirmed our unwavering commitment to ethical governance that prioritize both people and the planet.

Our zero-tolerance approach to corruption and bribery is embedded in every layer of our operations. In 2024, we addressed five confirmed incidents of unethical conduct, reinforcing our commitment to accountability. We continued to strengthen our defenses through rigorous anti-corruption training, active participation in the Maritime Anti-Corruption Network (MACN), and enhanced cybersecurity programs to protect our digital infrastructure and ensure operational resilience. Our governance efforts extend beyond compliance, they are about building trust with our stakeholders and ensuring long-term resilience. In 2024, we launched the Local Corporate Citizenship Committees, empowering employees to lead community initiatives and amplify our social impact. By nurturing a culture of openness, continuous learning, and ethical leadership, we are not only meeting today's challenges but preparing for tomorrow's opportunities.

We also advanced our supply chain governance by auditing 86 suppliers, with an overall sustainability readiness score of 56%, and embedding ESG criteria into procurement decisions. Automation streamlined supplier onboarding, while freight analyses helped us consolidate shipments, cut logistics costs, and choose more efficient, eco-friendly transport options.

Charting a Resilient Path to Decarbonisation

With nearly 99.7% of our emissions stemming from our managed fleet, we focused our efforts on reducing our environmental footprint, enhancing operational resilience, and supporting our clients in navigating the complexities of decarbonisation. Through retrofitting projects, expanded use of LNG and biofuels, and the deployment of smart telemetry systems, we are driving meaningful change across our operations. Notably, 58% of our fleet achieved our decarbonisation targets, while the remainder met minimum regulatory requirements.

Despite these efforts, our overall emissions increased due to the expansion of our fully managed fleet and extended voyages caused by geopolitical disruptions in key maritime chokepoints. These challenges underscore the urgency of building a more resilient and sustainable maritime sector. To support this, we expanded our digital capabilities, offering real-time emissions monitoring, compliance support, and consultancy services to help clients meet evolving regulations such as the EU ETS and FuelEU Maritime. We also contributed over 100 vessels to Intertanko's GHG benchmarking tool, reinforcing our commitment to transparency and industry-wide progress.

Our environmental strategy is underpinned by a robust Energy Management System aligned with ISO 50001:2018, with 8 out of 9 Ship Management Centres already certified. We have increased the share of LNG and LPG to 14.8% of our total fuel mix and over 1,500 seafarers received advanced training in vessel performance and decarbonisation, significantly improving data quality and operational efficiency. Additionally, 86% of our vessels now use electronic record books, and we are on track to eliminate single-use plastic bottles by 2025. Our partnership with Eyesea initiative further demonstrates our commitment to protecting marine ecosystems and supporting local communities.

In a landmark step, the keel laying of a novel CO2 tanker, within the framework of the Northern Lights project, set to be managed by BSM, demonstrates our leadership in emerging climate solutions. Looking ahead, we are committed to setting science-based targets aligned with the Paris Agreement and developing a comprehensive Transition Plan for Climate Change Mitigation by 2026, ensuring our continued contribution to a sustainable maritime future.



LETTER FROM OUR CEO

Social Responsibility and Workforce Empowerment

In the face of worldwide economic instability and evolving industry demands, we remained committed to fostering a resilient, inclusive, and future-ready workforce. In 2024, we prioritized the safety, well-being, development, and engagement of our people, both at sea and ashore. Through targeted salary adjustments, flexible work arrangements, modern payment options through eWallet BSM Pay, improvement of internet availability onboard and mental health support, we strengthened our ability to attract and retain talent while ensuring our teams remain supported and empowered. Our employee and seafarer satisfaction scores reflect this progress, with retention rates reaching 85% and 88% respectively.

Safety remains our highest priority. Despite the progress we have achieved, the heartbreaking loss of four seafarers in 2024 stands as a powerful reminder of the critical need to continuously improve our safety protocols and foster a culture rooted in learning and prevention. In response, we implemented targeted training, revised procedures, and reinforced our commitment to a culture of prevention and care.

In 2024, we launched advanced training programs and career development opportunities tailored to the needs of our employees. Towards this end, and aiming to deepen our culture of open dialogue, we launched a new pulse survey tool in the third quarter of 2024, offering real-time, concise feedback from employees every quarter. We have continued to invest in learning and development, to meet the rising demand for skilled maritime professionals, launching our Maritime Training Centre (MTC) in Ghana, in October 2024. BSM also introduced a new innovative educational programme for future seafarers. BSM Smart Academy is a collaboration with selected maritime universities worldwide with the goal of closing the gap between academic knowledge and practical training.

Our focus on diversity, equity, and inclusion continued to progress, marked by an 8% increase in female seafarers and growing awareness of our DEI agenda across the organization. The gender pay gap at BSM was reduced by 12%, and we expanded our female mentorship programme to include all new seafarers on fully managed vessels participating in the Schulte Group cadet programme. We also provided mental health resilience and accountability training to human resources and managerial staff for shore-based employees, and we developed in-house training capabilities focused on mental health and well-being for seafarers. We remain committed to creating a workplace where every individual feels valued, respected, and empowered to contribute meaningfully.

I extend my heartfelt thanks to our global teams for their dedication and to our partners and clients for their continued trust. The road ahead is challenging but vital. We remain committed to our goals and confident that global regulations will evolve to support a fair and sustainable future. Together, we can drive meaningful change across the maritime industry.

Sincerely,



Sebastian Hardenberg
CEO, Bernhard Schulte Shipmanagement

1

Introduction

2

Social

3

Environment

4

Governance

Glossary

CONTENTS

Letter from our CEO	2
Contents	4
1. Introduction.....	5
1.1 How We Create Value	5
1.2 ESG Strategy and Governance	7
2. Environment.....	11
2.1 Climate Change Mitigation	12
2.2 Pollution	21
2.3 Biodiversity and Ecosystems	23
2.4 Resource Use and Waste Management.....	24
3. Social.....	26
3.1 Secure Employment	27
3.2 Strategic Workforce Expansion and Employee Well-Being	28
3.3 Human and Employee Rights	30
3.4 Health and Safety	31
3.5 Training and Skills Development	34
3.6 Diversity, Equity, and Inclusion	39
4. Governance	42
4.1 Our Culture	43
4.2 Corruption and Bribery	49
4.3 Supply Chain Management.....	52
Glossary.....	54



1	Introduction
2	Social
3	Environment
4	Governance
	Glossary

1.1 HOW WE CREATE VALUE

Bernhard Schulte Shipmanagement (BSM) is a proud member of the Schulte Group, leveraging over 140 years of maritime heritage and operating across all major global shipping hubs. We simplify the complexities of modern shipping by delivering a comprehensive portfolio of integrated services through our specialized subsidiaries and entities.

Our strength lies in our diverse and skilled teams, who drive innovation, uphold our values, and set ambitious goals that reflect our commitment to excellence. As a leading third-party ship manager, BSM ensures the safe, reliable, and efficient operation of vessels worldwide.

We provide ship management, crew management, and training services to a broad customer base across more than 30 global locations, supporting a wide range of vessel types. An overview of our Value-Added Services (VAS) is outlined below.

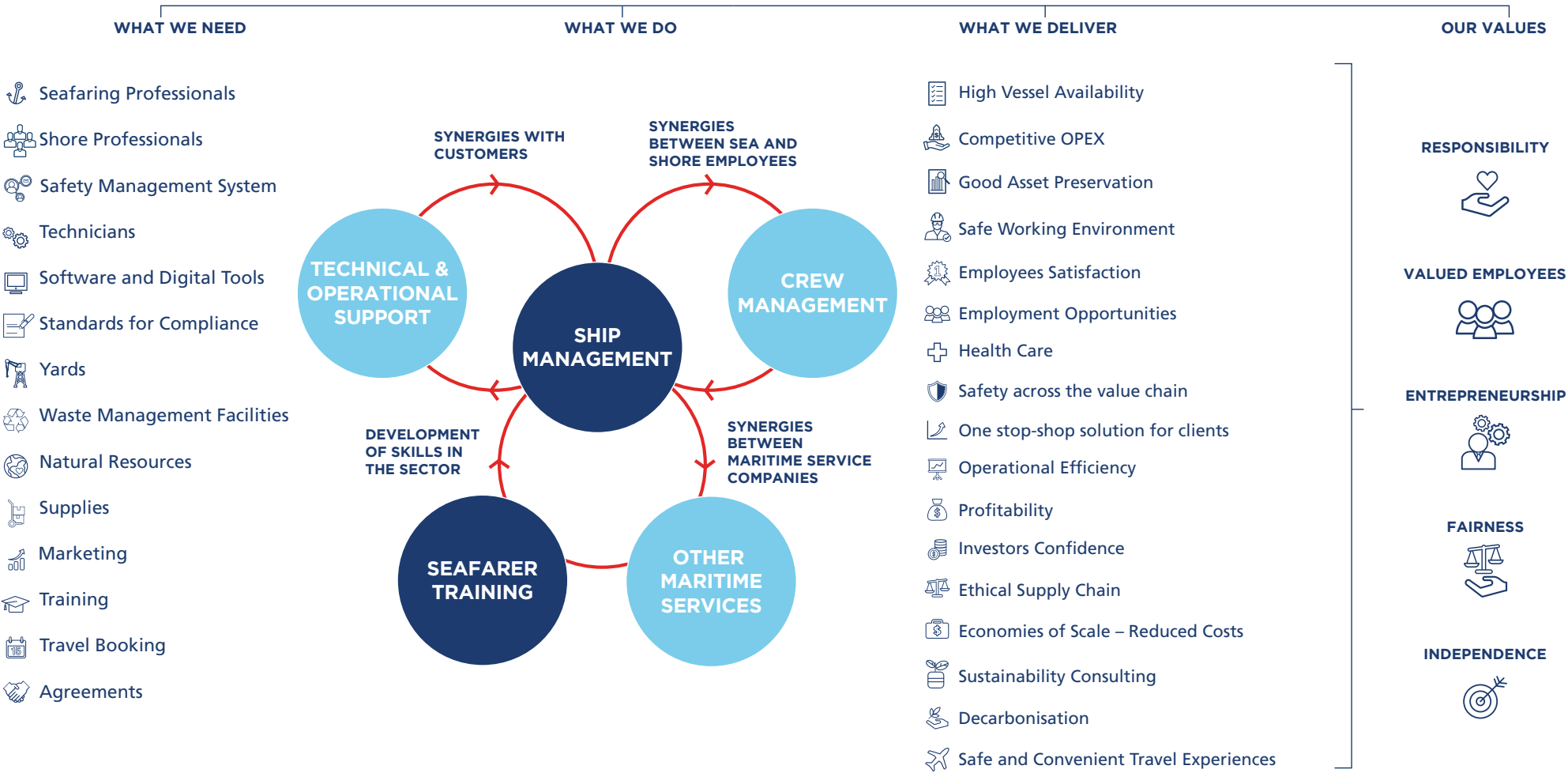
At BSM, we recognize the environmental and social impact of our operations. That’s why we are actively advancing our efforts to digitalize operations, decarbonize the maritime sector, and uphold the highest standards of ethical conduct, contributing to a more sustainable and responsible shipping industry.



 SMC SCHULTE MARINE CONCEPT	Offers end-to-end solutions for newbuilding, conversion and retrofit projects coupled with technical consultancy and support for fleets in service.	 FMC INTERNATIONAL	Offers ship inspections, audits, maintenance and repair, remote services and consultancy, covering various aspects of maritime operations.	 EURASIA TRAVEL NETWORK ETN	Offers simplified and cost-effective travel planning while ensuring a smooth journey for business travellers and multinational crews.
 GENPRO MARITIME & COMMERCIAL PROCUREMENT	Offers the most competitive terms and conditions for procuring a wide range of marine products, consumables, and services by negotiating agreements with international ship suppliers.	 BSM CATERING SERVICES	Offers hospitality services along the entire value chain including catering management, housekeeping, training and crewing of hospitality professionals.	 PRONAV	Offers specialised technical LNG ship management services and experienced, highly qualified LNG crewing services
 HANSEATIC MARITIME HEALTH	Provides health care support, hospital management, telemedicine and medical consultancy services to Crew, Shipowners and Ship managers.	 BSM CRUISE SERVICES	Offers maritime solutions to the cruise industry, including technical and crew management, superyacht crew recruitment, and more.	 HANSEATIC CONNECT	Specialises in global recruitment solutions of qualified staff and specialised personnel for the healthcare and medical sector as well as the hospitality and leisure industry.



WE ENABLE OUR BUSINESS PARTNERS TO ACHIEVE THEIR OBJECTIVES THROUGH
APPLIED KNOWLEDGE, EXPERIENCE, AND INNOVATION.



1.2 ESG STRATEGY AND GOVERNANCE

In an increasingly complex global landscape marked by geopolitical uncertainty and evolving regulatory expectations, we are steadfast in aligning our corporate strategy with the European Union’s Corporate Sustainability Reporting Directive (CSRD) and broader sustainability frameworks. As part of our commitment to responsible maritime operations, we are enhancing our ESG practices to meet the latest CSRD requirements, including transparent CO₂e emissions reporting and the integration of sustainability metrics into our core business decisions. This alignment not only ensures compliance with EU directives but also reinforces our resilience and adaptability in a dynamic operating environment, positioning us to deliver long-term value to stakeholders while contributing to a more sustainable global supply chain.

ESG as a Strategic Compass

Our dedication to Environmental, Social, and Governance (ESG) principles is deeply embedded in every facet of our organization, from strategic planning to daily operations. We are committed to aligning our business practices with long-term environmental stewardship and positive societal impact, while cultivating a culture of sustainability across our workforce, local communities, suppliers, and partners. This holistic approach ensures that sustainability is not just a goal, but a mindset shared throughout our value chain.

Developing a meaningful ESG strategy begins with a clear understanding of what truly matters to our business and stakeholders. We conduct a thorough assessment of our operations, engage in active dialogue with key stakeholder groups, and evaluate our financial resilience to ensure our priorities are well-informed and balanced.

Stakeholder engagement supports us in identifying existing or emerging impacts or risks. By maintaining continuous engagement and listening closely to the evolving expectations of those we impact, we ensure that our ESG initiatives are both inclusive and responsive, driving progress that is both measurable and meaningful, towards delivering on ESG commitments and KPIs.

A table outlining the stakeholder groups we regularly engage with, along with the corresponding engagement methods, can be found on the [supplementary information document](#).

ESG Governance model

Our ESG Core Team consists of ESG coordinators with broad sustainability expertise and topic-specific experts who provide targeted insights across all services and regions. This collaborative structure ensures consistent ESG oversight, with responsibilities integrated into BSM’s core functions and extended throughout all operational levels.

In 2025, as we continue to strengthen our ESG governance and reporting practices, we are evolving from a traditional materiality assessment to a Double Materiality Assessment (DMA) for the Schulte Group on a consolidated level, in full alignment with the Corporate Sustainability Reporting Directive (CSRD) and the provisions of the European Sustainability Reporting Standards (ESRS). This enhanced approach enables us to assess not only how sustainability issues impact our financial performance, but also how our operations affect the environment and society. By adopting double materiality, we ensure a more balanced, transparent, and forward-looking ESG strategy that meets regulatory expectations and reflects the values and concerns of our stakeholders.

The identified material impacts, risks and opportunities (IROs) for BSM operations and value chain, will be mapped against the disclosure requirements outlined in the topical European Sustainability Reporting Standards (ESRS) to determine the relevant information for our sustainability reporting. For material IROs already addressed by a specific ESRS standard, we will report in accordance with the prescribed disclosures. For any additional entity-specific topics, we will apply the minimum disclosure requirements as a baseline, ensuring transparent reporting on our related policies, actions, targets, and performance metrics.

1

Introduction

1.1

How We Create Value

1.2

ESG Strategy and Governance

2

Environment

3

Social

4

Governance

Glossary

The ESG Core Team will continue periodically reviewing our DMA and our material IROs to reflect changes in our operations, stakeholder expectations, and the external environment while remaining relevant and resilient in a dynamic business environment. In addition, when there are updates to sustainability-related policies, procedures, or strategic priorities, or when new ESG initiatives are introduced, the ESG Core Team presents them to the Board for review and formal approval.

In 2024, we have updated our ESG Strategy Compass document which was reviewed and approved by the Management Board to ensure alignment with business objectives, emerging regulatory expectations and sustainability reporting frameworks.

Moreover, in response to the evolving ESG landscape and the increasing complexity of operating in a volatile global shipping environment, the company appointed a Chief People and Sustainability Officer in 2024, Mr. Bjoern Sprotte, to strengthen its leadership in sustainability, workforce resilience, and stakeholder engagement. In this new role, Mr. Sprotte will oversee HR and ESG activities ensuring our sustainable expansion in the ongoing transformation of the maritime industry and he will be responsible for developing and implementing the Schulte Group Sustainability strategy and oversee our compliance with ESG regulations.

The board’s performance is assessed through key sustainability related indicators, including Port State Control (PSC) detentions, employee and seafarer satisfaction, turnover rates, safety performance, and the effectiveness of digitalisation and innovation efforts. By linking these ESG metrics to the board’s incentive structure, the company reinforces leadership accountability and embeds a culture of long-term value creation that supports both business success and societal impact.

Final Decision-Making				
Management Board				
Approves and Communicates Sustainability Initiatives with the Management Board				
Bjoern Sprotte Chief People and Sustainability Officer		Elena Pantazidou Group HR Shore Director		
ESG Core Team				
Overview and Coordination				
Stathis Theofilou ESG Superintendent		Jessica Ngion ESG Project Manager		
General Support				
Atul Gupte Director Group Reporting and Residential Management	Andriani Christou Manager Group Reporting & Consolidation, Residential Manager	Lene Langkabel Fleet Management Controller	Dietrich Schleicher Head of Tax, Controlling and Group Reporting	Caitlyn Chew Business Analyst
ESG Topic-Specific Experts				
Anil Jacob Head of Fleet Performance	Clara Chan GenPro Director	Martin MacMahon Environmental Compliance Manager		
Climate Change	Supply Chain	Waste & Pollution		
James Joseph RCC Manager	Cordula Boy HRM Manager Natalie Pellenz Recruitment Specialist	Rose Andrews Compliance and Systems Manager Nicholas Rich Director Fleet Management		
Health & Safety	Employment, DEI / L&D	Business Ethics		
Core Team Responsibilities				
<ul style="list-style-type: none">Has the best view of broader sustainability trends and stakeholder demands.Identifies ESG risks and opportunities through an effective ESG Risk Management framework.Elevates discussions about climate, or ESG issues to the general board agenda. Reviews the organisation’smission statement to recommend incorporation of ESG elements to anchor the overall ESG Strategy Development.Plans — and maintains the decision rights to — most sustainability initiatives and coordinates with individualbusiness units that are actively working on specific sustainability issues or have expertise related to the topic.Incubates sustainability initiatives before handing them off to the business units and supports activities that haveno other natural owners in the organizationEnsures that sustainability priorities across the company have sufficient budgets and staff and that theorganization stays focused on its priority topics.				

