

SUSTAINABILITY REPORT 2021

REPORTING YEAR 2021

**HIGHLIGHTS OF DISCLOSURE
2022**



OUR APPROACH TO SUSTAINABILITY /

Wah Kwong seeks to align its Sustainability Policy and initiatives with the UN Sustainability Goals. In 2021 a non-board Sustainability Committee was formed to operate as a platform to discuss and evaluate our sustainability policies, practices and goals. We will continue to have proactive conversations with our partners along the supply chain about how we are reducing our carbon intensity, and how they can do the same, including offering partners technology to be able to track the carbon emissions of their business activities.

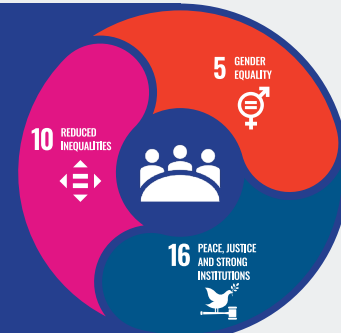
SAFE WORKPLACE AND WELLNESS OF EMPLOYEES

Providing safe and healthy work environment is our top priority. Wah Kwong established various additional measures to achieve these UN Sustainability Goals.



CORPORATE GOVERNANCE

We are committed to the principles of human rights, equality, labour standards, environment and anti-corruption. Wah Kwong has in place strict anti-corruption and anti-bribery policies and procedures. We are developing a diverse and inclusive workforce both ashore and at sea.



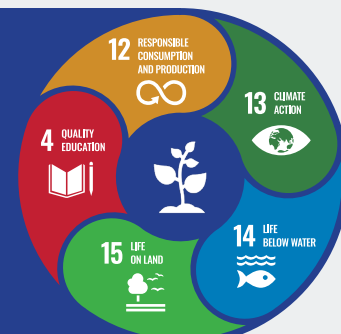
SOCIAL DEVELOPMENT AND EDUCATION

We are cultivating the next generation maritime workforce by supporting maritime education. Wah Kwong also supports artistic and cultural developments in Hong Kong.



PROTECTING ENVIRONMENT

Wah Kwong takes responsible approach to management and operation of our fleet. We are voluntarily offsetting our Scope 1 (100%) carbon emission and others to promote cleaner energy development.

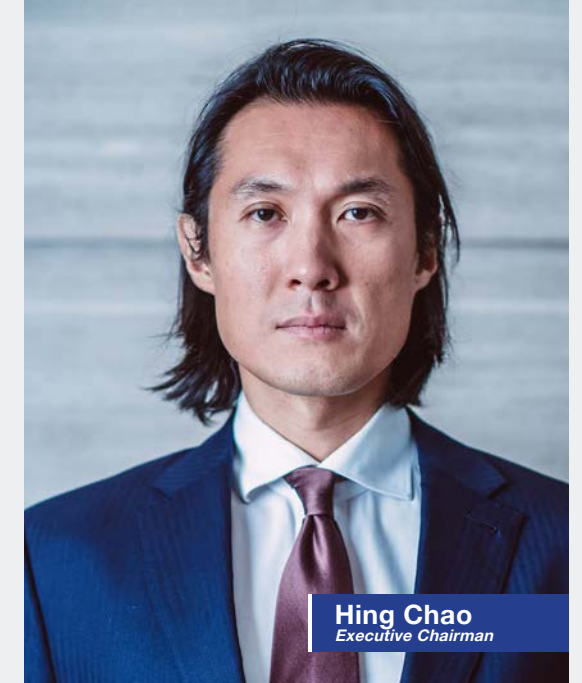


CHAIRMAN'S ADDRESS

2021 was another challenging year for the maritime industry and for Wah Kwong. Despite this we have remained diligent and focused on operating our modern fleet and third party managed fleet in compliance with all applicable safety and environmental regulations as demonstrated by a number of safety achievements and metrics set out in this report. Yet again COVID-19 has been at the forefront of our minds.

At the same time, environmental sustainability dominates the conversation in our industry and globally. We are consistently taking steps to reduce our environmental impact. We continue to offset carbon emissions from our Owned fleet's voyage charter activities as well as from emissions from our office crew and executive travel. We are actively seeking potential investments in the renewable energy space to support and promote new sustainable technologies.