1 Introduction

- 1.1 How We Create Value
- 1.2 ESG Strategy and Governance

2 Environment

3 Social

4 Governance

Glossary

ESG Strategy

Our ESG strategy is built around three core commitments, updated in 2023 to reflect our broader operational scope beyond ship management. Guided by a robust ESG governance framework, we establish strategic, achievable targets across all material topics and implement clear policies that assign responsibilities and communicate our management approach to stakeholders. All BSM policies along with the list of our identified material impacts are publicly available on our [supplementary information document](#).

In 2024, we reviewed our ESG priorities to better reflect market and business changes, which were reflected in our ESG Strategy Compass. The updated strategy will be informed by the double materiality assessment (DMA) aligned with the EU CSRD, our understanding of stakeholder expectations and taking inspiration from globally recognised reporting frameworks and ESG benchmarks.



1

Introduction

1.1

How We Create Value

1.2

ESG Strategy and Governance

2

Environment

3

Social

4

Governance

Glossary

ENVIRONMENT



We aim to enable decarbonised maritime operations that do not harm the ecosystems.

SOCIAL



We aim to create thriving societies and workplaces where everyone feels safe, productive, and inspired.

GOVERNANCE



We do only responsible business and do not tolerate unethical practices.

2. ENVIRONMENT

BSM aims to enable decarbonised maritime operations that do not harm the natural ecosystems. This chapter provides insights into our progress on ensuring proper and comprehensive environmental governance, integrate sustainable practices across our operations, provide solutions to our customers to decarbonise their assets, and leveraging digitalisation and innovation to minimize our impact.

MATERIAL TOPICS:

- **Climate Change**
Climate change mitigation
Energy
- **Pollution**
Pollution of air
Pollution of water
- **Biodiversity and Ecosystems**
Invasive Alien Species
- **Circular Economy**
Resource use and waste management

	Climate Change Mitigation and Energy	Pollution of Air and Water	Resource Use and Waste Management
Key Targets	<ul style="list-style-type: none">• Achieve our decarbonisation strategy as described in page 12.• Establish science-based targets, compatible with limiting global warming to 1.5°C, for Scope 1, Scope 2, and Scope 3 emissions' categories by 2025.• Phase-out R-404A refrigerant, a fluorinated gas with very high global warming potential by 2027.• Achieve 100% renewable energy in our offices by 2030.• Establish inhouse capability for delivering alternative fuel trainings in our MTCs by 2025.	<ul style="list-style-type: none">• Strive for zero uncontained spills.• Eliminate single-use plastic bottles onboard our fully managed vessels by 2026.	<ul style="list-style-type: none">• All full-managed vessels to be using electronic record books and electronic logbooks to ensure high quality of data and reduce paper use by 2025.• Connect with waste disposal companies to ensure proper handling and disposal of garbage at ports.
Key actions and milestones in 2024	<ul style="list-style-type: none">• We successfully managed all aspects of EU ETS and FuelEU on our client's behalf, from administration to verification, ensuring compliance with environmental regulations.• We secured the management of our first CO₂ tanker, beginning in 2026. This will advance the Carbon Capture and Storage (CCS) value chain, driving progress in climate change mitigation.• We were market leaders in delivering Liquid cargo handling trainings online approved by DNV (LNG, LPG, Oil and Chemical)• 14.8% of the total fuel used by our vessels was LNG and LPG• We used 3,300 MT of biofuels in 2024 (0.08%). We deliver emission management and consultation services to third-party clients.• 127% increase in the seafarers received cutting-edge training on vessel performance & decarbonization (VDP) at MTCs.	<ul style="list-style-type: none">• 0.5% reduction in single-use plastic bottles per ship.• We avoided any spills greater than 10 m³.	<ul style="list-style-type: none">• 86% of full-managed vessels are using electronic record books and 43% are already operating paperless.

2.1 CLIMATE CHANGE MITIGATION

As active participants in the maritime sector, we are committed to transporting people and goods worldwide with care and respect for our planet, enabling conscious consumer choices and sustainable lifestyles. This commitment benefits our customers, the society, shareholders, and business by mitigating transition risks. Therefore, we integrate sustainable practices across our operations, strive to reduce our environmental impact, and preserve resources for future generations.

Table 1: Our Carbon Footprint

	2022	2023	2024
Scope 1 (MT CO₂) Emissions from company's assets (i.e., cars, boilers/generators in company-owned buildings)	115	85	70
Scope 2 (MT CO₂) Emissions from purchased electricity and heat (offices)	2,125 (location-based) 1,943 (market-based)	1,809 (location-based) 1,694 (market-based)	2,547 (location-based) 2,534 (market-based)
Scope 3 (MT CO₂) Emissions from full-managed vessels, business travel (crew and shore), and BSM-rented cars	10,875,789	10,916,465	13,315,541
Scope 3 (MT CO₂-e) Emissions from full-managed vessels for CH ₄ and N ₂ O	N/A	178,536	204,947
Total CO₂-e Emissions	10,878,029	10,918,358	13,523,105

Location-based approach: It uses average local grid emission factor from where the company sources power. It doesn't factor in any market instruments or contracts with energy providers.

Market-based approach: It uses specific emissions factors associated with the electricity a company has purchased, often through instruments such as Renewable Energy Certificates (RECs), Guarantees of Origin (GOs), or contracts from specific energy providers.

Emission factors: the emission factors used to calculate vessel emissions include CO₂ but also CO₂-e emissions from methane (CH₄) and nitrous oxide (N₂O). Starting next year, we will adopt the EU-provided CO₂-e emission factors to calculate the total carbon footprint, encompassing both Scope 1 and Scope 2 emissions.

As ship managers, we understand our critical role in managing climate-related risks and opportunities to sustain our operations, protect our clients' assets and help them in their sustainability journey. In 2024, our 521 fully managed vessels emitted 13,27 million metric tonnes of Carbon Dioxide (CO₂) emissions (22% increase from 2023), representing almost 99.7% of our total carbon footprint. The increase was mainly related to an increase in fuel oils consumption related to the Red Sea situation and re-routing of vessels around the Cape of Good Hope. Additionally, emissions increased due to a 5% growth in our fully managed fleet in 2024 compared to 2023 and 2022, which had the same number of vessels under full management.

Our Decarbonisation Strategy

Our decarbonisation strategy exceeds the IMO's Carbon Intensity Indicator (CII) requirements. We strive for an annual progress on CII ratings as follows:

- All vessels with rating E or D in the previous year to achieve rating C in the upcoming year
- All vessels with rating C, B, or A to remain in their respective ratings and achieve at least a 2% reduction compared to the previous year, ultimately achieving 11% reduction with 2019 as the baseline year.

In 2024, 58% of the BSM fleet achieved the decarbonisation targets, while the remaining complied with the minimum regulatory requirements. Our FPC and our fleet teams work closely together with our clients to identify the best CII improvement options, such as slow steaming, retrofitting with energy efficient technologies, weather routing, for each individual ship based on its unique characteristics and our clients' needs.

As we continue expanding our business, we aim to offer green operational and consulting solutions to enable the decarbonisation of the shipping sector in a financially and environmentally sustainable manner.

1 The number of Fully-managed and Crew-managed vessels, includes all vessels that were under management at any point during the reporting year.

1

Introduction

2

Environment

2.1

Climate Change Mitigation

2.2

Pollution

2.3

Biodiversity and Ecosystems

2.4

Resource Use and Waste Management

3

Social

4

Governance

Glossary

Our next big milestone is setting short-term and long-term science-based targets in line with the Paris Agreement towards a net-zero future. This information will be incorporated into BSM’s comprehensive Transition Plan for Climate Action, scheduled for completion by the end of 2026.

The plan will serve as a strategic roadmap for climate change mitigation, detailing both current initiatives and long-term objectives. BSM will conduct regular assessments to ensure that the targets outlined in the plan align with the goal of limiting global warming to 1.5 °C, in accordance with the Paris Agreement. This approach is also consistent with our Double Materiality Assessment, which has identified climate change as the most significant environmental risk, emphasizing the importance of both corporate mitigation efforts and climate adaptation strategies.

Our Decarbonisation Levers

At BSM, we use key levers to reduce emissions across our operations. These efforts include enhancing energy efficiency, transitioning to cleaner fuels and renewable energy sources, adapting our service portfolio, and investing in carbon removal projects. In this section, we explain how we apply these strategies across various areas such as vessel management, office facilities, business travel, and employee commuting, demonstrating our drive to contribute to a zero-carbon future.

Efficiency driven Decarbonization

Our comprehensive Energy Management System, guided by a robust Energy Policy, encompasses all facilities, activities, and operations of SMCs, including their managed ships. This system is aligned with ISO 50001:2018 recommendations, with 8 out of 9 SMCs already ISO-certified and the remaining one in the process of certification. Our main goals are to reduce the overall excess propulsion baseline consumption of our fully managed vessels and to decrease the electricity consumption of our offices as outlined below.

- Reduce the total excess propulsion baseline consumption of our fleet:
- For our fully managed vessels, we implement a range of operational and technical

measures, including slow steaming, weather routing, and retrofitting with energy-efficient technologies such as air lubrication, bow optimization, waste heat recovery and more. Beyond meeting the requirements of the Ship Energy Efficiency Management Plan (SEEMP), our FPC conducts thorough feasibility assessments considering factors like vessel type, size, and operating profile to recommend additional improvements that exceed regulatory demands. To drive systemic change, we have established collaborative partnerships with vendors recognised for their proven solutions. These partnerships have enabled us to reduce retrofitting costs through economies of scale.

In 2024 alone, we completed more than 20 retrofits such as air lubrication, a bulbous bow and propeller modification, and performed a hull cleaning on 168 vessels to reduce friction and fuel consumption. Additionally, we promote the use of telemetry equipment for its potential to save fuel and provide high-quality, real-time operational data.

Currently, 65 vessels are equipped with telemetry systems, with 80% transmitting data to shore and 8 more vessels undergoing installation. We also introduced smart alerts to inform the ships in case of low main engine load and boiler consumption at sea for better monitoring of vessel performance and efficiency.

Our operations are seamlessly connected and follow optimised business processes that maximise our efficiency. We continuously enhance our customisable dashboards to minimise manual reporting, reduce the excessive use of paper, enable well-informed decision-making, and increase focus on vessel operations. The Environmental Compliance Manager, an active member of the ESG Core Team, is overseeing that audits and surveys are carried out as required, and all environmental data is recorded appropriately in our Enterprise Resource Planning (ERP) tool.

Complementing these technical and operational measures, the upskilling of seafarers through targeted training also plays a critical role in reducing excess propulsion baseline consumption by enhancing onboard decision-making and performance monitoring.

1

Introduction

2

Environment

2.1

Climate Change Mitigation

2.2

Pollution

2.3

Biodiversity and Ecosystems

2.4

Resource Use and Waste Management

3

Social

4

Governance

Glossary

BSM has reimagined its training approach through technological innovation. Today, most MTC courses are available online, and all employees have access to high-quality training on critical environmental topics. In 2024, the number of seafarers trained at our MTCs increased by 45%.

As of the end of 2024, 1535 seafarers in total (127% increase from 2023) received



Vessels staffed by seafarers who have completed the VPD training show notable improvements in reporting accuracy and performance monitoring.

cutting-edge training on vessel performance & decarbonization (VDP) at BSM’s MTCs. This industry-first course provides knowledge and skills to navigate complex environmental regulations, learn how to collect and report accurate data and reduce emissions.

Since its launch, the course has had a significant impact on the Vessel Performance Rating (VPR), an internally developed KPI that assesses a vessel’s reporting quality, voyage efficiency, and machinery performance. Notably, the number of vessels with VPR scores above 70% more than doubled over the past two years, reaching 284 in 2024 compared to 124 in 2022. Trained seafarers have enhanced reporting quality, improving their vessel’s VPR, highlighting the transformative impact that the training can have on the vessels’ performance.

Table 2: BSM Fleet VPR KPI Review

	2022	2023	2024
Average VPR Score	64%	72%	74%
Vessels Above 70% VPR	25%	45.60%	54.50%

In addition, BSM MTCs are markets leaders in providing liquid cargo handling courses (LNG, LPG, oil and chemical), approved for online delivery by DNV. We also specialise in transitional courses to move our seafarers from other fleets to LNG vessels via a structured training programme supported by tailored transition courses.

As part of our efforts to reduce greenhouse gas emissions, in 2024, 575 candidates completed an online training course for liquid cargo handling, which was previously conducted at our MTCs. This approach eliminated the need for round-trip travel to our MTCs from various locations which was calculated to be 4000 km on average per person. The estimated emissions which were avoided by delivering this course online were approximately 265 MT of CO₂ from air travel.

- Decrease electricity consumption in each office building:

A dedicated energy team ensures continuous progress monitoring through monthly and quarterly reviews, developing action plans to enhance performance. We optimise energy efficiency in our buildings through insulation, equipment upgrades, and the adoption of energy efficient technologies such as LED lighting, motion sensors, and window films. Towards our commitment to reduce our offices’ energy consumption a Sustainability KPI was introduced at the end of 2024 for the upcoming years. This KPI will be applied to all the employees, and it serves as a first step of developing heightened awareness of our common approach towards sustainable operations. In 2024 we recorded an increase of our annual energy consumption regarding our offices and BSM owned cars by 25% in comparison to last year. This is due to the increased number of our shore employees by more than 15% and also the inclusion of two more offices in our calculations.

1

Introduction

2

Environment

2.1 Climate Change Mitigation

2.2 Pollution

2.3 Biodiversity and Ecosystems

2.4 Resource Use and Waste Management

3

Social

4

Governance

Glossary

Table 3: Overview of our Shore Environmental Performance

	2022	2023	2024
Total Energy Consumption (MWh) Offices & Company-owned cars	3,773	3,466	4,361
% of purchased Electricity, Heat, Steam and Cooling from non-renewable sources (MWh)	81%	85%	89%
% of purchased Electricity, Heat, Steam and Cooling from renewable sources (MWh)	12%	9%	7%
% of energy produced by burning fuel in Generators/Boilers (MWh)	6%	6%	4%
Total Water Consumption (m³)	13,719	23,812	22,543
Total Water Consumption in water- stressed areas (m³)	5,343	5,699	6,115

Energy driven Decarbonization

Our goal is to be the leading ship-management company for zero-emission vessels as they become commercially viable and available. However, the challenge of technically mature, safe, low-cost, and carbon neutral fuel remains. Decarbonizing shipping will require a shift in technology and operations and an uptake of alternative low and zero GHG fuels.



SEA-LNG

BSM has become the first ship manager to join the SEA-LNG coalition in 2024. SEA-LNG is a UK-registered, not-for-profit collaborative industry foundation serving the needs of its member organisations committed to furthering the use of Liquefied Natural Gas (LNG) as an important, environmentally superior maritime fuel. SEA-LNG has members across the entire LNG value chain, including providers of the product, users, engine and asset suppliers, and class societies. Being the world’s largest third-party ship manager of gas carriers, BSM has more than 100 gas carriers under management, over half of which are LNG carriers. We also manage close to 30 LNG dual-fuel ships and currently 5 LNG bunker vessels and with more being acquired in the near future.



1

Introduction

2

Environment

2.1 Climate Change Mitigation

2.2 Pollution

2.3 Biodiversity and Ecosystems

2.4 Resource Use and Waste Management

3

Social

4

Governance

Glossary

BSM's and Schulte Group's Maritime Energy Centre (MEC) is closely watching how alternative fuels are shaping the future of shipping. With ongoing developments in decarbonising the maritime industry, MEC's portfolio has expanded beyond LNG to include research and advice on renewable and low-carbon fuels (bio or e-methane, ammonia, methanol, hydrogen, and nuclear power), alternative energy, technologies and involvement in the first generation of Liquid CO₂ carriers for Carbon Capture and Storage (CCS) applications.

LNG is the leading mid-term solution for the shipping industry today. At BSM, we leverage decades of hands-on LNG expertise and technical know-how. In 2024, we managed the technical operations and crew for 137 LNG and Liquefied Petroleum Gas (LPG) carriers (16% increase from 2023), and 14.8% of the total fuel used by our vessels was LNG and LPG. At BSM, we will continue using our expertise and expanding our network and partnerships with charters, NGOs, and clients to improve LNG projects and to find effective solutions.



LNG bunker vessel Seaspan Lions, managed by Bernhard Schulte Shipmanagement Germany (BSMD), was christened by her godmother Fatma Shakur, Technical Superintendent, BSMD, at Nantong shipyard in 2024.

We apply the same detailed approach to methanol- and ammonia-capable vessels, leveraging our experience with these fuels. We have formed expert working groups to develop type-specific training and procedures for both fuels. We actively collaborate with charterers and shipowners on pilot projects to increase biofuel use in our managed fleet. Biofuels, derived from renewable organic materials like plants and biomass, offer a low-carbon alternative that reduces greenhouse gas emissions.

In 2024, our fleet utilised 3,300 tonnes of biofuel, improving CII ratings and positioning us for compliance with EU ETS and FuelEU standards. Expanding biofuel bunkering is a key part of our decarbonization strategy, aiming for over 4,000 tonnes in 2025.

We strive for 100% renewable energy in our offices globally by 2030 through:

- On-site Renewable Energy Generation: Investigate the feasibility of generating renewable energy on-site in our office premises.
- Power Purchase Agreements (PPA) or Renewable Energy Certificates (RECs): If on-site generation proves unfeasible, we explore entering PPAs or procuring RECs to capture the environmental benefits of renewable energy production.

Our Energy Team has been diligently exploring all possible options for each office, tackling challenges such as physical constraints and the unavailability of renewable energy market mechanisms in certain locations. We're currently looking for promising market mechanisms to tap into renewable energy in India, and Singapore. For the case of Cyprus, we have submitted the application to request a separate electricity counter meter for our MTC building and currently only the installation of the meter is pending before the installation of the PVs.

1

Introduction

2

Environment

2.1 Climate Change Mitigation

2.2 Pollution

2.3 Biodiversity and Ecosystems

2.4 Resource Use and Waste Management

3

Social

4

Governance

Glossary

Service Portfolio Expansion

Emissions reporting in the shipping industry is fragmented, with each regulatory framework using its own methods for calculating, collecting, and verifying emissions, leading to parallel systems. The current regulatory environment is mainly shaped by two bodies, the International Maritime Organization (IMO) and the European Union (EU).

The IMO mandates several global frameworks, including:

- **Emission Control Areas (ECAs):** Designated sea areas with stricter limits on sulphur oxides (SOx) and nitrogen oxides (NOx) emissions (e.g., parts of Europe and North America).
- **Energy Efficiency Design Index (EEDI):** Applies to newbuildings, requiring improved energy efficiency in ship design.
- **Data Collection System (DCS):** Requires vessels to monitor and report data on fuel consumption, voyage details and emissions.
- **Energy Efficiency Existing Ship Index (EEXI):** Establishes the actual energy efficiency of a vessel and determines compliance.
- **Carbon Intensity Indicator (CII) framework:** Measures a ship’s annual operational carbon intensity and sets reduction targets to improve its rating over time.

The EU adds further regulatory layers for vessels calling at its ports:

- **Monitoring, Reporting and Verification (EU MRV):** Requires vessels to monitor and report fuel consumption, emissions and other voyage data on EU-related voyages.
- **Emission Trading Scheme (EU ETS):** Obliges vessels to buy and surrender Emission Allowance Certificates based on their emissions.
- **FuelEU Maritime Regulation (FEUM):** Mandates a gradual reduction in the greenhouse gas intensity of energy used. Compliance can involve alternative fuels, banking and borrowing, or pooling.

BSM is expanding its range of services to address new and evolving industry standards, enhancing its value proposition in a rapidly changing market. We developed a comprehensive service package to help owners and operators comply with EU legislation along with IMO requirements. Our offering simplifies the complex legal landscape, helping customers meet regulatory requirements while reducing their environmental footprint and associated costs.



1

Introduction

2

Environment

2.1 Climate Change Mitigation

- 2.2 Pollution
- 2.3 Biodiversity and Ecosystems
- 2.4 Resource Use and Waste Management

3

Social

4

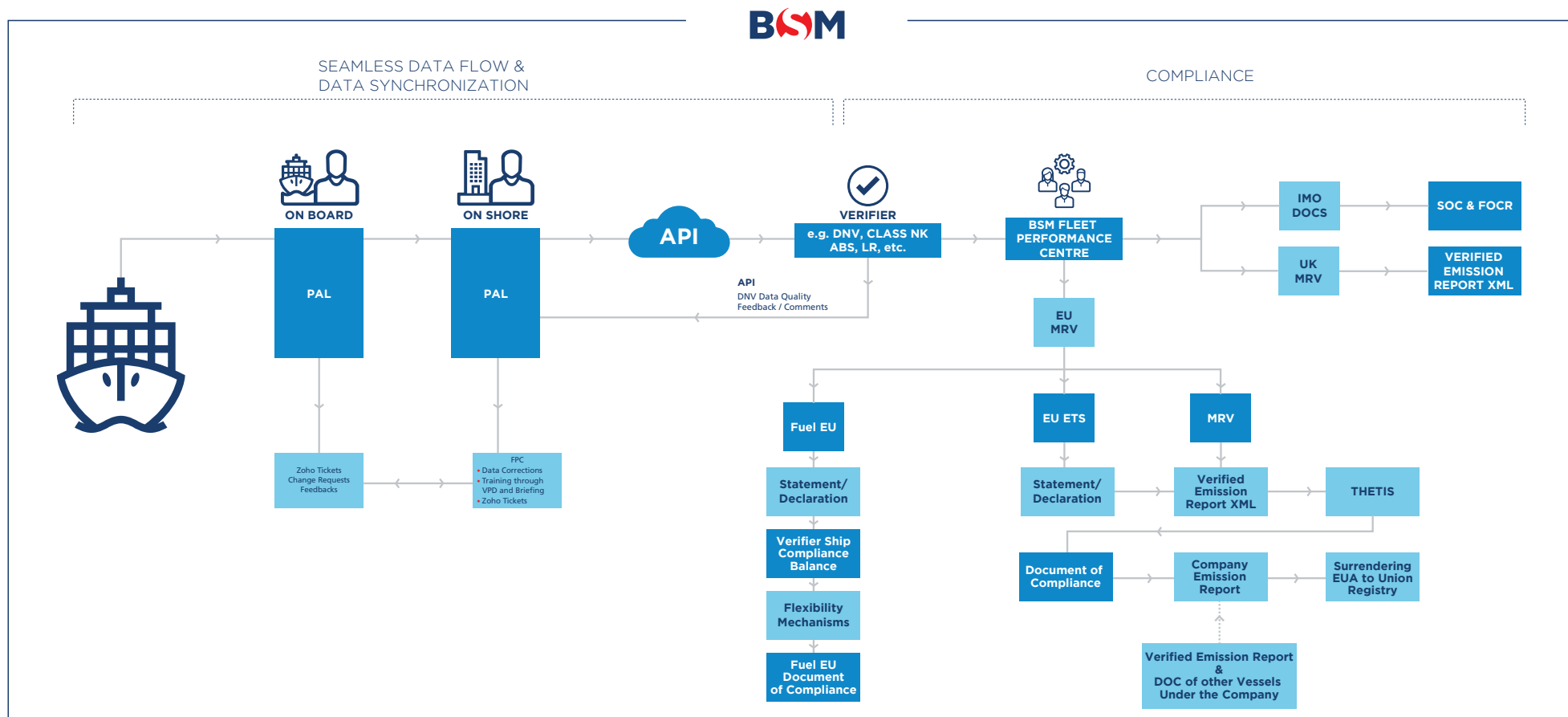
Governance

Glossary

BSM'S INTEGRATED APPROACH TO EMISSIONS AND DATA QUALITY MANAGEMENT

As part of our efforts to face these significant challenges in managing data quality and emissions compliance, BSM can provide end-to-end Emissions Management services, strongly supported by a state-of-the-art performance analysis and Emissions management platform.

By evaluating international and regional regulations holistically, BSM provides a transparent five-year compliance outlook and cost projection, supported by 24/7 access to its LiveFleet performance monitoring platform. Leveraging digitalisation and strategic partnerships, such as with DNV's Veracity platform and Berenberg, BSM streamlines EUA trading and emissions data management. Its FuelEU Dashboard forecasts vessel compliance balances and simulates reduction strategies, enabling tailored recommendations. Committed to automation and efficiency, BSM continues to simplify compliance and enhance client profitability through innovative, data-driven solutions as shown below.



1

Introduction

2

Environment

2.1 Climate Change Mitigation

2.2 Pollution

2.3 Biodiversity and Ecosystems

2.4 Resource Use and Waste Management

3

Social

4

Governance

Glossary

Consequently, the growing demand for specialised knowledge and services to support the design, approval, and supervision of vessels using new power generation systems and alternative fuels, is reflected by the latest achievement of Schulte Marine Concept (S.M.C.). In 2024, S.M.C. exceeded the 1,000 vessels in service, including LNG carriers, LNG bunkering vessels, FSRUs, LPG carriers, NH₃ carriers, LEG carriers and LCO₂ carriers and methanol fuelled vessels. It is noted that S.M.C. delivered the world’s largest hybrid propulsion double-ended ferry and capability to use shore power. Its design enables faster and more efficient operations, especially in busy or narrow waterways, saving time and fuel.

In addition, S.M.C. signed an agreement to provide plan approval and site supervision of a sail-power Ro-Ro, one of the most significant initiatives in accelerating the decarbonisation of the maritime sector. It will be one of the first vessels equipped with a SolidSail rigging system with loading capacity of 1,130 lane meters, 265 TEU and max weight of 5,000 tons of goods.

Beyond decarbonising its managed fleet, BSM seeks to support the global transition to renewable energy, with over 380 GW of offshore wind capacity expected to be added across 32 markets in the next decade¹. Consequently, more than 250 Commissioning Service Operation Vessels (CSOVs) will be required by 2030², a significant increase from the current fleet of fewer than 75 vessels, including those under construction. Committed to expanding its shipbuilding services for small and medium-sized high-value, technologically advanced vessels, S.M.C. continued overseeing the construction of two new CSOVs in 2024, ordered by one of BSM’s largest clients in 2023. These vessels, set for delivery in 2025, will increase the client's total CSOV fleet to five.

1 Global Wind Workforce Outlook 2024-2028
2 The top five trends in the offshore wind industry in 2024



Arrival of first CSOV hull at Ulstein Verft in Norway ©Ulstein Group

Carbon Removal Projects

As we actively work to cut emissions from our own operations, we're also supporting transformative projects that remove carbon from the atmosphere. This includes supporting the transportation of captured CO₂ and investing in nature-based solutions that preserve and restore ecosystems worldwide.

1

Introduction

2

Environment

2.1

Climate Change Mitigation

2.2

Pollution

2.3

Biodiversity and Ecosystems

2.4

Resource Use and Waste Management

3

Social

4

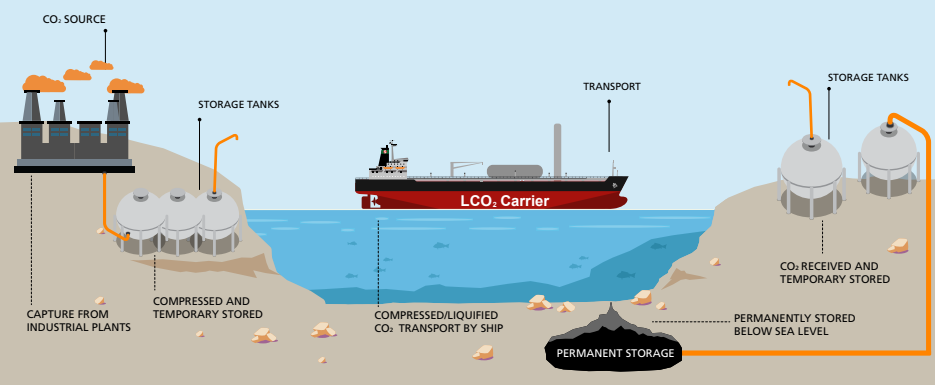
Governance

Glossary

Carbon Capture

Europe leads the LCO₂ shipping market due to ambitious climate targets and investments in CCS projects. Notably, Northern Lights, a joint venture of Shell, TotalEnergies, and Equinor, is developing the world’s first cross-border CO₂ transport and storage infrastructure, transporting liquefied CO₂ from capture sites to an onshore terminal in Norway, then by pipeline to a reservoir 2,600 meters under the seabed.

Thus, the keel laying of this novel CO₂ tanker took place in 2024, within the framework of the Northern Lights project, for one of BSM’s largest clients. The ship management services will be provided by BSM, contributing towards actively building its expertise in this emerging market segment. The construction of the vessel is overseen by S.M.C., including plan approval and construction supervision. The newbuilding is designed as an LCO₂ tanker of the type 2PG/3G, suitable for the transportation of refrigerated liquefied gases in two cylindrical-shaped independent cargo tanks of the IMO type C. Despite a cargo capacity of 7,500 m³, it will feature innovative technologies to significantly reduce its carbon footprint: The primary fuel for the ship will be LNG. Combined with other proven technologies, such as windassisted rotor sails and air lubrication, it is expected to achieve a carbon footprint approximately 34% lower than that of conventional ships running on marine fuel.



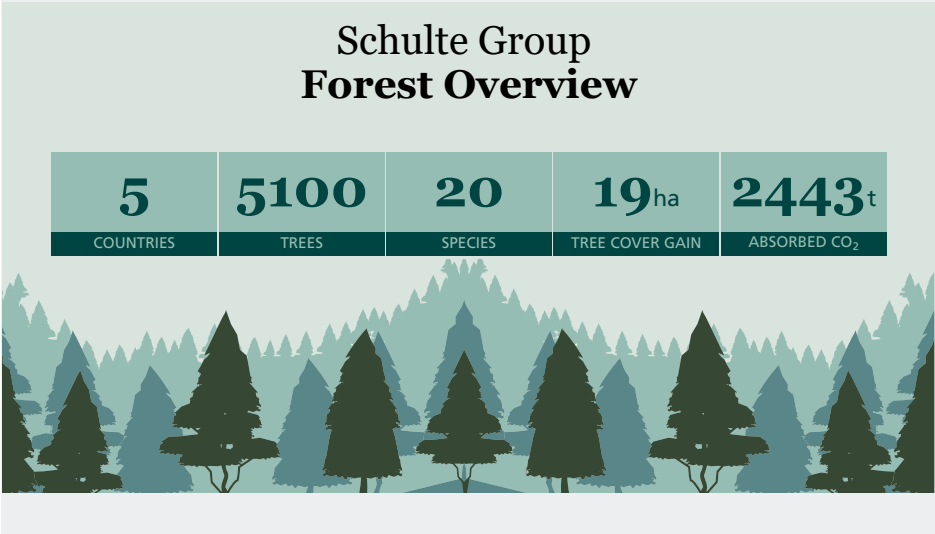
Northern Lights project aims to develop the world’s first cross-border CO₂ transport and storage infrastructure.

SCHULTE GROUP FOREST INITIATIVE

The Schulte Group Forest initiative combats deforestation and empowers local communities dependent on natural ecosystems. Since 2020, we have partnered with Treedom, an NGO focused on sustainable tree planting, biodiversity, and community involvement. Treedom trains local farmers in agroforestry, enabling them to plant and care for geotagged trees, which can be tracked online.

Our project spans five countries, aiming to create lasting environmental and social benefits by enhancing quality of life and protecting our planet, one tree at a time.

By December 2024, we had planted 5,100 trees across Guatemala, Ghana, Tanzania, Kenya, and the Dominican Republic. The trees we plant do much more than absorb CO₂. They also provide tangible economic benefits to local communities such as improving food security, generating income, and protecting biodiversity. Thus, our forest is creating a positive impact on both the environment and people, with more than 340 farmers participating in training programs.



- 1 Introduction
- 2 Environment
 - 2.1 Climate Change Mitigation
 - 2.2 Pollution
 - 2.3 Biodiversity and Ecosystems
 - 2.4 Resource Use and Waste Management
- 3 Social
- 4 Governance
- Glossary

2.2 POLLUTION

BSM is dedicated to remain in compliance with all relevant national and international environmental regulations and set targets towards the reduction of identified environmental impacts on the marine environment as well as the atmosphere.

Our commitment to pollution and waste management is our top priority. We are actively working to avoid and reduce the environmental footprint of our operations by improving our systems for managing and reporting air emissions, waste, and environmental incidents. These efforts are guided by the European Sustainability Reporting Standards, ensuring that we address the impacts on land, air, and oceans with the highest level of responsibility and transparency.

Pollution of Air

Since 2020, the IMO has reduced the sulphur limit in marine fuel oil to 0.50% m/m for ships outside emission control areas (ECAs), down from 3.5%. Within ECAs, the limit is stricter at 0.10%. Consequently, most vessels now use sulphur-free fuels like LNG or have installed Exhaust Gas Cleaning Systems (EGCS).

Regulations are becoming increasingly stricter.. In December 2022, the IMO’s Marine Environment Protection Committee (MEPC 79) amended MARPOL Annex VI, creating a Mediterranean ECA for SOx and PM, effective May 1, 2024. Additional ECAs are proposed for the Norwegian Sea, Canadian Arctic, and Northeast Atlantic Ocean, with potential adoption by spring 2025 and implementation in 2027. Israel's domestic ECA has enforced a 0.10% sulphur limit since February 2023, except for ships with operational EGCS.

Nitrogen Oxides (NOx) are produced depending on engine type, fuel nitrogen content, and operating conditions. NOx impacts health causes eutrophication and acidification in water, and disrupts ecosystems. Regulations set maximum NOx emissions based on a vessel's build year. BSM manages NOx emissions by keeping engine components and settings within these limits throughout the vessel's life. NOx and SOx emissions increased in 2024 due to the growth in our fully managed fleet in 2024 compared to the previous years.

Ships use refrigerant gases for air conditioning, cargo refrigeration, and machinery temperature control. In 2024, our efforts to phase out R-404A are continued. Directors of each BSM Ship-management centre (SMC) are presenting their progress towards replacing high GWP refrigerants with lower GWP gasses.

Table 4: Air Pollutants from managed vessels

	2022	2023	2024
NOx (MT)	310,722	321,375	345,004
SOx (MT)	31,862	34,763	37,369
CO ₂ -e from refrigerant gases purchased – worst case scenario (MT)	87,226	89,852	89,370

Currently, less than 50% of our full-managed vessels are using R-404A which has the highest CO₂ equivalent emissions if leaked.

In order to navigate the complex web of international and national environmental legislation, BSM actively encourages owners to use the digital platform Enviromanager. It’s an up-to-date database of over 78,000 maritime environmental zones and regulations across 182 nations. The intuitive map clearly displays the different environmental zones and restrictions.



1

Introduction

2

Environment

2.1 Climate Change Mitigation

2.2 Pollution

2.3 Biodiversity and Ecosystems

2.4 Resource Use and Waste Management

3

Social

4

Governance

Glossary

Pollution of Water

Wastewater discharges and accidental spills introduce a range of pollutants into marine environments. These pollutants can disrupt marine life, contaminate seafood, and degrade water quality, posing serious threats to ecological balance and human well-being.

Our Environmental Policy targets zero spill incidents. In 2024, we avoided any spills greater than 10 m³. We had some minor oil releases, but these were in small quantities (< 5 m³) and resulted from three isolated incidents. We investigated 77 pollution, spill, or environmental violation incidents from our managed vessels. 90% of these were low severity cases. In addition, we had 2 Loss of Containment (LoC) cases of low severity. We use these experiences to refine our training materials and update our procedures to prevent future occurrences.



1

Introduction

2

Environment

- 2.1 Climate Change Mitigation
- 2.2 Pollution**
- 2.3 Biodiversity and Ecosystems
- 2.4 Resource Use and Waste Management

3

Social

4

Governance

Glossary

2.3 BIODIVERSITY AND ECOSYSTEMS

Biodiversity and Ecosystems

In alignment with the IMO Ballast Water Management Convention, BSM has achieved full compliance as of 2024, with 100% of our vessels now equipped with certified Ballast Water Treatment Systems (BWTS). This milestone supports our commitment to protecting marine biodiversity by preventing the spread of invasive aquatic species—a priority echoed across the industry.

Our BWTS installations utilize advanced treatment technologies, including UV irradiation and electrochlorination, tailored to vessel type and operational profile. These systems are supported by class-approved Ballast Water Management Plans, ensuring safe and environmentally responsible handling of ballast water and sediments.

Our crew always test the wastewater discharges from the ballast water treatment system, the grey water system and sewage treatment plant, the bilge water and oily water separator effluent and the exhaust gas scrubber wash water. We collect samples which are being analysed in appropriate laboratories or onsite as required by the regulations.



EYEESEA FOR MARITIME POLLUTION PREVENTION AND RESPONSE

Eyesea is a nonprofit organization dedicated to mapping global pollution and maritime hazards. Their vision is to create a cleaner and safer ocean by leveraging technology and community involvement.

How it works

As a founding member, BSM has played a key role in the development of the innovative app called Eyesea. The app uses the concept of using geotagged pictures to chart maritime pollution. Eyesea encourages mariners, recreational sailors, and the public to document pollution by uploading simple photographs. These images are then used to create detailed maps, guiding cleanup efforts and policy decisions. Since its inception in 2020, Eyesea has attracted a huge amount of interest and support from individuals and a wide range of organisations.