We take the view that the strides we make towards sustainability are most effective when they are connected. We take a holistic approach to sustainability. In so doing we aim to tackle the substantial environmental challenges our industry faces, whilst supporting social and economic initiatives and demonstrating good corporate governance. This is evidenced, in particular, by Wah Kwong's continued support of maritime education initiatives including our scholarship scheme with the Shandong Jiaotong University.



Hing Chao
Executive Chairman

We have aligned with the Sustainable Accounting Standard Board (SASB) for our reporting, and the UN Sustainable Development Goal (SDG) to provide a framework for our progressive development.

Ensuring the well-being of our seafarers and shore based colleague is core to Wah Kwong operation. Despite the continuing challenges the global pandemic has brought, in 2021 we continued to implement our Wellness at Sea programme in conjunction with the Sailors' Society.

We strive to be a strong voice in the industry, championing education, diversity and good governance. We have strong partnerships with both local and international bodies and are actively engaging in key industry matters.

As Wah Kwong continues on its Sustainability journey, it has become even more apparent to me that a company that combines commercial imperative with sustainability goals will be much better equipped for the challenges we now face and which we will face in the future.



WAH KWONG 2021 ESG FACTS AND FIGURES /

Governance

Diversity and Inclusion

We have a strong history of women in leadership including our current CFO, General Counsel & Company Secretary, and former Chair.

0 cases of corrupt practice

or whistleblowing incidents
(TR-MT-510a.1)
(0 in 2020)

We have formed
Sustainability Committee
to assess our policy



Decarbonisation

Fuel Consumed by Owned fleet

6,440,769.91 (GJs)

Fuel Consumed by Managed fleet

9,333,772.21 (GJs)

CO2e emissions from voyage charter of owned vessels

56,390 mtCO2e
(29,563 in 2020)



Carbon Offset 57,370 mtCO2e

This includes offset for: our voyage charter of owned vessels (Scope 1 emission), office electricity use (Scope 2) and crew and staff travel (a small portion of Scope 3) in 2021 through China Light & Power (CLP) Carbon Credit Partnership

134 Shore-based employees

in Hong Kong and Shenzhen offices
(100 in 2020)



Deadweight Tonnage

6,618,042.79 (Thousand deadweight tons)
(TR-MT-000.D)

Owned: 2,728,907.59
Managed: 3,889,135.2



The average Annual Efficiency Ratio (AER) as fuel carbon intensity rate

achieves a **6%** decrease over CY 2020 to 2021

3.26 g CO2/t-nm
(3.48gCO2/t-nm in 2020)

Operating Days

(TR-MT-000.C)

Owned: 7,466.063

Managed: 12,738.512



Vessels in Fleet

owned ships
21
managed ships
41

Average age of WK owned vessels: 7.24 years

Wah Kwong manage a diverse fleet of modern vessels including oil tankers, gas carriers and bulk carriers ranging from 4,000 to 318,000DWT

Operations, Health and Safety

1,323 Shipboard Employees

(*estimate)
Owned: 441
Managed: 882 (TR-MT-000.A)

**Total Nautical Miles Travelled
3,353,689.27**

(2,615,234 in 2020)
(TR-MT-000.B)
Owned: 1,218,250.16
Managed: 2,135,439.11



1,486 Total Port Calls

(1,295 in 2020) (TR-MT-000.F)
Owned: 493
Managed: 993



**Inspection detention rate
0.7%**

(only 1 detention out of 139 inspections for owned and managed fleet)

Average EEDI for

Owned Fleet **3.15**
Managed Fleet **3.28**

Awarded

"The Outstanding Performance in Port State Control Inspection for Hong Kong registered ships in the year 2020"

by the Hong Kong Marine Department (MARDEP)

Lost time incident rate 0.000011

(0.000004 in 2020)
(TR-MT-320a.1)

Rate is calculated as (lost time incidents) / (1,000,000 hours worked)

Total Number of Marine Casualties 0

(0 in 2020)
(TR-MT-540a.1)



5.5 lost-time injuries

in 20 million man-hours



We joined the

Awareness Campaign and Coaching Programme

to actively enhance the well-being of seafarers



Wah Kwong joined 800 other firms in signing the

Neptune Declaration on Seafarer Wellbeing

in 2021

Social Sustainability

Number of Students attended Wah Kwong Class under School Enterprise Cooperation with Shandong Jiaotong University

115 Students

with provision of award and scholarships to 30 students



Environmental

MARPOL Pollution 0 Incidents

(0 in 2020)

No oil spills

We are proud that diligence of our colleagues has again resulted in no spills or released into the environment in 2021.



OUR STRATEGY TOWARDS DECARBONISATION /

Carbon offset allows us to do something today, while we find better answers for tomorrow. Wah Kwong is committed to invest resources towards solutions that will avoid carbon emissions in the future.

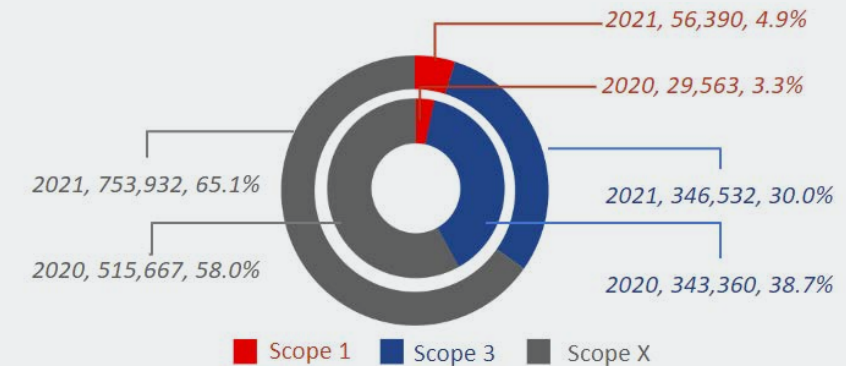
We continue to monitor vessel performance to reduce inefficiencies and therefore emissions.



Our average fleet age is 7.24 years. Wah Kwong is committed to purchasing ships that are of a modern, environmentally compliant, and efficient design. Where possible, we make use of new technologies and propulsion systems that seek to significantly reduce GHG emissions.

CARBON MANAGEMENT STUDY REPORT (In collaboration with carbonbase)

WAH KWONG'S TOTAL SHIP FUEL EMISSIONS BY SCOPE, 2021 VS 2020 (TCO2)

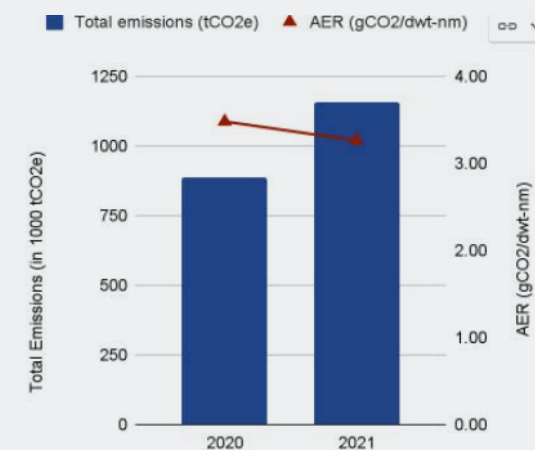


* Scope 1: fuel emissions from WK's owned voyage
 * Scope 3: fuel emissions from WK's owned time charter
 * Scope X: fuel emissions controlled by third party

For reporting year 2021, direct CO2 emissions (from voyage fuel consumption on Wah Kwong owned ships) totalled 56,390 tCO2 (Scope 1, detail explained in the next page). The emission from our vessel has increased from last year partly due to the increase in the number of voyages and performance of longer voyages.

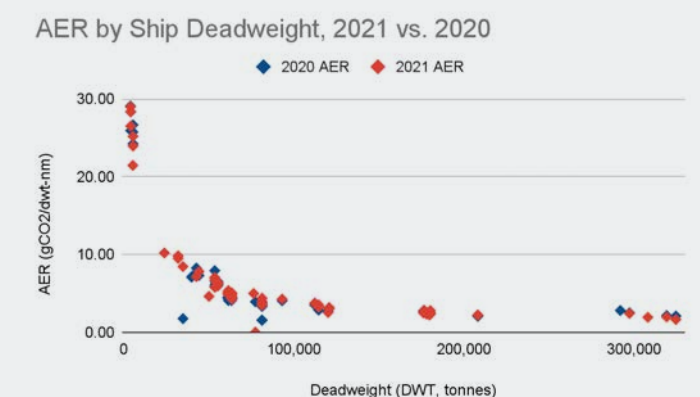
However, as shown in the below graph, the Annual Efficiency Ratio (AER) (which is calculated by dividing a vessel's annual carbon emissions by its annual DWT miles) has decreased from 2020 by 6%, marking 3.26g CO2/t-nm. AER as the carbon intensity indicator (CII) is also adopted by Poseidon Principles for assessing climate alignment.