Eyesea App

The Eyesea App offers huge opportunities to identify hotspots, facilitate clean-up programmes, and develop preventative measures to stop pollution at the source. It is available on the App store and Google Play and it is an easy-to-use mobile phone application to voluntarily record and submit images and locations of pollution across the world. After the latest enhancements from MariApps, Schulte Group's digital solution provider, the app was upgraded, attracting more users.

Until the end of 2024, the App was downloaded 1,700 times, more than 200,000 incidents were reported, and the Eyesea's volunteer network collected more than 750 tonnes of waste through more than 100 clean-up events.

Additionally, in 2024 Eyesea expanded to 12 new countries and signed agreements with Galapagos, Easter Island, Chile and Isle of Man. It also became a key player in UN and engaged with other 35 NGOs. This is translated into more than 300% increase on community growth and 60% increase in membership contributions within only 1 year.

We need your help to identify and locate ocean, coastal, and waterway pollution as you often see this first-hand. There is very little data on what and where marine pollution is, and this makes it difficult to effectively allocate clean-up resources and highlight areas of need. Visit the Eyesea [website](#) to learn more and scan the code below to download the App.



1

Introduction

2

Environment

2.1 Climate Change Mitigation

2.2 Pollution

2.3 Biodiversity and Ecosystems

2.4 Resource Use and Waste Management

3

Social

4

Governance

Glossary

2.4 RESOURCE USE AND WASTE MANAGEMENT

At BSM we ensure compliance with environmental requirements by aligning our practices with local laws and regulations. Onboard our vessels, we fully comply with MARPOL Annex V regulations for waste and garbage management. In line with these regulations, we are dedicated to reducing overall waste generation and have set a clear goal to minimise plastic waste across our fleet.

While shipyards document hazardous materials during construction, BSM completes this inventory for existing ships, with seafarers responsible for keeping it updated. The IHM covers hazardous materials in all aspects of the ship, from paints and coatings to equipment, machinery, and even operational wastes.

Each SMC designates an IHM person responsible for keeping this inventory accurate, especially when modifications or new installations occur. Beyond the compliance with hazardous materials, every vessel also follows a Garbage Management Plan (GMP) aligned with MARPOL Annex V.

We actively reduce waste generation by purchasing in bulk, choosing environmentally friendly products, and minimizing plastic use. However, in 2024 alone, we generated 60,302 m³ of waste, with 66.5% landing ashore to approved port facilities for further treatment and disposal. BSM explores ways to connect with waste disposal companies with green policies, high environmental standards, and recycling rates, especially in Singapore and China, where we have a strong presence.

Through our quarterly BSM Bulletin and our monthly BSM “Environmental Coordinators meetings”, we share best practices across our fleet, encouraging initiatives like installing purified water stations in mess rooms to reduce plastic bottle consumption. The majority of our seafarers have switched to reusable water bottles and mugs, significantly cutting down plastic waste. Our decision to increase potable water testing from twice to four times a year has further supported this shift.

In 2024, we supplied 3,425,912 plastic bottles to our ships, a slight increase (6%) compared to 2023.

Even though the increase in plastic bottles supplied to our ships may be attributed to the increased number of full managed vessels, we had a further 0.5% reduction of plastic bottles supplied per ship for 2024, in comparison to 2023. As the transition for incoming new ships is progressing continuously, we are committed that by 2026, we will eliminate single-use plastic bottles on our ships, in line with our commitment to the International Marine Purchasing Association (IMPA) SAVE pledge.

Table 5: Progress in Reducing Plastic Bottle Usage Across the BSM Fleet

	2022	2023	2024
Annual decrease in plastic bottles per ship*	-	2.6%	0.5%
Annual average plastic bottles per ship*	8821	8593	8543
Total plastic bottles supplied to our ships	3,819,832	3,231,049	3,425,912

* The table refers to the number of ships that placed an order for water plastic bottles within the reporting year

We are also embracing digital solutions to reduce paper use, enhance data quality, and lighten the workload for our seafarers. Our pioneering electronic record books (eRbooks), introduced in 2021 and now used by 86% vessels¹, have paved the way for the adoption of electronic logbooks (eLogs) in 2022. While eRbooks encompass a range of requirements such as garbage, ballast water, oil and emissions, the eLogs are the equivalent to the paper deck logbook and engine logbook. By end of 2024, 40 vessels were using eLogs on a trial phase, and we expect that most data will be entered into PAL through eLogs in future.

We are proud of the progress we have made and remain dedicated to achieving our environmental goals, ensuring that our operations not only comply with regulations but also contribute to a healthier, more sustainable world.

1 Excluding passenger, offshore vessels and Yachts.

1

Introduction

2

Environment

2.1

Climate Change Mitigation

2.2

Pollution

2.3

Biodiversity and Ecosystems

2.4

Resource Use and Waste Management

3

Social

4

Governance

Glossary

Table 6: Data on waste generation and discharge of BSM full-managed vessels.

	Garbage Generated Overall	Garbage Discharged Overall	Waste Recovered
TOTAL WASTE (M³)			
2022	50,062	49,619	N/A
2023	53,159	51,735	N/A
2024	60,302	60,134	N/A
BREAKDOWN BY DISPOSAL METHOD IN 2024 (M³)			
	Discharged at Sea	Landed Ashore	Incinerated
Hazardous Waste	0	840	30
Cooking Oil and Other Chemicals	0	106	30
Electronic Wastes	0	417	0
Incinerator Ashes	0	317	0
Non-Hazardous Waste	18,221	39,278	1,764
Domestic Waste	0	16,612	1,211
Cargo Residues	15,719	29	Not known
Food Waste	2,502	3,418	Not known
Operational Waste	0	5,686	Not known
Plastic	0	13,534	0

Notes: We do not have access to the treatment of garbage when they land ashore. The amount of waste generated and discharged differs as some wastes were generated in 2023 and discharged in 2024 and some wastes generated in 2024 were not discharged within the year. For some vessels we could not track the type of waste that was incinerated, only the total amount.

SMART MAINTENANCE AT BSM

Since 2021, BSM initiated the Smart Maintenance (SM) project to ensure sustainable vessel operations. SM defines, controls and continuously optimises BSM’s maintenance strategy in order to increase crew safety, asset reliability, Time Between Overhauls (TBOs) and spare part availability and eventually to reduce OPEX.

In 2022, for the proper reporting of maintenance events, we had the introduction of smart forms enabling us to effectively control, collect, review and utilise all essential maintenance information in a structured manner. Additionally, it allows for meaningful data extraction when needed. The integrated smart report capability supports the performance and maintenance data analytics to provide advanced machinery health diagnostics. Currently, there are 41 smart forms implemented onboard all our fully managed vessels boasting several "smart" capabilities which are tailored to the specific requirements of each vessel type.

Another Smart Maintenance update in 2024 was the launch of a new CBM Alerts, Warnings, and Recommendations page. The new page offers a comprehensive overview of condition monitoring techniques. It provides TSIs and CEs with the chance to delve deeper into various CBM-related issues and faults, fostering a broader understanding, without having to search past emails for required data, lose time while doing so and perhaps miss out important information, as from now on everything resides within our smartPAL system.

The new CBM Alerts, Warnings, and Recommendations page is highly dynamic. It allows users to conveniently view all condition monitoring programmes onboard their vessel (if any) in one comprehensive display, enabling them to concentrate on specific issues or faults as needed. To collect the necessary data from external vendors, we use Application Programming Interfaces (APIs), which, in simple terms, communicate and exchange information between two applications, i.e. between PAL and an external service providers like OceanAI, WinGD and HAT Analytics and soon enough with Marlab.

1

Introduction

2

Environment

- 2.1 Climate Change Mitigation
- 2.2 Pollution
- 2.3 Biodiversity and Ecosystems

2.4 Resource Use and Waste Management

3

Social

4

Governance

Glossary

3. SOCIAL

At BSM, our talented and motivated workforce is at the heart of everything we do. We are committed to nurturing a strong, safe, and inclusive culture that fosters continuous learning and development. Across our global teams, both at sea and ashore, we work closely together to deliver high-quality and sustainable services, guided by our company-specific standards, international best practices, and the needs of our stakeholders.

MATERIAL TOPICS:

• Own Workforce

Secure Employment

Health and Safety

Training and Skills Development

Diversity, Equity, and Inclusion

	Secure Employment	Secure Employment	Training & Skills Development	Diversity, Equity, and Inclusion
Key Targets	<ul style="list-style-type: none">• Achieve an Employee Engagement Score of at least 80%.• Achieve an employee Net Promoter Score (eNPS) of 30 or higher.• Keep the Employee Turnover Rate below 15%.• Achieve a Seafarers Satisfaction Score of 86% or higher.• Keep Seafarers' attrition below 6%.• Deliver digital training for all employees who manage or work in hybrid/remote teams by 2025.	<ul style="list-style-type: none">• Reduce Lost Time Injuries to less than 0.49 cases per million hours.• Maintain the ratio of Category 2-5 Incidents against ship days to below 0.075%.• Ensure at least 90% of Investigation Reports for category incidents of 2-5 severity level, are completed within 40 days of the investigation start date.	<ul style="list-style-type: none">• Attain seafarers' training satisfaction score of 90% or higher at our MTCs.• Ensure 50% of shore employees complete ESG digital training by 2025.• At least 10 seafarers to participate in the revamped "Sea to Shore" programme by 2025.• Develop training matrices for all business units (currently only for BSM employees).• Complete and kick-off the updated Management Development Track (MTD) training by 2025.• Develop role-specific onboarding competency packages for all employees.• Expand BSM Smart Academy to at least 2 new locations.	<ul style="list-style-type: none">• Achieve 40% female representation among managers by 2027.• 15% of trainees in the Young Professional early career programme to be females with a STEM background.• Inclusion of neurodiversity in recruitment process of all shore employees and seafarers (selected ranks).• Develop a comprehensive mental health training plan in locations where mental health was recognised as a priority area through our pulse survey by 2026.
Key actions and milestones in 2024	<ul style="list-style-type: none">• Implemented targeted adjustments to salaries in areas highly impacted by inflation and expanded salary benchmarking to two more units of the Schulte Group.• Launched a new Pulse Survey tool offering real-time, concise feedback from shore employees every quarter and enabling timely interventions• 154 employees working in a remote/off-site model (64.5% increase from 2023)• 89% retention rate for seafarers and 85% of shore staff	<ul style="list-style-type: none">• 98% of our managed ships actively contributing to Behaviour Based Safety providing on average 7 reports on safety observation per ship.• 126% increase in reports through our Speaking Up platform.	<ul style="list-style-type: none">• Introduced role-specific onboarding competency packages for 6 BSM companies.• Implemented a new LMS and dashboards for training metrics monitoring to enhance transparency and accessibility to training for all shore employees.• Introduced career coaching for leaders and HR teams facing critical challenges.• Launched the BSM Smart Academy, a global partnership with maritime universities aimed at bridging the gap between academic education and hands-on training for future seafarers.• Launched a new Maritime Training Centre (MTC) in Ghana.	<ul style="list-style-type: none">• 8% increase of women at sea.• 2% increase of women in management.• 12% reduction in gender pay gap.• Expanded the female seafarers' mentorship programme to include all fresh seafarers on full-managed vessels participating in the Schulte Group cadet programme.• Provided mental health resilience and accountability training to human resources and managerial roles for shore employees.• Co-developed a cross-industry mentorship programme.• We developed inhouse mental health and wellbeing trainings capability for seafarers.

3.1 SECURE EMPLOYMENT

Our employees are our most valuable asset, the core of all our accomplishments. Our strategy defines our vision, principles, and capabilities, with engagement driven by strong leadership, clear direction, and inclusive workplaces. As a result, engagement is embedded in all people practices.

With a global presence spanning over 30 shore-based locations and a dedicated team of 26,000 seafarers, supported by more than 2,700 employees on land, it is their expertise, resilience, and commitment that power our progress.

In 2024, the maritime industry faced continued volatility, driven by geopolitical tensions, evolving environmental regulations, and the acceleration of digital transformation. We also continued to navigate significant economic challenges, with global inflation easing slightly to 6.2%.

In response, we remained focused on the vital importance of our people and deepened our commitment to their well-being and resilience, while at the same time reinforcing their financial stability as an offset to the rising cost of living. We continued to evolve our workforce strategy to meet the demands of this rapidly changing global environment.



Through targeted initiatives as per below, we have taken proactive steps to create a workplace that is both appealing and resilient, especially during times of uncertainty.

- Targeted Salary Adjustments: We addressed inflation impacts by adjusting salaries and applying spot bonuses, highlighting the company's commitment to investing in its employees and promoting beneficial behaviours.
- Flexible Work Arrangements: In 2024, remote employees increased by 64.5% from 2023, with 124 employees working remotely, promoting work-life balance and avoiding commuting costs.
- Aligning Strategy with Employee Experience: We have closed gaps in our procedures and aligned our strategy more closely with the employee experience. We provided practical examples of how our procedures and focus areas impact our employees' work and how they can contribute to the bigger picture.
- Strategic Restructuring: We have been working on cross-functional, globally impactful roles, enhancing international exposure and career growth opportunities.

These efforts contributed to a further improvement in retention, with rates rising to 85% for shore-based employees and 89% for seafarers amidst a challenging economic environment. BSM not only mitigated the negative effects of inflation but also fostered a more engaged and resilient organisation.

1

Introduction

2

Environment

3

Social

3.1

Secure Employment

3.2

Strategic Workforce Expansion and Employee Well-Being

3.3

Human and Employee Rights

3.4

Health and Safety

3.5

Training and Skills Development

3.6

Diversity, Equity, and Inclusion

4

Governance

Glossary

3.2 STRATEGIC WORKFORCE EXPANSION AND EMPLOYEE WELL-BEING

Our shore workforce grew by an additional 16.2% (in comparison to 2023), reflecting our fleet size growth and the expansion of our business. In 2024 we received more than 16,450 job applications (78 % increase from 2023), revealing that we remain appeal as an employer of choice in a competitive talent market.

On the seafarer side, we received 35,800 applications during 2024. The majority of these were direct registrations in our Recruitment portal Careers at Sea which allows seafarers to keep track of their applications and allows for more transparency in the sea recruitment process through one centralised tool.

To continue supporting a smooth expansion and attracting top talent, we are deeply committed to creating a workplace where everyone feels respected, valued, and safe. Our dedication goes beyond merely meeting legal requirements; it is about fostering an environment where the well-being of every individual is a top priority.

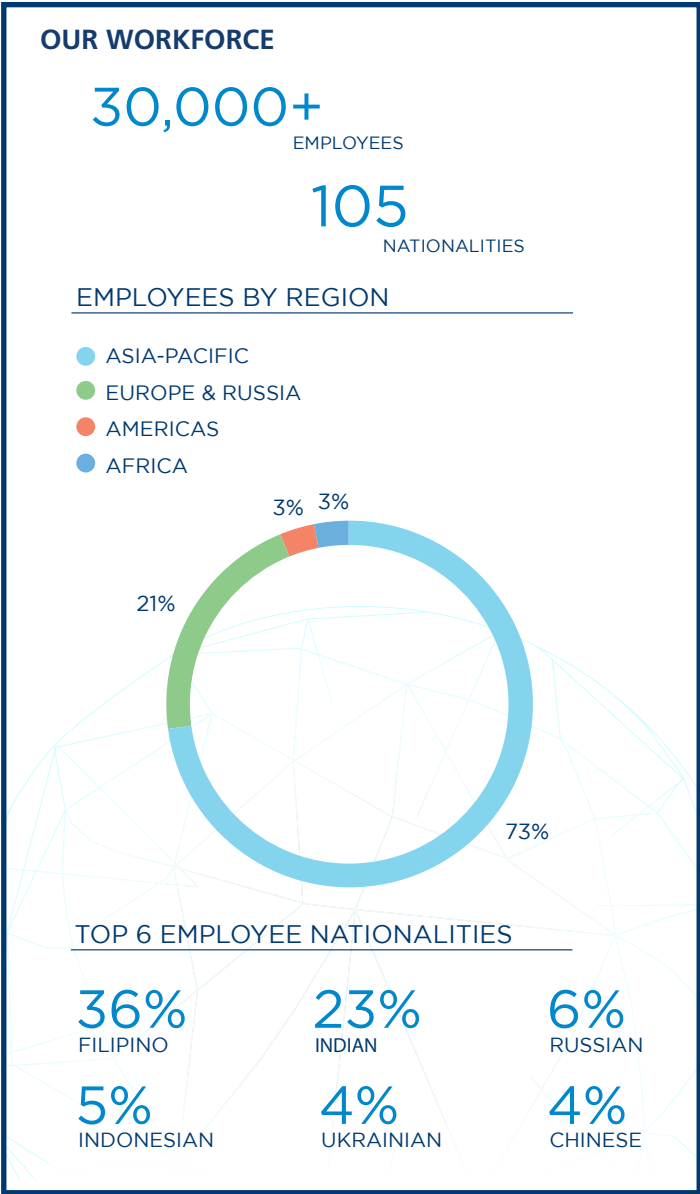
This commitment is brought to life through transparent communication, continuous development, and a strong safety culture. With 91% of our workforce operating at sea, we ensure they are equipped with the knowledge and resources to respond confidently to unsafe or unethical situations. Our shore-based teams remain on constant standby, offering critical support to our seafarers and working closely with clients to uphold our ethical standards and adapt to evolving regulations.

We actively foster a speak-up culture, encouraging our people to voice concerns, share ideas, and play a meaningful role in shaping the future of our organization.

In order to achieve our goal, and aiming to deepen our culture of open dialogue, we launched a new pulse survey tool in the third quarter of 2024, offering real-time, concise feedback from shore employees every quarter. The value of this new tool lies in capturing evolving sentiments influenced by immediate workplace dynamics and applying timely interventions when needed.

The initial insights from the tool in 2024 allowed us to recognize important issues raised by our people in various locations and take steps to address them promptly.

With a strong participation rate of 70% and an average satisfaction score of 7.7 out of 10 across eight key categories (Work Environment, Leadership, Work-Life Balance, Recognition,



1

Introduction

2

Environment

3

Social

3.1 Secure Employment

3.2 Strategic Workforce Expansion and Employee Well-Being

3.3 Human and Employee Rights

3.4 Health and Safety

3.5 Training and Skills Development

3.6 Diversity, Equity, and Inclusion

4

Governance

Glossary

Purpose Alignment, Innovation, Wellness, and Social Connection) the survey results of Q3 and Q4 revealed that our workforce feels positively engaged and happy.

In addition, our employee Net Promoter Score (e-NPS) was 23 at the end of the year, indicating a high level of employee satisfaction with the work environment and the organisation.