TOTAL EMISSIONS AND AER, 2021 VS 2020



The Annual Efficiency Ratio (AER), was decreased from 3.48 in 2020 to 3.26 in 2021

DEADWEIGHT BY WK SHIPS AND AER, 2021 VS 2020



*Data and graphs in this page were produced by Carbonbase

Wah Kwong believes that decarbonisation of the maritime industry requires full support and participation of all parties along the supply chain. In 2021 we formed a non-board Sustainability Committee as a forum to evaluate our sustainability policies, initiatives and goals.

ENVIRONMENT /

Wah Kwong is one of the first shipping companies to set a carbon neutrality goal in Hong Kong.



EMISSIONS

Scope 1 (Fuel Consumption) **56,390 mT CO₂e**

Scope 2 (Office Electricity and AC) **603 mT CO₂e**

Scope 3 (Crew and Executive Travel) **376 mT CO₂e**

Total Wah Kwong's Share of Carbon Emissions for FY2021 **57,370 mT CO₂e**

CARBON OFFSET

While carbon offset alone is not the final answer to achieving zero emissions, projects generating the carbon offset credits reduce or avoid carbon emissions that would otherwise have been emitted without such a project. By off-setting its Scope 1 emissions for the second year in a row, Wah Kwong is showing its commitment to investing resources toward solutions that will advance carbon reduction.

In November 2020, Wah Kwong set a carbon-neutral goal regarding Scope 1 emissions of our fully owned and controlled assets. This scoping methodology is aligned with the scope definition and the equity and operational approach suggestion under the GHG Protocol.

The carbon credits applied to offset Wah Kwong's Scope 1 emissions are generated by CLP Wind Farms (Khandke) and are obtained under our 2020 MOU with CLP Innovation Enterprises Limited. The certificate of our offset this year is appended to this report. The Khandke Wind Farms provides various co-benefits to communities in rural areas in India, including vocational training, supporting women's social development activities, providing health check-ups, clean drinking water and promoting school sanitation, in line with the UN Sustainability Goals.



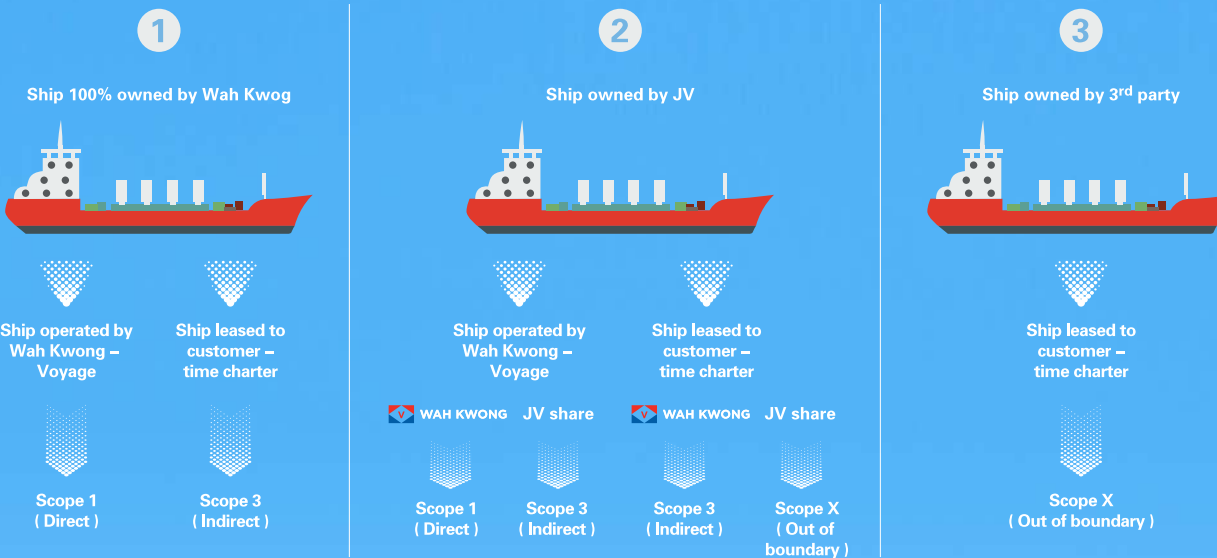
Photos by CLP India partner Watershed Organisation Trust in its "Activity Completion Report"