In addition, based on the initial results, the primary areas of focus will be career development training, recognition for outstanding performance, and physical health and wellness programs. We remain committed to listening to our employees and will continue leveraging their insights to shape and enhance our strategies throughout 2025.

In response to identified areas for improvement across teams and locations, we initiate follow-up discussions with department heads to co-create actionable strategies. These often involve strengthening leadership capabilities, refining processes, and launching targeted training or new initiatives.

For our seafarers, feedback is collected at the end of each contract. In 2024, 49% participated, generating 11,387 responses and an average satisfaction score of 90%. Low scores and comments are reviewed monthly by HR in collaboration with relevant departments and the seafarers themselves to design targeted improvements. We also seek to actively involve seafarers in projects to increase seafarer engagement, foster ship-shore cooperation and incorporate their valuable feedback from the seafarer perspective.

As a key achievement in our ongoing efforts, BSM Hong Kong has been honoured with an award from the Mission to Seafarers for maintaining the highest levels of crew satisfaction aboard its managed vessels. For this award, the feedback from seafarers regarding their employers was evaluated, with assessments covering 60 shipowners and 50 ship management companies.

Both employee and seafarer satisfaction metrics are embedded in our leadership KPIs, reinforcing our commitment to a supportive and engaging work environment onshore and at sea.



1

Introduction

2

Environment

3

Social

3.1 Secure Employment

**3.2 Strategic Workforce
Expansion and Employee
Well-Being**

3.3 Human and Employee Rights

3.4 Health and Safety

3.5 Training and Skills Development

3.6 Diversity, Equity, and Inclusion

4

Governance

Glossary

3.3 HUMAN AND EMPLOYEE RIGHTS

Acknowledging the influential role of global trade and supply chains in driving positive societal and economic progress, BSM is dedicated to upholding human rights across its operations and throughout its entire value chain. We are committed to a workplace that respects human rights and prioritizes employee well-being, while also protecting the rights of our clients and partners.

Given the specific challenges of our industry, certain human rights are especially important to us:

- Fair Working Conditions – Ensuring fair pay, safe workplaces, and adequate rest, free from exploitation or abuse.
- Healthcare Access – Providing medical and mental health support to promote overall well-being.
- Freedom from Forced Labour – Strictly prohibiting forced labour, child labour, modern slavery, and human trafficking throughout our operations.
- Trade Union Rights – Supporting employees’ rights to unionize, engage in collective bargaining, and participate in dialogue on work conditions and pay.
- Privacy Protection – Respecting and securely managing employee data to prevent misuse or unauthorized access.
- Non-Discrimination – Promoting an inclusive environment free from discrimination based on identity, background, or beliefs, in line with international and national laws.

We are committed to upholding internationally recognized human rights standards, even in regions with weaker legal protections, while always complying with local laws. Our Business Policy underpins this commitment, promoting ethical conduct and fostering trust with all stakeholders. We maintain a zero-tolerance approach to forced labour, child labour, and human trafficking, and thoroughly investigate any violations to address root causes and prevent recurrence. All BSM policies that address our material impacts on our workforce are publicly available on our [supplementary information document](#).

Seafarers’ rights are emphasized by our Seafarer Rights Policy which highlights our commitment to responsible maritime practices and exceeds Maritime Labour Convention standards while promoting fairness, respect, and inclusivity.

In 2024, all seafarers were employed under contracts, usually the Seafarer Employment Agreements (SEAs), which go beyond legal standards. In some cases, seafarer rights are additionally safeguarded through Collective Bargaining Agreements (CBAs), which define onboard working conditions and outline consultation and negotiation processes. These agreements vary based on trade routes, shipowner preferences, and flag states. About 86% of our seafarers onboard were additionally covered by CBAs.

To support seafarers’ unique needs, we offer the Seafarers' Assistance Programme, which includes initiatives like the “Study Now – Pay Later” scheme, seafarer wives clubs, and emergency relief funds. Additionally, through regular onboard health & wellbeing campaigns, we address key issues identified across various departments (including QHSE and P&I) and propose measures and incentives to improve overall health & wellbeing of our seafarers. The findings of a recent seafarer wellbeing survey conducted in 2024 onboard our managed vessels also contributed in tailoring our initiatives to actual needs. These efforts aim to support both the professional and personal well-being of our crew.

Clear guidance is provided through detailed manuals for both shore and sea staff. Our HR Manuals ensure fair salary reviews, effective performance assessments, and a strong grievance process, all contributing to a safe and respectful work environment.



1

Introduction

2

Environment

3

Social

3.1

Secure Employment

3.2

Strategic Workforce Expansion and Employee Well-Being

3.3

Human and Employee Rights

3.4

Health and Safety

3.5

Training and Skills Development

3.6

Diversity, Equity, and Inclusion

4

Governance

Glossary

3.4 HEALTH AND SAFETY

At BSM, the safety and well-being of our people remain our highest priority. For us, safety is not just a legal obligation, but a moral imperative deeply embedded in our core values.

The year 2024 presented a complex landscape of geopolitical and environmental challenges that significantly impacted maritime operations. The ongoing conflicts in Ukraine and Gaza continued to disrupt key shipping corridors, particularly in the Black Sea and the Red Sea, where heightened military activity and drone attacks have rendered certain routes hazardous. The resurgence of piracy off the Horn of Africa and persistent threats in the Singapore Strait and Gulf of Guinea have further elevated risks for seafarers, with a notable increase in crew hostage situations and the use of firearms during attacks.

In parallel, the maritime industry is grappling with the accelerating effects of climate change. Prolonged drought conditions have disrupted transit through the Panama Canal, while extreme weather events, such as intensified storms and unpredictable sea states, have become more frequent, posing additional hazards to vessels and crews.

Policies and approach

Despite these challenges, our commitment to safety remains unwavering. We have strengthened our safety protocols both at sea and ashore, ensuring they not only meet but exceed international standards. Through continuous risk assessments, enhanced crew training, and investment in advanced safety technologies, we are proactively safeguarding our people and operations in an increasingly volatile global environment.

Our integrated Quality, Health, Safety, and Environmental (QHSE) management system is built to prioritize the safety and well-being of our people while supporting the long-term sustainability of our operations. This framework applies to all personnel aboard our managed vessels as well as those working at our Ship and Crew Management Centres (SMCs and CSCs).

All activities and services under our oversight are governed by robust policies and procedures, which are uniformly implemented across all BSM offices worldwide, including our Value-Added Services (VAS), to ensure we consistently meet client expectations and safeguard our teams.

In addition, all contractors and visitors are required to adhere to our QHSE standards. This includes holding a valid medical certificate, complying with our safety protocols, and demonstrating the necessary training, experience, and competence to carry out their responsibilities in line with recognized industry practices. Prior to joining any BSM vessel, contractors undergo comprehensive familiarisation training that covers key topics such as substance policies, smoking regulations, safe work practices, and emergency procedures. For vessels managed by third-party Document of Compliance (DOC) holders, seafarers operate under the QHSE systems maintained by those entities.

Our Occupational Health, Safety and Environmental (OHSE) Policy¹ provides the framework for setting and reviewing OHSE objectives and targets. This policy is grounded in the requirements of the International Safety Management (ISM) Code, the International Organization for Standardization (ISO) 14001:2015 and ISO 45001:2018.

Enhancing our open culture approach

Our open culture, grounded in transparency and continuous learning, also prioritizes health and safety. Board members and directors actively support this commitment. For example, our Behaviour-Based Safety (BBS) program requires each vessel to schedule weekly safety observations during onboard operations. These observations are submitted to our office team, who compile quarterly statistical analyses and recommendation reports (BBS Bulletins). These insights help enhance fleet-wide performance by incorporating the crews' own suggestions and findings. This process not only strengthens safety awareness among our seafarers but also prompts procedural improvements when necessary.

¹ All our policies are publicly available in the [supplementary information document](#).

1

Introduction

2

Environment

3

Social

3.1

Secure Employment

3.2

Strategic Workforce Expansion and Employee Well-Being

3.3

Human and Employee Rights

3.4

Health and Safety

3.5

Training and Skills Development

3.6

Diversity, Equity, and Inclusion

4

Governance

Glossary

In 2024, 98% of our managed vessels participated actively, each submitting an average of 7 reports per month.

Our Regulatory Compliance Centre auditors and superintendents provide invaluable insights into crew performance through their ship visits, allowing us to fine-tune actions and improve safety outcomes. These inspection visits and internal audits include a variety of assessments, such as MARPOL compliance and performance evaluations of navigation and engineering competencies.

In 2024, to improve transparency, streamline operations, and reduce workload, we launched a new Inspection Reporting Tool featuring a mobile application for Superintendents Vessel Inspections (SVIs) and internal audits. The app includes built-in functionalities that allow users to complete inspection reports on-site in real time, significantly improving efficiency. In 2025, we are planning to develop this tool further to include all internal inspections and assessments (MARPOL audits, navigation assessments etc.)

Towards this end, we have also introduced a new ship self-inspection checklist that covers all areas of the vessel, reducing the resource use on board. In 2024, we were working towards consolidating multiple inspections into a unified format, enabling crew members to input findings directly into the app. This eliminates the need for later data digitization, reduces administrative burden, and allows more time to focus on the safe operation of our ships.

Grievance and remedy

At BSM, we believe that safety is best achieved when our people feel empowered to speak up. We are committed to ensuring fair and consistent treatment for all, in line with our Speaking Up policy.

Both sea and shore-based employees have access to our anonymous reporting tool, NAVEX EthicsPoint. This platform is promoted across our Ship Management Centres (SMCs), Crew Service Centres (CSCs), Marine Training Centres (MTCs), and among our seafarers. Posters are displayed in offices and onboard vessels, and

informational leaflets are distributed to all personnel. Reports can be submitted via a website, a mobile-friendly version, or by calling the NAVEX hotline. Importantly, the tool is accessible to anyone, including individuals not employed by BSM, through the link provided on the posters.

In addition, seafarers have multiple channels to raise concerns, including direct communication with their Marine and Technical Superintendents, HR Marine, or by reporting incidents through our Enterprise Resource Planning (ERP) tool, smartPAL, using the Loss Prevention, Safety, and Quality (LPSQ) Facilitation Demands module.

In 2024, our commitment to transparency and safety was reflected in the receipt of 104 reports through the Speaking Up platform, a 126% increase from 2023. This growth indicates a positive trend in awareness and trust in our reporting mechanisms. The majority of reports were related to health and safety concerns (22%), employee relations (19%), and discrimination (15%). Each report was carefully reviewed through BSM’s comprehensive incident investigation process, which ensures ethical handling based on objective evidence and established criteria (refer to ESG Report 2022, pp. 38–39). However, some reports lacked sufficient detail to initiate an investigation, even after follow-up requests for more information. For cases where adequate information was available, we responded promptly, implemented effective remediation plans, and ensured all cases were resolved with no further action required.



1

Introduction

2

Environment

3

Social

3.1

Secure Employment

3.2

Strategic Workforce Expansion and Employee Well-Being

3.3

Human and Employee Rights

3.4

Health and Safety

3.5

Training and Skills Development

3.6

Diversity, Equity, and Inclusion

4

Governance

Glossary



FATALITIES IN 2024

Despite the progress we have achieved, the heartbreaking loss of four seafarers in 2024 stands as a powerful reminder of the critical need to continuously improve our safety protocols and foster a culture rooted in learning and prevention. These tragic events occurred across three separate incidents: two crew members lost consciousness and died after entering a ballast tank with insufficient oxygen; another involved a Master who fell into the water while attempting to board a launch boat; and the fourth was a fatal container explosion onboard.

In response, we conducted thorough investigations and engaged directly with our crews to identify key areas for improvement. As a result, we issued a Group Safety Alert and mandated a Learning from Incident (LFI) exercise across all vessels. We also introduced targeted safety recommendations and standards, enhanced our risk assessment procedures, and added a dedicated section in crew briefings focused on injury and illness reporting. Comprehensive training was delivered on effective risk evaluation and internal communication, emphasizing the use of reporting tools and adherence to medical protocols for timely support. Additionally, specialized training was rolled out for Fleet Personnel Officers (FPOs), Technical Superintendents (TSIs), and Marine Superintendents (MSIs) to reinforce proper handover planning and monitoring. The handover procedure itself was reviewed for adequacy, and onboard training was implemented to strengthen the use of 'Stop Work' authority and safe access practices.

Table 7: Health & Safety Performance

Year	Ships (Full managed)	Ships (Crew managed)	Office
Percentage of workers covered by Health Safety Management System			
2022	100%	100% (DOC holders)	100%
2023	100%	100% (DOC holders)	100%
2024	100%	100% (DOC holders)	100%
Number of fatalities of own workers			
2022	0 work-related	0 work-related	0
2023	2 work-related	0 work-related	0
2024	4 work-related	0 work-related	0
Number of fatalities of other workers			
2022	1	No record	0
2023	0	No record	0
2024	0	No record	0
Number and rate of recordable work-related accidents			
2022	TRC: 125, TRCF: 1.36, LTIF: 0.42	8 LWC leading to sign-off	0
2023	TRC: 178, TRCF: 1.94, LTIF: 0.71	17 LWC leading to sign-off	0
2024	TRC: 220, TRCF: 2.16, LTIF: 0.64	13 LWC leading to sign-off	0
Number of cases of recordable work-related ill health			
2022	0	0	0
2023	0	0	0
2024	0	0	0
Number of days lost to work-related injuries and fatalities			
2022	164	No record	0
2023	298	No record	0
2024	401.5	No record	0

Abbreviations: TRC = Total Recordable Cases, TRCF = Total Recordable Case Frequency, LWC = Lost Workday Case, LTIF = Lost-Time Injury Frequency

1

Introduction

2

Environment

3

Social

3.1

Secure Employment

3.2

Strategic Workforce Expansion and Employee Well-Being

3.3

Human and Employee Rights

3.4

Health and Safety

3.5

Training and Skills Development

3.6

Diversity, Equity, and Inclusion

4

Governance

Glossary

3.5 TRAINING AND SKILLS DEVELOPMENT

In response to the rapidly evolving technological landscape, we intensified our focus on continuous learning and professional development. In 2024, we have maintained a stable number of the 2 courses per employee with a 12% increase of our people satisfaction rate (more training statistics can be found in the [supplementary information document](#)).

We have also continued improving our training matrices by developing role-specific training based on industry requirements, our learning strategy, and areas where our employees want to grow. Our strategy focuses on three pillars: engagement, attrition, and talent development, underscoring our commitment to building and sustaining a skilled, resilient workforce.

Table 8: Number of trainings delivered per employee and learning and development satisfaction rate per year

Year	Total Number of Trainings	Average Number of Training per Employee	L&D Satisfaction Rate
2022	3,181	1.4	77%
2023	3,923	1.7	75%
2024	4,944	1.8	87%

In 2024, we have also relaunched our Learning Management System (LMS), iLearn, to enhance the learning journey of our people. The platform captures both internally and externally provided training sessions, covering digital and classroom-based formats. Additionally, the system is designed to help users keep track of any incomplete courses with convenient automatic email notifications, so as to be informed about their learning milestones. We have also introduced feedback surveys, linked directly to each course, enabling employees to provide feedback about the quality of training they receive. In addition, course administrators can more effectively monitor the organization's learning progress, enabling better support for employees and improved planning for training and development initiatives.

More than 440 roles now have mandatory training packages (industry required and onboarding) in our LMS compared to 168 in previous years.

Laying the Foundation for Lasting Engagement

At BSM, we believe that employee engagement starts from day one. A thoughtfully designed onboarding experience helps new team members feel welcomed, supported, and ready to contribute right away. By easing their transition into both our work practices and their roles, we lay the groundwork for long-term engagement and strong performance. All new employees are familiarised with the company's strategy and how they can contribute to it within their roles.

In 2024, we introduced several role-specific onboarding competency packages. These packages include asynchronous e-learning, live events for networking, and classroom learning to cover technical knowledge required for the industry. These packages are intended to familiarize new employees with our global operations of BSM, which provides a wide range of services, to understand the company's broader scope and their role within it. Looking ahead, our goal is to develop role-specific competency packages for all employees.

The onboarding experience begins with the familiarisation of the local team, helping new employees integrate into their immediate work environment. From day one, every new employee is matched with a dedicated buddy, a colleague who helps them settle in by guiding them through daily tasks, explaining company processes, and introducing them to others across the organization. This personalized support helps new associates to feel welcomed, connected, and confident as they begin their journey with us.

We have also revamped our live events for shore employees. In 2024, we hosted two live events with 175 participants and achieved a satisfaction rate of 93%, which is a 6% increase from 2023. At these events, new employees had the chance to connect with senior leaders, participate in interactive workshops, and form relationships with peers from various backgrounds. Additionally, these events introduced internal experts and our ESG strategy, encouraging new associates to share ideas and support sustainability initiatives from the beginning.

1

Introduction

2

Environment

3

Social

3.1

Secure Employment

3.2

Strategic Workforce Expansion and Employee Well-Being

3.3

Human and Employee Rights

3.4

Health and Safety

3.5

Training and Skills Development

3.6

Diversity, Equity, and Inclusion

4

Governance

Glossary

For our seafarers, onboarding starts with receiving the essential training before joining our vessels throughout MTCs. It covers company procedures, systems, and key environmental, health, and safety practices. This is complemented by our pre-joining briefing, through the CSCs, online CBT and for senior officers also through the SMCs. By instilling shared values and building confidence, we ensure that seafarers at all levels feel well-prepared and aligned with our standards before their first assignment.

Our commitment to talent development is affirmed by our six state-of-the-art training centres strategically located across the globe in China, the Philippines, India, Cyprus, Poland, and most recently, Ghana. These centres are operated by highly experienced maritime professionals. Furthermore, this dedication is exemplified by our structured training programme, which offers more than 100 courses. These courses include mandatory training, career progression opportunities, value-added courses, and our bespoke cadet training programme.

The BSM Cadet Programme, a robust in-house initiative, is designed to shape committed junior officers who are deeply familiar with our systems and values. A three-month pre-sea foundation course which is focused on cultural, behavioural, vocational, and technical training, including modules on culture awareness, emergency leadership, and simulator-based navigation and engine training. Once onboard, the training progress and performance of a cadet is closely monitored through a sophisticated electronic training record book, BSM’s dedicated cadet training management system. It allows for a close communication between Cadet, Training Officer and Training Manager related to onboard training.

In 2024, a total of 401 fresh cadets were recruited, exemplifying BSM’s commitment to investing the growing the future generation of seafarers.

This programme also supports our goal of creating a more diverse seafaring workforce. In 2024, 16% of new cadets came from the African continent, and 7% were women, demonstrating our commitment to a greater representation in the maritime sector. With a 98% retention rate and 76% of third officer and 80% of fourth engineer promotions coming from programme graduates, the results speak to the strength and engagement of our future leaders.