Sustainability Linked Loans

Wah Kwong has utilised sustainability linked financing as a way of enhancing sustainability management, deepening dialogues with lenders on sustainability goals, and reaffirming our strong commitment to achieving sustainability performance targets (SPT), such as offsetting our scope 1 emission and promoting seafarer wellness. Wah Kwong will continue to involve a wide range of stakeholders in the supply chain.



HOW WE DETERMINE SCOPE 1 EMISSIONS (GRAPHICS by CARBONBASE)



SAFETY, WORKPLACE AND BUSINESS PRACTICES /

Setting the Course in the
Aftermath of COVID



PROTECTING OUR SEAFARERS DURING THE PANDEMIC

The global pandemic continued to bring challenges to ensuring the safety, health and wellbeing of our seafarers in 2021. In 2021, Wah Kwong established various additional measures to achieve “Zero infection KPI” on our owned and managed vessels. This year we continued to implement our Wellness at Sea programme for our seafarers in conjunction with the Sailors’ Society. Our HSEQ department also successfully rolled out a COVID -19 vaccination policy across our fleet. Currently, our vaccination rates are 98% for the onboard staff. We further strengthened our protocols around shore personnel attending onboard. As a result of these efforts as well as the diligence of our crew, no seafarer tested positive for COVID-19 in 2021 while serving onboard our vessels.



SETTING THE COURSE IN THE AFTERMATH OF COVID

In 2021 Wah Kwong’s owned fleet underwent 53 Port State Control inspections and our technically managed fleet underwent 86 such inspections. There was only 1 detention arising from the inspection of owned vessels and 1 detention in the managed fleet.

As a result of this record, and in recognition of the efforts of our seafarers and shore team, Wah Kwong was awarded “The Outstanding Performance in Port State Control Inspection for Hong Kong registered ships in the year 2020” by the Hong Kong Marine Department (MARDEP).

Wah Kwong continues to maintain high safety standards by RightShip and maintains excellent SIRE/ CDI records on our tanker vessels.

In addition Wah Kwong maintains Qualship-21 and E-Zero recognitions by the USCG for the eligible vessels calling the United States.

PROTECTING OUR SEAFARERS /

Neptune Declaration



**WE HAVE A SHARED RESPONSIBILITY TO
RESOLVE THE CREW CHANGE CRISIS.
JOIN US.
THE NEPTUNE DECLARATION
ON SEAFARER WELLBEING AND CREW
CHANGE**

The ongoing COVID-19 pandemic has continued to impact seafarers' lives in 2021. Wah Kwong has and will continue to promote the crucial role seafarers play in facilitating global trade and economic activities. In 2021, Wah Kwong became a signatory of Neptune Declaration on Seafarer Wellbeing and Crew Change.

The Neptune Declaration urges the implementation of four main actions:

- Recognising seafarers as key workers and prioritise their access to vaccinations
- Establish and Implement gold standard health protocols based on existing best practice
- Increase collaboration between ship operators and charterers to facilitate crew changes
- Ensure air connectivity between key maritime hubs for seafarers



GULF OF GUINEA DECLARATION

The physical safety of our crew is also a priority for us.

In response to the growing number of piracy attacks in the Gulf of Guinea and in South East Asia, we have joined The Gulf of Guinea Declaration on the Suppression of Piracy.

This commits us to support a range of initiatives to reduce the piracy attacks in the Gulf of Guinea, including antipiracy law enforcement as mandated by international laws in a direct and tangible way. During the reporting year, there were no piracy attacks on our owned and managed vessels.



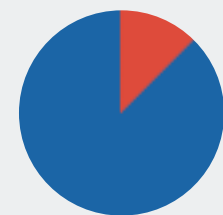
GOVERNANCE

Wah Kwong's Senior Management team is diverse and inclusive

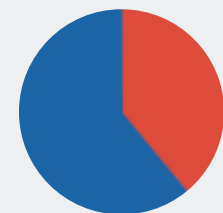
DIVERSITY, EQUITY AND INCLUSION

We believe that diversity, equity, and inclusion add strength to what we do. Having the best people coming from different backgrounds means we gain different perspectives and add resilience to our decision making.

Currently, 39% of our Senior Management Team are women and we have a strong history of promoting women in the industry to senior positions – including our CFO, General Counsel & Company Secretary, as well as our former Chair, Sabrina Chao, who is now the 45th President of BIMCO.



Board Members
87% Male
13% Female



Senior Management
61% Male
39% Female



TRAINING AND DEVELOPMENT

In all we do, we put our people first. Many of Wah Kwong's office staff started life at sea – we have a deep understanding of the challenges posed by modern-day shipping to crew welfare. The company has always strived to provide a well-structured support system to supplement the natural affinity our many ex-seafaring staff feel for their seafaring colleagues, many of whom served onboard together.

Wah Kwong host regular crew training seminars for junior and senior officers at our facility in Qingdao, as well as supporting cadetship programme to nurture the next generation of maritime talent. With many of the company's management starting off their careers as Wah Kwong seafarers, we offer unrivalled career development opportunities to our crew.



WELFARE OF THE EMPLOYEES /

Wah Kwong strongly believes that people are the most important assets for sustainable business growth

RECOGNITIONS

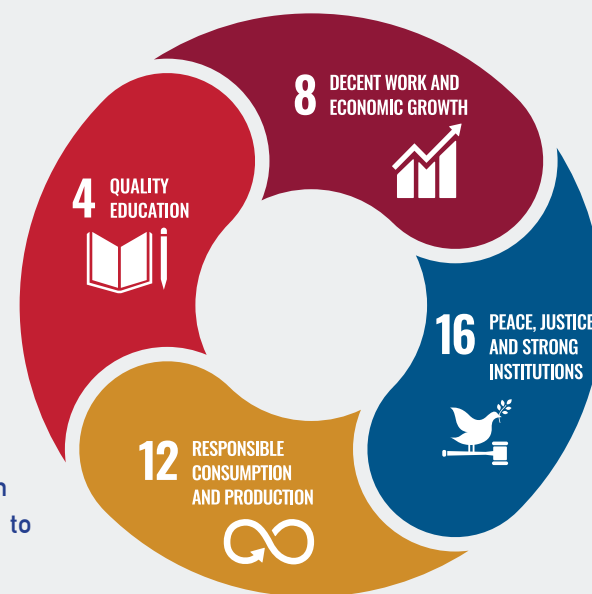
We are extremely proud to be recognised as a “Caring Company” under the Hong Kong Council of Social Service (HKCSS) accreditation scheme, acknowledging our commitment to the welfare of our colleagues.

Wah Kwong is committed to operating with honesty and integrity. We operate within international and national business ethics laws, regulations and practices. All employees are expected to adhere to our standards and we have in place robust risk & compliance mechanisms to ensure that they do.

ACCOUNTABILITY

To increase the accountability of our management, we have incorporated the UN Sustainable Development Goals into our KPIs and therefore management's remuneration schemes.

We know that the shipping Industry provides an irreplaceable service to the world. We are determined to make this service work for the future of our society.



GIVING BACK AND KEEPING CONNECTED TO OUR COMMUNITY

We care deeply for our
local communities

17 PARTNERSHIPS FOR THE GOALS




01 A FOUNDING MEMBER OF THE HONG KONG SHIPOWNERS ASSOCIATION

Wah Kwong is a founding member of the Hong Kong Shipowners Association (HKSOA) incorporated in 1957. We are a Hong Kong family-owned company: the current Chairman is the 5th member of the Chao family to take on this role. We have long been a prominent voice in Asian and International Shipping. Our Executive Chairman is currently the chair of the China Sub-Committee of the HKSOA and a member of the Executive Committee.