BSM MARITIME TRAINING CENTRE GHANA: A NEW ERA FOR MARITIME EDUCATION IN AFRICA

There are an estimated 1.9 million seafarers across the world, most of whom are Filipino nationals, followed by passport holders of the Russian Federation, Indonesia, China and India. However, with the seafarer labour shortages at an all-time high, shipping companies are opening up to new markets and cultures, especially the African continent.

To meet the rising demand for skilled maritime professionals in Africa, BSM launched its Maritime Training Centre (MTC) in Nungua-Accra, Ghana, in October 2024. The new MTC is located on the campus of the Regional Maritime University (RMU), with whom BSM established a local representative office as well as a cadet programme in 2012. As BSM’s sixth MTC, it delivers high-quality maritime and hospitality training aligned with global standards, in collaboration with RMU.

The centre also reflects BSM’s commitment to sustainability, operating entirely on solar power.

BSM already employs 600 seafarers from the African region and the MTC in Ghana aims to further strengthen regional capacity, promote safety and professionalism, and shape the next generation of maritime leaders across Africa.

1

Introduction

2

Environment

3

Social

3.1

Secure Employment

3.2

Strategic Workforce Expansion and Employee Well-Being

3.3

Human and Employee Rights

3.4

Health and Safety

3.5

Training and Skills Development

3.6

Diversity, Equity, and Inclusion

4

Governance

Glossary

Empowering Our People Through Continuous Learning

In today's fast-changing maritime industry, adaptability and growth are essential. At BSM, we see professional development as a key driver of employee satisfaction and career success, echoing global trends and scientific studies where more than 90% of employees value it highly. That is why we are committed to building a future-ready, motivated workforce equipped to meet tomorrow's challenges.

Our employees' training needs are identified across multiple sources, such as appraisals, incidents, socio-economic impacts, and client or certifying body audits.

To support this, we offer a variety of learning resources tailored to our employees' diverse needs. Our goal is to make trainings more accessible across all roles, ensuring everyone has the opportunity to grow. It's about creating fairness in development so that every team member can benefit.

Shore staff benefit from custom development programmes, 360-degree feedback with coaching, access to over 300 e-learning courses via our LMS, and opportunities to contribute to cross-functional projects that shape the wider organisation. With all training managed in one central platform, it's easier to navigate, track progress, and improve the overall learning experience for the users.

We also prioritise compliance and safety, delivering role-specific mandatory training on topics like anti-bribery, behavioural safety, cybersecurity, and ISO standards. This ensures our teams operate safely, ethically, and effectively in a complex global environment.

Our commitment to learning extends beyond industry standards. For seafarers, we have introduced an advanced Competence Management System (CMS) that replaces traditional computer-based methods with bespoke competences created for each position and ship type. The system provides a framework to capture workplace activities, which require review, feedback and mentoring from the managers on board. The activity repetition, review and performance score, help crew identify and address skill gaps within their role, track their professional progress within BSM and prepare themselves for their aspired promotions.

Furthermore, it fosters good practices of objectivity, resilience and teamwork to improve the working standard on board.

In 2024, we completed the system rollout for our entire managed fleet, allowing the crew to gather experience within the system whilst transitioning from the old system. We built a number of automatic connections with PAL to reduce the burden of activity recording and focused on creating objective, reliable reporting to support consistent and impartial reviews. Furthermore, we included improvements to the CMS as a direct result of seafarer feedback, in order to create a system that is easy to use and suits the needs of our crew.

Seafarer performance reviews continue being reviewed centrally by a dedicated career progression team, a key initiative which started in 2023 that was successfully continued throughout 2024. The team consists of 10 qualified Career Progression Officers that analyse seafarers' performance reviews, including feedback from Masters and Heads of Departments, alongside training requirements. This comprehensive approach provides each seafarer with a clear summary of their career progression, helping them navigate their professional journey with confidence and is available to relevant shore staff through integration into our ERP system.

Our seafarers have access to a computer-based learning (CBT) tool that allows ongoing training and development during their time onboard, with access further extending to their time on leave as needed. In 2024, the effectiveness of this tool has been further optimised by assigning different priorities to trainings to allow the crew to better plan their trainings. During 2024, our seafarers had completed a total of 136,081 CBTs.

Our shore-based teams benefit from a development-focused appraisal process, supported by updated forms that incorporate self-assessments, peer input, and manager evaluations. Aligned with our company values, this employee-focused approach is integrated into our intuitive HR system, enabling employees and managers to track progress, capture feedback, and create tailored growth plans.

1

Introduction

2

Environment

3

Social

- 3.1 Secure Employment
- 3.2 Strategic Workforce Expansion and Employee Well-Being
- 3.3 Human and Employee Rights
- 3.4 Health and Safety
- 3.5 Training and Skills Development**
- 3.6 Diversity, Equity, and Inclusion

4

Governance

Glossary

Through the analysis of our people's needs, more than 20% favour coaching along with leadership and social influence training to better manage and inspire the younger generation while advancing their careers. This showed growing interest in personalised learning experiences and a strong desire for self-education to enhance overall resilience and workplace happiness.

In response, we introduced career coaching in 2024 across BSM companies and the broader Schulte Group. Through this initiative, team leaders are paired with professional coaches who support them in reflecting on their development, setting and achieving professional or business goals, and solving challenges. This provides an additional layer of support while fostering an environment where professional growth is both encouraged and expected.

These coaching sessions will continue in 2025, providing support to leaders and HR teams facing critical challenges. Executive leadership will also be part of the initiative, gaining opportunities to further develop their skills and prepare for higher responsibilities, ensuring they are well-equipped to lead their teams effectively.

Looking ahead, another key challenge we are actively working to overcome is how to effectively incentivize and recognize internal experts who share their knowledge with others. These individuals play a crucial role in fostering a work environment of continuous learning and collaboration. To address this, we are exploring the implementation of hybrid roles that formally integrate training responsibilities into their job descriptions, ensuring that knowledge sharing becomes a recognized and valued part of their professional identity. Additionally, we are working to proceduralize constructive input from peers and supervisors to create a more structured and consistent approach to recognizing training efforts. We are also introducing spot bonuses for those who consistently go above and beyond in mentoring and training others. These initiatives aim not only to stabilize the pool of individuals delivering training but also to enhance their capabilities as effective trainers, ultimately strengthening our organization's overall learning ecosystem.



BSM'S SMART ACADEMY INNOVATES MARITIME EDUCATION TO TACKLE THE MARITIME SKILLS SHORTAGE

In 2024, BSM launched a new innovative initiative, BSM Smart Academy. The BSM Smart Academy bridges the gap between academic theory and maritime practice by integrating cadet development with undergraduate programs.

In collaboration with global maritime universities, the initiative enhances leadership, communication, and real-world readiness from year one. Targeting underrepresented seafaring regions, the Academy promotes diversity, with one-third female representation in its first batch.

Participants benefit from structured cadetships, soft skills training, mentorship and support. This initiative not only accelerates career progression but also ensures seamless integration into BSM's operations. With feedback highlighting increased student confidence and job security, the Smart Academy exemplifies BSM's commitment to educational excellence and long-term sustainability in the maritime industry.

Specifically, the BSM Smart Academy provides for nautical, technical and electrical undergraduates from participating maritime universities to take part in the programme as designated BSM cadets following the completion of their first year. This means that they not only receive an academic education but also practical knowledge close to current industry requirements. This approach ensures that when they embark on their cadetship, they are fully prepared and ready to navigate the challenges ahead with confidence and competence.

1

Introduction

2

Environment

3

Social

- 3.1 Secure Employment
- 3.2 Strategic Workforce Expansion and Employee Well-Being
- 3.3 Human and Employee Rights
- 3.4 Health and Safety
- 3.5 Training and Skills Development**
- 3.6 Diversity, Equity, and Inclusion

4

Governance

Glossary

Investing in the Future of Maritime Talent

At BSM, our commitment to learning also includes investing in future maritime talent. Through our early career programmes and initiatives, we support students and graduates as they begin their professional journeys. In 2024, we welcomed 16 trainees and interns through summer internships and work placements, offering them hands-on experience and valuable insights into the shipping industry.

In November 2024, we have also launched the revamped Young Professionals Traineeship (YPT) programme, offering students and recent graduates the opportunity to join any operational department, from the corporate level to the operations floor, across eight global locations. Our goal is to attract a diverse range of talent, including those who may not have pursued traditional educational paths, and introduce them to the vast opportunities within the shipping industry with hands on experience.

As of the end of 2024, we recorded a 175% increase in applications for the YPT programme. In 2025, we aim to strengthen our partnerships with universities and academic institutions to attract more talent.

By broadening our talent pipeline, we offer individuals the opportunity to explore long-term careers at BSM while gaining vital professional and life skills. We place a strong emphasis on empowering women in STEM, actively encouraging young female talent to join our Young Professionals Traineeship and pursue rewarding technical careers.

Through these initiatives, we aim to build a more inclusive, diverse workforce that reflects the communities we serve and fosters innovation across the maritime industry.

BSM'S ORBIT LEARNING: DRIVING GROWTH THROUGH INNOVATION

Orbit Learning is BSM's framework for all Learning & Development (L&D) programmes, designed to foster both personal and professional growth.

High Potential Accelerator (HiPo) Programme

Selected by management for outstanding performance and alignment with BSM values, HiPo participants undergo a two-year journey of live workshops, online courses, hands-on assignments, and team projects.

In November 2024, the third cohort graduated, having developed and de-risked new business ideas with their respective business models during an 'Innovation Sprint'.

Notably, 79% of the 48 graduates were promoted, with 24% of those being women.

Sea to Shore Programme

This initiative supports seafarers transitioning to shore-based roles. Revamped in 2024, it now offers structured pathways, short-term placements, and flexible options to suit individual needs. Each role includes tailored learning goals, mentorship, and monthly check-ins to ensure readiness for shore responsibilities. The updated programme launches next year.

Management Development Track (MDT)

A strategic leadership development initiative, MDT has trained 220 managers to date. An enhanced version is planned for 2025 to further strengthen leadership capabilities.

Educational Assistance

BSM supports academic and professional growth by sponsoring degrees, helping employees achieve their personal development goals.

1

Introduction

2

Environment

3

Social

- 3.1 Secure Employment
- 3.2 Strategic Workforce Expansion and Employee Well-Being
- 3.3 Human and Employee Rights
- 3.4 Health and Safety
- 3.5 Training and Skills Development
- 3.6 Diversity, Equity, and Inclusion

4

Governance

Glossary

3.6 DIVERSITY, EQUITY, AND INCLUSION

At BSM, our commitment to Diversity, Equity, and Inclusion (DEI) continues to evolve with purpose and momentum. In 2024, we deepened our efforts to create a workplace where each individual, regardless of gender, background, or role, feels valued, supported and empowered to thrive.

We have further increased the number of female seafarers aboard our vessels by 8%, compared to 2023. Our workforce includes employees from a total of 105 nationalities across our company, revealing our global perspective and inclusive environment. To further support our diverse teams, more than 1000 employees have undergone Diversity, Equity, and Inclusion (DEI) training, whether through onboarding, virtual programmes, or our Fleet Leader Meetings (FLMs). In particular, DEI related trainings for shore employees increased significantly from 229 in 2023 to an impressive 732 in 2024, showcasing our growing awareness of the topic.

As our organisation continues to invest in remote and offsite teams, we understand the importance of supporting effective collaboration across cultures and time zones. That is why, in 2024, we developed two new digital training programs designed specifically for employees who manage or work in hybrid and remote teams. Launching in 2025, these trainings aim to help managers communicate more effectively with remote colleagues and foster stronger global teamwork. They also offer practical support for all employees working in or with remote teams, helping everyone feel more connected and empowered. To further support the integration of remote and offsite employees, we have also enhanced our relevant management practices, including clear accountabilities of the HR hosting and hiring teams. Looking ahead, we plan to design well-being initiatives tailored for remote and off-site teams, support local HR in delivering virtual team-building activities and events, and introduce dedicated pulse survey questions to monitor employee sentiment.

We are also committed to ensuring that all BSM workers receive fair wages, aligned with industry-specific benchmarks. No employee is paid below the minimum wage as defined by the Wage Indicator Foundation and the European Labour Force Survey.

In 2024, we reduced the gender pay gap by 12%, bringing it down to 46%. While this marks progress, the gap remains high due to the underrepresentation of women in top leadership roles. We are continuing to create more pathways for women to advance, aiming to further close the gap and ensure leadership better reflects our workforce’s diversity. Additionally, the organization’s total compensation ratio decreased by 29%, and now stands at 15.6%.

Advancing Representation and Recognition

In 2024, BSM’s commitment to Diversity, Equity, and Inclusion was recognised on two prominent international stages. At the Spinnaker Maritime People and Culture Conference in London, BSM received the inaugural Best HR Initiative Award for its comprehensive DEI programmes. This recognition, presented at the largest global gathering of maritime HR and crewing professionals, affirmed the impact of our people-first approach and the tangible progress we are making in fostering an inclusive workplace. Just days later, BSM was honoured with the ESG Leader Award in the category of Diversity, Equity, and Inclusion at the first international ESG Shipping Awards in Athens. Organised by the Hellenic Chamber of Shipping and the Ministry of Shipping and Island Policy, the event brought together over 400 maritime professionals and received more than 200 submissions from companies worldwide. These awards not only validate our strategic direction but also highlight BSM’s role in shaping a more equitable and sustainable maritime industry.

Our participation in the 2024 WISTA International Conference in Cyprus was a highlight of the year. Themed “Excellence in Maritime and International Trade Driven by Innovation,” the event brought together global leaders and changemakers. BSM’s presence was marked by the active involvement of cadets from our Maritime Training Centre (MTC) in Limassol, who gained valuable exposure to industry trends and leadership insights. Additionally, BSM was a platinum sponsor to the event and hosted a workshop on “Building a Sustainable Maritime Workforce through Training,” showcasing our commitment to closing the skills gap and preparing future leaders.

1

Introduction

2

Environment

3

Social

3.1

Secure Employment

3.2

Strategic Workforce Expansion and Employee Well-Being

3.3

Human and Employee Rights

3.4

Health and Safety

3.5

Training and Skills Development

3.6

Diversity, Equity, and Inclusion

4

Governance

Glossary

Supporting Better Hiring Decisions

To promote inclusive hiring, we have taken steps to integrate neurodiversity into the recruitment process for shore-based roles. In 2024, we began implementing the Predictive Index (PI), a behavioural and cognitive assessment tool, into our hiring practices. PI supports unbiased, data-driven decisions by offering objective insights into a candidate’s natural traits and how they align with role requirements. This reduces reliance on subjective impressions and helps ensure fair, merit-based evaluations across all candidates.

In 2025, we will roll out PI-specific training for HR teams for both shore and sea staff (selected ranks) as part of our plan for the global implementation of the tool.

Enhancing Training Transparency and Equity

As part of our commitment to fostering equal training opportunities for all employees, we developed Power BI dashboards to enhance transparency and efficiency in training resource allocation. Aiming also to address the inconsistencies in training prioritization these dashboards are a centralized system that enables us to monitor training compliance, identify thematic learning needs, and deliver equitable training solutions that benefit all employees. This initiative not only supports our Diversity, Equity, and Inclusion (DEI) objectives but also empowers HR teams and managers with real-time insights to ensure fair and inclusive training practices across the organization.

A Cultural Shift Onboard

The Diversity@Sea programme, launched as a pilot in 2023, gained full momentum in 2024. This initiative by the All Aboard Alliance of the Global Maritime Forum has become a cornerstone of our efforts to make life at sea more inclusive and attractive for all. By testing and implementing measures onboard a dedicated pilot vessel to enhance gender and cultural inclusivity, we are actively addressing the unique challenges faced by underrepresented groups onboard to create a more welcoming environment for everyone.



The crew of the vessel Charlotte Schulte participated in the Diversity@Sea pilot project - from left to right: Anastasiia Panteleeva, Junior 3rd Officer; Junie Cantoneros, Chief Officer; Shaza Moursy, Deck Cadet; Mercy Brew, Junior 4th Engineer.

1

Introduction

2

Environment

3

Social

- 3.1 Secure Employment
- 3.2 Strategic Workforce Expansion and Employee Well-Being
- 3.3 Human and Employee Rights
- 3.4 Health and Safety
- 3.5 Training and Skills Development
- 3.6 Diversity, Equity, and Inclusion**

4

Governance

Glossary

Mental Health: A Foundation for Inclusion

At BSM, we believe that Mental Health should be accessible to all. In 2024, through our current Employee Assistance Programme (EAP) we provided 24/7 hotlines for confidential and professional support to all employees, whether at sea or on shore.

Furthermore, in 2024, a new team of Mental Health and Wellness Training Superintendents was deployed across our Maritime Training Centres (MTCs), delivering proactive education and support to seafarers and shore staff alike. These superintendents play a vital role in normalising mental health conversations, equipping our people with tools to manage stress, and fostering a culture of psychological safety.

We continue to address seafarers' mental health by raising awareness through training. In 2024, we completed 2210 Mental Health Awareness trainings and launched our own new tailored content in July, replacing the external provider.

Towards our commitment to support crew internet access and crew welfare, we also bring Starlink's new internet service across our fleet. At the end of 2024, 128 of our full managed vessels (25%) had already been using Starlink. This upgrade ensures fast, reliable global internet access, enhancing crew communication and connections with loved ones onshore, ultimately fostering a better work environment.

Regarding our shore employees, in 2024, we provided mental health resilience and accountability training to human resources and managerial roles for 199 employees across 9 locations with an 84% satisfaction rate. Planning ahead, we are developing a comprehensive mental health training plan in locations where mental health was recognised as a priority area through our pulse survey.

We also remain committed to supporting shore employees with tailored accommodations, whether it's specialized equipment, workspace adjustments, or flexible schedules. This approach helps to reduce stress and promotes well-being, enabling everyone to perform at their best.

Empowering Through Education and Mentorship

In the beginning of 2024, we launched the Female Mentorship Programme, which provided all fresh female cadets in our fully managed fleet with a mentor on shore. In BSM, we believe that everybody should be included in initiatives that involved guidance and provide our seafarers an additional support channel. In summer 2024, we expanded our mentorship programme to include all cadets in our fully managed fleet participating in the Schulte Group cadet programme, providing them with access to experienced mentors who offer guidance, encouragement, and a safe space to grow.

Driving Inclusion and Equity Through Dynamic DEI Initiatives and Partnerships

In 2024, we launched an internal campaign titled “Help Us Accelerate Our DEI Journey”, inviting all employees to contribute ideas, share stories, and participate in shaping our inclusive future. This campaign has sparked meaningful conversations and inspired new initiatives, reinforcing that DEI is not the work of a few, it's a shared responsibility.

Also, as an active member of the Diversity Study Group (DSG) and the All-Aboard Alliance, BSM contributes to industry-wide efforts to promote DEI. Through DSG, we have co-developed a cross-company mentorship programme to support high-potential shore employees from diverse backgrounds. This programme, launched in 2024, will help participants expand their networks, accelerate their professional development, and retain diverse leadership for the future.

As we envision the future, we remain steadfast in our mission to build a workplace where everyone belongs. By listening, learning, and leading with empathy, we are not only transforming BSM, but we are also helping to shape a more inclusive maritime industry for generations to come.

1

Introduction

2

Environment

3

Social

- 3.1 Secure Employment
- 3.2 Strategic Workforce Expansion and Employee Well-Being
- 3.3 Human and Employee Rights
- 3.4 Health and Safety
- 3.5 Training and Skills Development
- 3.6 Diversity, Equity, and Inclusion**

4

Governance

Glossary

4. GOVERNANCE

Our BSM culture fosters ethical behaviours and creates room for innovation, openness, and a true sense of belonging. We do business by upholding our high standards of integrity. We work together with our business partners to ensure responsible practices and generate value across our operations. Learn more how we live our values every day, tackle corruption, and collaborate with suppliers on their sustainability journey.

MATERIAL TOPICS:

• Business Conduct

Business Ethics and Corporate Culture
Corruption and Bribery
Supply Chain Management

	Business Ethics and Corporate Culture	Corruption and Bribery	Supply Chain Management
Key Targets	<ul style="list-style-type: none">Complete a Double Materiality Assessment (DMA) and set-up a comprehensive ESG due diligence process and policy to effectively assess impacts, risks, and opportunities and inform the DMA.	<ul style="list-style-type: none">Development of a framework for compliance spot checks on selected BSM entities and processes, covering critical risks within the areas of anti-corruption, sanctions compliance, competition law and data privacy.Achieve a Cyber Security Risk Score of below 20 through continuous cyber security training by 2026.Achieve 100% compliance with Cyber security awareness training for seafarers by 2025.	<ul style="list-style-type: none">Develop an ESG compliant supply chain by 2030 through continuous enhancement of sustainable supply chain scorecards and actual data collection, and active engagement, support, and auditing of suppliers.Develop a Supplier Code of Conduct that defines our core values and ESG standards, setting clear expectations for ethical, socially responsible, and environmentally sustainable practices across our supply chain.Integrate supplier auditing procedures into the digital procurement platform to streamline, standardize, and enhance the efficiency and transparency of the entire audit process.
Key actions and milestones in 2024	<ul style="list-style-type: none">347 shore employees trained on ethical business practices.All employees in critical departments and roles are trained on anti-corruption and ethical operations in regular intervals.We launched the initiative of Local Corporate Citizenship Committees to amplify our positive impact in the communities where we live through the active involvement of our employees.Over 3,500 participants joined our global employee activities and corporate citizenship events.	<ul style="list-style-type: none">We investigated 5 incidents of corruption and bribery in our operations.We integrated cybersecurity training to the onboarding phase of new employees.All existing BSM shore employees received annual cybersecurity refresher training and quarterly phishing simulations to enhance their awareness and readiness.The updated training “MACN – PILOT REVISION (2024) Stand your Ground, Be a Leader” is available for all seafarers, via the Competence Management System (CMS).	<ul style="list-style-type: none">86 BSM suppliers audited for sustainability, from which 51 were assessed through physical, on-site audits to ensure compliance with sustainability standards.Introduced automation across multiple functions of procurement such as digitally monitoring the whole process of reaching an agreement with new suppliers.Optimized freight logistics by analysing consignments, sharing insights with SMCs, consolidating shipments, and selecting cost-efficient transport modes.

4.1 OUR CULTURE

At BSM, our culture is the compass that guides us, steering our behaviours, decisions, and work practices in a direction that aligns with our values and strategic goals.

To ensure our culture supports our business strategy, our executive leaders partnered with culture experts to align workplace behaviours with our strategic goals. This alignment was embedded into every aspect of the employee experience—from the behaviours we recognise and reward, to how we measure performance, write procedures, conduct investigations, and design soft skills training.

By clearly defining and reinforcing the "right" behaviours, we created a cultural strategy that not only reflects our values but also supports our long-term objectives. This strategy is not static; it is continuously promoted, monitored, and refined to ensure it evolves with our business and people.

We are committed to fostering a culture where all employees, both at sea and ashore, feel valued and empowered. We prioritise the creation of safe, diverse, and inclusive workplaces, where ethical conduct and exceptional, customer-focused service are standard. Leadership actively supports team members in making meaningful decisions and provides the resources necessary for their success. This approach helps ensure that employees remain engaged, motivated, and aligned with the organisation’s shared vision.

Cultural Integration

We provide formal updates to the BSM Management Board twice per year on our progress toward culture objectives. These goals are embedded in key people-focused initiatives. For example, we place a strong emphasis on leadership development. One priority is equipping leaders to make timely, effective decisions, delegate to build trust, and clearly communicate the rationale behind decisions to align teams and share knowledge. In shipping, where clear reporting lines are essential, especially for managing safety risks, this focus is critical.

At BSM, our people lead the way. Every day, they balance personal goals with delivering exceptional service to our clients. They stay aligned with industry standards while actively contributing ideas to improve operational efficiency. With a strong focus on safety and risk reduction, they also prioritise the wellbeing of colleagues, both at sea and ashore.

Our ways of working are introduced from the very start of the employee journey (see more on page 34) and are reinforced throughout the entire employee experience.

Wherever our people are, at the office, onboard, or working remotely from home, they have access on various internal communication channels to learn about company and industry news, participate in awareness activities, share different perspectives and realities and feel accepted and empowered in an international environment (see more on pages 28 and 46). Regular communication helps us cultivate the same values and build a strong foundation.

In a highly regulated and fast-evolving sector like maritime shipping, we strengthen our internal capabilities by enhancing our manuals, such as the HR and Ethical Operations manuals. These resources go beyond guidance, they empower our teams to act decisively and responsibly, embedding safe and efficient practices into everyday operations, even in dynamic environments.

We are committed to fostering an open culture where speaking up, especially against unethical behaviour or bias, is encouraged and supported. With our Speaking Up policy and Navex EthicsPoint (see more on page 40), we ensure that every voice contributes to a safer, more supportive environment.

We learn from one another, reflect on our experiences, and continuously grow together. Tools like the Everyday Feedback form and employee surveys (i.e., Employee Pulse Survey, Seafarer Tour Feedback and other seafarer surveys), enable open, honest communication that help the organisation recognise strong contributions and address concerns as they arise.

1

Introduction

2

Environment

3

Social

4

Governance

4.1

Our Culture

4.2

Corruption and Bribery

4.3

Supply Chain Management

Glossary

Safety has long been a core element of our operational culture. Our Loss Prevention, Safety, and Quality (LPSQ) department systematically investigates incidents to identify root causes and refine procedures, ensuring continuous improvement in safe operations. We promote clear, structured ways of working that support both compliance and performance. This approach encourages personal responsibility and informed decision-making, recognizing that human factors, system design, and working environments all influence outcomes.

Behavioural-Based Safety bulletins are shared with the crew and shore staff to offer real-life lessons, turning onboard incidents into opportunities for growth. These mechanisms support peer-to-peer learning and ongoing improvements in the ways we work.

Beyond safe operations, our people feel encouraged to take initiative and share their insights, fostering a customer-centric and innovative environment that meets our clients’ needs. This is reflected in adopting customize ship-management practices to meet our customers’ demands and expectations. This culture of collaboration and continuous learning allows us to deliver exceptional, forward-looking solutions while upholding the highest standards in everything we do.

Innovation is a cornerstone of our organizational culture, driving continuous improvement and sustainable growth across all facets of our operations. At the heart of our company lies a steadfast belief: innovation thrives where knowledge grows. Towards this end, in 2024 BSM also launched a new innovative initiative, BSM Smart Academy (see more on page 37), which is a collaboration with selected maritime universities worldwide with the goal of closing the gap between academic knowledge and practical training. BSM has been honoured at the SAFETY4SEA virtual awards with the Dry Bulk Operator award for BSM Smart Academy.

Our ongoing “My Idea” initiative empowers employees to share and develop innovative ideas that enhance operational efficiency, safety, and environmental performance. In addition, our “High Potential Accelerator (HiPo) Programme” (see more on page 38) is designed to fast-track high-impact innovative projects and nurture forward-thinking talent.

These initiatives not only foster a culture of creativity and collaboration but also ensure that innovation thrives at every level of our organization, reinforcing our leadership in sustainable ship management.



SHAPING A COMMON CULTURE AT SEA AND ASHORE

Our annual Fleet Leaders Meetings (FLMs) remain one of our widely accepted methods for effective communication and interaction between our seafarers, the company and the various relevant parts of the Schulte Group. The aim of these meetings is to bring seafarers and shore staff together to discuss various topics, exchange knowledge and best practices and generate new ideas. In 2024, six FLMs were held engaging a total of 406 participants at St. Petersburg, Russia; Gdynia, Poland; Manila, Philippines; Mumbai and New Delhi, India.

For many seafarers, the FLM offers a unique opportunity to interact directly with shore-side colleagues, ask questions, and share their experiences. Our updated FLMs’ agenda is emphasizing on leadership management, effective decision-making, comprehensive planning, effective communication and therefore the cultivation of the desired organisational culture. Through these gatherings, we instil the right values to our seafarers, focusing especially on safety, mental health, and inclusion.

1
Introduction

2
Environment

3
Social

4
Governance

- 4.1 Our Culture**
- 4.2 Corruption and Bribery
- 4.3 Supply Chain Management

Glossary

Corporate Citizenship

Throughout the year, we organize a variety of initiatives to connect our global workforce, both at sea and ashore, fostering a collaborative and purpose-driven employee experience. These initiatives celebrate the diversity of our talent pool and provide opportunities for employees to share their skills and knowledge, build a strong internal network, and work effectively together.

In 2024, over 3,500 employees participated in our global programs and initiatives. These included a talent competition for shore employees and seafarers, a step challenge initiative, a podcast series in honor of International Women's Day, the Fridays for Cultural Diversity initiative, and peer-to-peer nomination activities. We recognize and celebrate their exceptional behaviors and achievements by sharing their stories through our internal communication channels and awarding various prizes related to their well-being and self-development.

Aiming to amplify the positive impact to our local communities and the environment where we operate, we launched our Local Corporate Citizenship Committees (LCCCs) consisting of passionate employee-led groups dedicated to maximising our positive impact in the communities where we live and work. Our LCCCs are dedicated to build their own activities plan for each year using a specified budget to build stronger bonds with their communities, raise environmental awareness, and protect the well-being of underprivileged members. These efforts intend to further enhance the work that is being done under our three Corporate Social Responsibility (CSR) pillars – Schulte Group Forest, Education for Youth, and BlueSeasMatter.

The role of all employees involved in our committees extends beyond their job description, making them ambassadors of goodwill, using our internal resources and influence to create a better tomorrow for all. In 2024, through our LCCCs' initiatives and events, we planted 1,415 trees, we collected 1,019 Kg of waste and supported the educational needs of more than 1,191 students.

Our seafarers are always ready to help vessels in distress and assist other seafarers whenever needed. BSM China received the 2024 Safety@Sea award from the

Maritime and Port Authority of Singapore (MPA) for the outstanding contribution to its search and rescue efforts of their managed vessel WAN HAI A07. While en route to the Suez Canal, the 13,100 TEU container ship responded to a distress call from the sailing vessel SHAMROK, about 400 nautical miles west of Gibraltar. The crew successfully rescued the French captain, who was sailing alone.

To celebrate our achievements and honour the exceptional contributions of our employees, we have introduced a Volunteer Recognition Scheme. Through this scheme we are recognising the volunteer leaders in each location who dedicated the highest number of volunteering hours by participating in the corporate citizenship events organised by the LCCCs. Additionally, all LCCC members are eligible to apply for the annual Change Agent Award, which recognizes the committee member with the most significant contribution to our volunteering efforts. The winner receives a special reward aligned with our CSR Key Pillars.

In the upcoming years, we aim for meaningful partnerships with local communities, non-profit organisations and customers on social and environmental causes. Leveraging our global reach, expertise and resources, we aim to co-deliver impactful solutions and achieve shared goals effectively. We also plan to further elevate this recognition program by introducing a bonus scheme designed to incentivize and empower our workforce to continue making a meaningful impact.

By fostering a culture of collaboration and purpose, we empower our employees to be active participants in achieving our sustainability goals.



1

Introduction

2

Environment

3

Social

4

Governance

4.1 Our Culture

4.2 Corruption and Bribery

4.3 Supply Chain Management

Glossary



EMPOWERING YOUNG MINDS THROUGH EDUCATION FOR YOUTH

As part of our continuous efforts to create high quality education opportunities for youth around the world, BSM has been working, since 2021, with Junior Achievement (JA), a global nonprofit dedicated to educating students on entrepreneurship, work readiness, and financial literacy skills. Together, we positively impact youth education and increase their awareness of the maritime industry.

In 2024, we hosted stimulating career days during which 231 students had the opportunity to learn from our colleagues about the company's departments and career paths and interact with innovative technologies in our Maritime Training Centres. The highlight of this partnership was the Global Innovation Hackathon. We brought together 72 brilliant students from across the globe – Singapore, Philippines, India, Ukraine, Cyprus, and Greece – to brainstorm how Artificial Intelligence (AI) can revolutionise maritime work.



EYEESEA PARTNERSHIP

In honour of World Ocean Day, our local Corporate Citizenship Committee joined forces with Eyesea Germany and many other shipping companies in Hamburg on 7 June. This resulted in the largest Eyesea event in Europe.

About 100 people met up in 2 groups and walked along the Elbe river from Wittenbergen or Teufelsbrück to the Kajüte kiosk, tracking, mapping and collecting the litter along the way using the Eyesea app.

The event was a great success and an important step towards sustainability and social responsibility. Avoiding single-use plastics is crucial to protecting our oceans and it is encouraging to see so many people getting involved in this important cause.

You can visit their [website](#), to learn more about Eyesea.

1

Introduction

2

Environment

3

Social

4

Governance

4.1 Our Culture

4.2 Corruption and Bribery

4.3 Supply Chain Management

Glossary

Ethical Business

Our Ethical Ship Operations Policy outlines the responsibilities of all employees, management, and any third parties representing us. We encourage the reporting of unethical situations, foster open and honest communication, and guarantee no retaliation for speaking up. Crew members and shore-based employees must acknowledge their understanding of our policies during onboarding.

Our Safety Management Manual for ships and Ethical Operations Manual for office staff provide clear guidelines on how to handle potential corruption. To keep everyone informed and aligned, BSM issues a quarterly Ethical Operations Bulletin. This bulletin raises awareness of industry trends, company updates, and promotes ethical behaviour among ship and office staff. All relevant manuals and policies, including the bulletin, are accessible to all staff through our smartPAL Quality Document Management System (QDMS). You can find an overview of our BSM policies including our Business policy in the [supplementary information document](#).

In 2024, BSM remained actively involved in carefully chosen initiatives that address key sustainability issues. We are proud to collaborate with both environmental and social organizations to advance sustainability and strengthen community involvement. These partnerships support our mission to protect the environment and promote social inclusion, helping us build a healthier planet and more equitable communities.

BSM is honored to serve as a Mission Ambassador for the Maersk Mc-Kinney Møller Center for Zero Carbon Shipping, actively promoting and contributing to the global shift towards a sustainable, zero-carbon maritime industry. We have also endorsed the Global Maritime Forum’s ‘Call to Action for Shipping Decarbonization.’

Moreover, in 2024, BSM became one of the major contributors to Intertanko's GHG benchmarking tool. Launched in November 2024, Intertanko's GHG benchmarking tool has rapidly gained traction, with more than 1000 ships already sharing vital DCS data from 2023 to 2025. Our contribution of more than 100 vessels, whose data are transmitted through the DNV’s Veracity Data Workbench API, bolsters this data pool, providing invaluable insights for the entire tanker sector.



1

Introduction

2

Environment

3

Social

4

Governance

4.1 Our Culture

4.2 Corruption and Bribery

4.3 Supply Chain Management

Glossary

PARTNERSHIPS AND INITIATIVES



Inter Manager
International trade association for ship and crew managers and related maritime organizations, promoting high standards, sustainability, and innovation in global shipping.



Getting to Zero Coalition
Multi-stakeholder initiative for the development and use of climate-neutral ships by 2030



Treedom
Global organization enabling individuals and companies to plant trees remotely and track growth online, with local farmers, generating environmental, social, and economic benefits.



All Aboard Alliance
Global Maritime Forum initiative promoting diversity, equity, and inclusion in the maritime industry, uniting leaders to build a more inclusive, respectful, and future-ready sector.



Eyesea
Non profit organization encouraging individuals to participate in cleanup activities and collecting pollution data around the world.



BIMCO
International organization for improving standards and harmonizing rules and laws in the shipping industry.



Maritime Anti-Corruption Network (MACN)
International network to work for corruption-free trade in the maritime industry.



Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping
Non-profit, independent research and development center looking to accelerate the transition towards a net-zero future for the maritime industry.



International Association of Independent Tanker Owners (INTERTANKO)
Global trade association representing independent tanker owners since 1970, advocating for safe, efficient, and environmentally responsible oil and chemical shipping.



Diversity Study Group (DSG)
The first organisation dedicated to DEI in the workplace across the global shipping and maritime sectors.

1
Introduction

2
Environment

3
Social

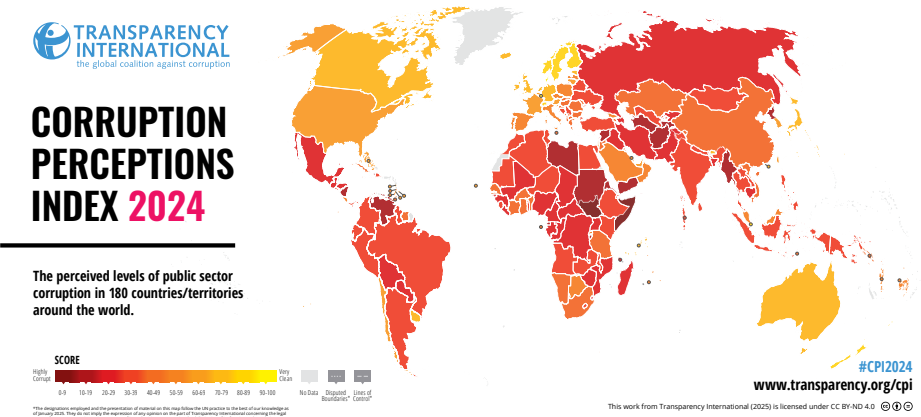
4
Governance

- 4.1 Our Culture
- 4.2 Corruption and Bribery
- 4.3 Supply Chain Management

Glossary

3.2 CORRUPTION AND BRIBERY

Corruption remains a persistent and complex challenge in the global shipping industry, often surfacing in nuanced, high-pressure scenarios such as when vessels are docked in foreign ports and officials request unofficial “facilitation payments” to expedite routine procedures. These moments serve as critical tests of our ethical resilience and corporate integrity. Yielding to such demands not only jeopardizes compliance with international anti-bribery laws, but also erodes stakeholder trust, tarnishes reputations, and threatens the seamless flow of global trade. As a company committed to the highest standards of governance, we recognize that combating corruption is not merely a legal obligation but a strategic imperative. Through robust internal controls, continuous staff training, and a zero-tolerance policy toward unethical conduct, we strive to foster a culture of transparency and accountability across all levels of our operations.



The Corruption Perception Index (CPI) ranks 180 countries and territories from 0 (highly corrupt) to 100 (very clean). In 2024, CPI revealed that many countries struggle to combat corruption. Over two-thirds of countries score below 50, highlighting severe corruption issues, and billions of people live in countries where corruption destroys lives and undermines human rights. It is also worth mentioning that corruption is a major threat to climate action. It hinders progress in reducing emissions and adapting to the unavoidable effects of global heating.

At BSM, we are proud to stand with the global community in the fight against corruption in the maritime industry. We actively use the CPI to assess risks and implement robust anti-corruption measures. When a vessel docks in a country with a CPI score below 60, the crew must send our Ethical Ship Operations Policy and a formal letter to agents, instructing them to inform local port authorities of our firm commitment to ethical business practices and regulatory compliance. The "No Corruption" poster, available in multiple languages, must be prominently displayed onboard.

Since joining the Maritime Anti-Corruption Network (MACN) in 2016, BSM has actively promoted transparency and integrity across the maritime sector. We participate to MACN’s anonymous incident reporting system and apply its tools and insights within BSM through a dedicated group-level manager.

MACN’s 24/7 HelpDesks in Nigeria, Egypt, and India (plus support in Argentina and Ukraine), offer real-time assistance to seafarers facing unethical demands. BSM encourages crew registration to ensure timely support during port calls, easing pressure on Masters and crews.

Seafarers play a vital role by staying informed, reporting suspicious activity, and fostering a culture of integrity. Country-specific anti-corruption information is available via the PAL InfoPoint Dashboard, which delivers critical safety and compliance alerts to vessels.

In 2024, as part of a MACN campaign, we conducted a sample survey following Port State Control (PSC) inspections to assess corruption-related experiences and concerns. The survey involved 108 of our vessels that underwent PSC inspections during the year. Through dedicated questionnaires, crew members were asked to share their concerns and provide feedback on any risks encountered during the inspections. As a result, three cases were escalated to MACN for further investigation.

- 1 Introduction
- 2 Environment
- 3 Social
- 4 Governance
 - 4.1 Our Culture
 - 4.2 Corruption and Bribery
 - 4.3 Supply Chain Management
- Glossary

Training is a cornerstone of our approach. Office staff are trained using the MACN training format, 'Ethical Ship Operations – Anti bribery and corruption' course. As part of our mandatory training requirements, employees in critical roles and positions are obliged to refresh the course in regular intervals. In 2024, 347 shore employees completed the course. Our internal business audit team verifies that all staff have completed the training on iLearn.

The Captain's Edition of the MACN 'Ethical Ship Operations – Anti bribery and corruption' was revised in 2024. The updated training entitled "MACN – PILOT REVISION (2024) Stand your Ground, Be a Leader" is now available onboard our ships for all seafarers, via the Competence Management System (CMS).

By actively fighting corruption, we can help restore confidence in ports and promote fair and transparent business practices. Click on the image below to watch a video showcasing the importance of reporting corruption incidents to MACN and how it leads to impactful change within the maritime industry.



CYBER SECURITY TRAINING

Cybersecurity is critical in the maritime sector to protect vessels, ports, and infrastructure from digital threats that can disrupt operations and compromise safety. Our increasing connectivity and digitalization efforts enhance efficiency but also expose us to serious risks from malicious attacks.

The BSM IT and Cyber Security Policy sets clear guidelines to safeguard our digital assets. It undergoes regular updates to align with current processes and ensure compliance. Our ISO 27001 - certified Information Security Management System (ISMS) manages risks and enhances cyber resilience and operational excellence through ongoing improvements in people, policies, and technology.

In 2024, we integrated Cyber security training to the onboarding phase of new employees in collaboration with the training platform that we partnered in 2023. The training includes features to identify vulnerabilities to phishing attacks, improve our resistance to such threats, and assess associated risks. The platform offers engaging, up-to-date training on social engineering threats, conducts quarterly phishing simulations, provides specialized training for high-risk users, and evaluates our security awareness culture annually.

All existing BSM shore employees receive annual cybersecurity refresher training and quarterly phishing simulations to enhance their awareness and readiness. As of the end of 2024, our Cyber Security Risk Score was 45, on a scale from 0 to 100, after incorporating several parameters and metrics (i.e. phishing simulations scores).

1

Introduction

2

Environment

3

Social

4

Governance

4.1 Our Culture

4.2 Corruption and Bribery

4.3 Supply Chain Management

Glossary

We assess our clients and business partners¹ before getting into business with them to ensure their business practices are in line with our ethical standards. According to their risk rating we either reject business or reevaluate on annual or biennially basis. Management Board is involved when clients reject to provide the necessary information. We expect our business partners to follow the principles as per our Anti-Bribery and business ethics policy and our Ethical Operations Manual when providing goods and services or acting on our behalf.

In 2024, there were five reported incidents involving unethical behavior related to corruption or bribery. A staff member was found to have solicited an illicit payment from a supplier in the form of a kickback. Following a thorough internal investigation, the employee’s contract was terminated in accordance with our zero-tolerance policy on unethical conduct. In addition, four seafarers contracts were terminated and the flag suspended their licences after they were involved in illegal activities.

In case of such incidents our Loss, Prevention, Safety and Quality (LPSQ) department independently investigates the systematic failures that led to a negative trend. We apply a holistic approach and extend the scope of an investigation based on the frequency, severity and type of incidents occurring. The additional investigation level allows us to identify the root causes of decreased performance and apply preventative actions to reverse the trend.

To ensure our staff are well-equipped to handle incident investigations, all LPSQ employees receive training in the Kelvin TopSet investigation methodology, with refresher courses conducted every five years.

¹ Business partners are considered our clients, suppliers, representatives, agents, vendors, JV partners, agents, consultants, charterers, potential investment, Mergers & Acquisitions, professional associations, beneficiaries for sponsorship and charity partners with whom the Company signs a contract.

Effective risk management is also essential for ensuring sustainable operations, particularly in areas prone to legal, ethical, and governance challenges. Monitoring exposure to high-risk regions, tracking incidents of non-compliance, and evaluating both financial and non-financial penalties are key to identifying vulnerabilities and strengthening internal controls. Transparent reporting on these risks supports informed decision-making and aligns with evolving sustainability and corporate governance standards.

Table 9: BSM Corruption Risk

	2023	2024
Calls at ports in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	202	211
Confirmed incidents of corruption including bribery and facilitation payments	0	1
Total number of instances for which fines were incurred due to of non-compliance with laws and regulations	8	2
Monetary value of fines from non-compliance with laws and regulations (USD)	387,000	5,575
Net revenue in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index (USD)	1,154	1,704
Total number of instances for which non-monetary sanctions were incurred due to of non-compliance with laws and regulations	0	0

1

Introduction

2

Environment

3

Social

4

Governance

4.1

Our Culture

4.2

Corruption and Bribery

4.3

Supply Chain Management

Glossary

3.3 SUPPLY CHAIN MANAGEMENT

With a global network of over 6,000 suppliers covering fuel, spare parts, lubricants, provisions, and more, we are actively contributing to UN SDG 12: Responsible Consumption and Production. Our commitment is unwavering: everyone in our supply chain deserves to be treated fairly, work in safe conditions, and be respected and empowered. Together with our partners, we uphold human rights, enforce labour standards, and prioritize health and safety—while driving innovation to reduce environmental impact.

Our Smart Procurement initiative has transformed how we manage procurement by integrating all processes into a single, data-driven platform. This not only improves cost-efficiency and profitability for shipowners but also significantly reduces our environmental footprint.

Following the foundational steps taken in the past to align onboard quantities with actual needs—such as implementing demand forecasting, auto-transactions, and guided buying—we built on this momentum in 2024 with a more strategic focus on logistics optimization.

In 2024, we initiated comprehensive freight forwarding analyses for all consignments and shared the results with all SMCs. These insights enabled us to consolidate shipments, optimize logistics costs, and make better use of volume efficiencies. As a result, we significantly improved our ability to select the most economical and efficient modes of freight transportation.

To align our supply chain with our environmental objectives, we have embedded strict sustainability criteria into all procurement activities. Suppliers must:

- Provide asbestos-free products,
- Comply with SOLAS II-1/3-5 and other maritime safety regulations,
- Submit IMO, SOLAS, Flag, and Class Approval Certificates,
- Preferably hold ISO 14001 certification, supporting our environmental policy,
- Demonstrate strong energy performance where relevant,
- Provide Material and Supplier Declarations of Conformity in accordance with the IMO Hong Kong Convention and EU regulations.

We also consider the entire life cycle of products and services, favoring recyclable and eco-friendly materials. Examples include switching to paper garbage bags, using environmentally safe chemicals, avoiding hazardous materials like asbestos, and excluding ozone-depleting substances from equipment.

Our focus on safety extends to managing Occupational Health and Safety (OHS) risks associated with supplier activities. We proactively identify, communicate, and mitigate these risks to protect our workforce and partners.

Cybersecurity is another critical pillar. In response to rising phishing threats, especially those involving fraudulent bank detail changes, we enforce a strict bank account verification protocol. All supplier invoices, even those appearing legitimate, undergo rigorous checks. Our professionals are trained to identify and manage such incidents, confirming bank account changes by phone and verifying email authenticity (see more on page 51), with expert IT support readily available.

We maintain ongoing communication and feedback exchanges between our purchasing professionals and suppliers. This enables us to monitor supplier satisfaction with our team’s professionalism and adherence to policies, as well as ensuring our shore and sea employees are satisfied with supplier performance and are well-trained on supply specifications.



1

Introduction

2

Environment

3

Social

4

Governance

4.1

Our Culture

4.2

Corruption and Bribery

4.3

Supply Chain Management

Glossary

Sustainable Procurement

Founded in 2017 as a joint venture, GP General Procurement Company Limited (GenPro) negotiates supply agreements with international ship suppliers ensuring BSM benefits from optimal prices for maritime products and services worldwide.

GenPro actively advocates for sustainable, transparent, and traceable supply chain management, going beyond regulatory compliance. Since 2020, GenPro has emphasised strategic partnerships with first-tier suppliers, offering auditing, training, and support to help them identify social and environmental risks and opportunities for improvement.

At BSM, we always prioritise GenPro suppliers, seeking alternatives only when the GenPro pool cannot provide the requested service or product.

Through the Sustainability Balanced Scorecard (Section 5 of the [Supplementary Information Document](#)), GenPro measures supplier regulatory compliance and sustainability performance. Currently, the Scorecard collects both qualitative and quantitative information about suppliers' certifications, policies, and goals regarding their environmental and social performance. The next steps should involve conducting environmental and social impact assessments for suppliers where actual or potential adverse effects have been identified.

Supplier evaluation is primarily carried out using the Minimum Contractual Requirements (MCR), with GenPro's top management making final contracting decisions based on these results. In certain cases, pre-contractual audits are also conducted, requiring a minimum sustainability score of 30%, which includes Environmental, Social, and Governance (ESG) criteria.

Suppliers are at different stages in their sustainability development. Lubricant suppliers are currently the most advanced, while shipyards have the greatest potential for improvement. In 2024, GenPro audited 86 suppliers working with BSM, representing 35% of the total supplier base, with an overall sustainability readiness score of 56%. For the first half of 2025, GenPro aims to assess an additional 100 suppliers.

GenPro's webinars serve as knowledge-sharing platforms, offering valuable insights into industry best practices and emerging sustainability trends. A key example is the Lube Service Desk, where GenPro collaborates with major lube oil companies to address specific areas of interest and share market intelligence relevant to the marine lubricants sector.

Automation plays a pivotal role in enhancing the sustainability and resilience of our procurement practices. Towards this end, in 2024, the first phase of the ERP tool OPTIMA was successfully implemented, introducing automation across multiple functions such as digitally monitoring the whole process of reaching an agreement with new suppliers. These improvements demonstrate how the system is simplifying complex processes while retaining core business logic and remaining intuitive for users. This advancement improved operational efficiency and supported the broader digitization goals of the GenPro initiative. As a next step, supplier auditing procedures will be seamlessly integrated into the platform, streamlining and standardizing the entire audit process.

Additionally, GenPro achieved ISO 9001 certification, reinforcing its quality management system and optimizing operations.

Experts from GenPro, our internal supply chain management team, and BSM's ESG Core Team continue to drive responsible consumption and resource efficiency, propelling us towards a truly circular economy.

Table 10: Number of suppliers audited on environmental and social criteria per year

Year	Total Number of Suppliers Under GenPro	Number of Suppliers Audited on Environmental and social criteria (%)
2023	244	120 (50%)
2024	281	86 (35%)

1

Introduction

2

Environment

3

Social

4

Governance

4.1

Our Culture

4.2

Corruption and Bribery

4.3

Supply Chain Management

Glossary

GLOSSARY

Abbreviation	Definition
AGM	Annual General Meetings
AI	Artificial Intelligence
AMA	Ask Me Anything
API	Application Programming Interface
BBS	Behaviour Based Safety
BSM	Bernhard Schulte Shipmanagement
BWMS	Ballast Water Management System
CBA	Collective Bargaining Agreement
CBM	Condition Based Maintenance
CBT	Computer-Based Training
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMS	Competence Management System
CO2	Carbon Dioxide
CSC	Crew Service Centre
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equity, and Inclusion
DMA	Double Materiality Assessment
DOC	Document of Compliance
DSG	Diversity Study Group
EEA	European Economic Area
EEXI	Energy Efficiency Existing Ship Index
Efi	Employees for Inclusion
EGCS	Exhaust Gas Cleaning Systems
eLogs	Electronic Logbooks

1

Introduction

2

Social

3

Environment

4

Governance

Glossary

GLOSSARY

Abbreviation	Definition
eLogs	Electronic Logbooks
EnMS	Energy Management System
eNPS	Employee Net Promoter Score
eRBooks	Electronic Record Books
eRbooks	Electronic Record Books
ERP	Enterprise Resource Planning
ESG	Environmental, Social, and Governance
ESS	Employee Satisfaction Survey
ETN	Eurasia Travel Network
ETS	Emission Trading System
EU	European Union
FLM	Fleet Leaders Meeting
FLMs	Fleet Leaders Meetings
FMC	Fleet Monitoring Centre
FOCR	Fuel Oil Consumption Report
FPC	Fleet Performance Centre
FPO	Fleet Personnel Officer
GDPR	General Data Protection Regulation
GenPro	GP General Procurement
GHG	Greenhouse Gas
GOs	Guarantees of Origin
GRI	Global Reporting Initiative
GSC	Global Service Centre
GWP	Global Warming Potential
HiPo	High Potential Accelerator Programme

1

Introduction

2

Social

3

Environment

4

Governance

Glossary

GLOSSARY

Abbreviation	Definition
HKC	Hong Kong International Convention
HMAS	Hanseatic Maritime Advisory Services
HR	Human Resources
ILO	International Labour Organization
IMO	International Maritime Organisation
IMPA	International Marine Purchasing Association
IPCC	Intergovernmental Panel on Climate Change
IROs	Impacts, Risks, and Opportunities
ISM	International Safety Management code
ISO	International Standardisation Organisation
IT	Information Technology
JV	Joint Venture
KIMFT	Korea Institute of Maritime and Fisheries Technologies
KPI	Key Performance Indicators
LCCC	Local Corporate Citizenship Committees
LED	Light Emitting Diode
LLM	Learning Language Models
LMS	Learning Management System
LNG	Liquified Natural Gas
LPSQ	Loss, Prevention, Safety and Quality
LTJ	Loss Time Injury
LTIF	Loss Time Injury Frequency
LWC	Lost Workday Case
MACN	Maritime Anti-Corruption Network

1

Introduction

2

Social

3

Environment

4

Governance

Glossary

GLOSSARY

Abbreviation	Definition
MARPOL	International Convention for the Prevention of Pollution from Ships
MDA	Management Discussion and Analysis
MEPC	Marine Environment Protection Committee
MLC	Maritime Labour Convention
MOC	Management of Change
MoU	Memorandum of Understanding
MS	Microsoft
MT	Metric Tonnes
MTCs	Maritime Training Centres
NCR	Non-Conformity
NGO	Non-Governmental Organisation
NOx	Nitrogen Oxides
OCIMF	Oil Companies International Marine Forum
OEM	Original Equipment Manufacturer
OHSE	Occupational Health, Safety and Environmental
OPTIMA	ERP tool for procurement
PAL	Portal Active Link - a proprietary fully web-based enterprise resource planning software for ship managers and owners.
PAL	smartPAL (Smart Portal Active Link)
PSC	Port State Control
PTD	Permanent Total Disability
PVs	Photovoltaics
Q&A	Question & Answer
QDMS	Quality Document Management System
QHSE	Quality, Health, Safety, and Environmental
R&D	Research & Development

1

Introduction

2

Social

3

Environment

4

Governance

Glossary

GLOSSARY

Abbreviation	Definition
RCC	Regulatory Compliance Centre
RECs	Renewable Energy Certificates
RMU	Regional Maritime University
S.M.A.R.T	Specific, Measurable, Achievable, Realistic, and Timely
S.M.C.	Schulte Marine Concept
SDG	Sustainable Development Goal
SEA	Seafarers' Engagement Agreements
SEEMP	Ship Energy Efficiency Management Plan
SIRE	Ship Inspection Report Programme
SMC	Ship Management Centre
SOC	Statement of Compliance
SOV	Service Operation Vessel
SOx	Sulphur Oxides
STCW	Standards of Training, Certification and Watchkeeping
TC	Turbocharger Isolation
THETIS	EU platform for MRV and compliance
TRC	Total Recordable Cases
TRCF	Total Recordable Cases Frequency
UK	United Kingdom
UN	United Nations
US	United States
USD	United States Dollar
UV	Ultraviolet
VAS	Value-Added Services
VDP	Vessel Decarbonisation Performance / Vessel Performance & Decarbonisation

1

Introduction

2

Social

3

Environment

4

Governance

Glossary

Abbreviation	Definition
VDR	Voyage Data Recorder
VF	Variable Frequency
VPR	Vessel Performance Rating
WEA	Work Experience Accelerator
YPT	Young Professionals Traineeship

1

Introduction

2

Social

3

Environment

4

Governance

Glossary