02 SUPPORTING THE HONG KONG SHIPPING REGISTER

All our owned ships fly the Hong Kong flag, which is the fourth-largest flag state in the world (by gross tonnage). Our crews typically include 1 or 2 Hong Kong officer cadets.



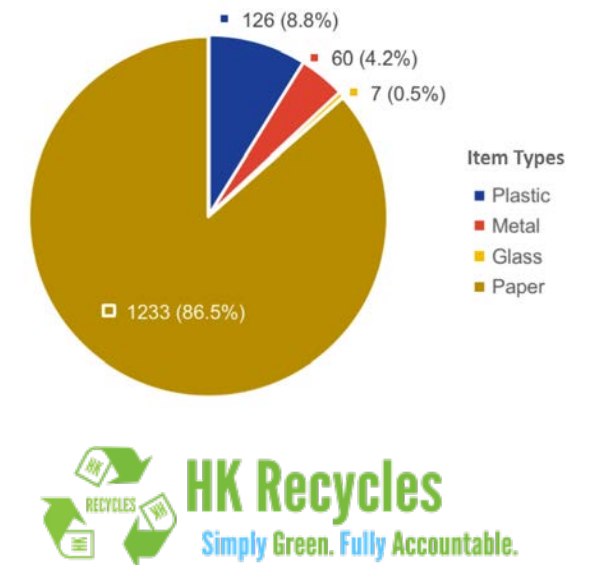
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



03 GREEN EFFORTS ASHORE

(Data provided by HK Recycles)
We have placed recycling bins in our office to collect recyclables such as waste glasses or metals under "Waste Wise and Energy Wise schemes".

Under these schemes, Wah Kwong commits to reducing its office-based waste and energy used year on year. In 2021, 1233.3kg of papers were recycled.



04 DIVERSE AND INCLUSIVE WORKFORCE

We believe that diversity adds strength to what we do. We are an active corporate member of the Women's Shipping & Trading Association (WISTA) in Hong Kong and internationally. WISTA is an international networking organisation whose mission is to attract and support women, at the management level, in the maritime, trading and logistics sectors. WISTA promotes diversity and inclusion in the shipping and trading sectors and has consultative status with the IMO.



STAFF ENGAGEMENT IN ENVIRONMENTAL ACTION /

Our view is that sustainability goals can only be met if our staff are fully engaged. In 2021, we launched our second “Green Week” initiative to raise our awareness of environmental issues and change our own consumption choices in a positive way.



SCREENING OF ENVIRONMENTAL FILM TO ENCOURAGE RECYCLING

Our colleagues gained a better understanding of the significant impact brought by marine pollution and the fact that each of us has a part to contribute to ocean conservation. We have placed recycling bins to collect recyclables such as waste glasses, metals, plastic bottles, electronic items and batteries.



PLANTING AND HARVESTING ORGANIC VEGETABLES

Partnering up with Produce Green Foundation for the 6th consecutive year, Wah Kwong staff and their families enjoyed two days of planting and harvesting organic vegetables.



COOKING VEGAN CAKES AND IMPOSSIBLE BURGERS

Eating green is beneficial to our health and our planet, contributing to a sustainable world in the long run.



GIVING BACK TO THE COMMUNITY /

Our support and contribution towards art
and culture in Hong Kong

01 HONG KONG CULTURE FESTIVAL



Wah Kwong is a corporate sponsor of Hong Kong Culture Festival. The Festival provides a much needed platform for Hong Kong's diverse traditional arts and heritage through its annual programme, which encompasses four main areas: "Visual Arts", "Performing Arts", "Intangible Cultural Heritage" and "Martial Arts Culture". Our Executive Chairman is one of the directors of this organisation.

Hong Kong Culture Festival continued to offer free programme during the pandemic. A highlight of its 2021 programme, "The Great Way", featuring an original music and dance production inspired by China and Japan's common heritage of Zen (Chan) philosophy, was held at the Hong Kong City Hall in November. Attended by more than 700 audience, the "Crane's Suite for Shakuhachi" was performed together with "Crane Dance", the result of three years' research, fusing Chinese martial arts and dance. "The Great Way" also presented the annual Quanzhen Temples Taoist Ritual Music, one of the items inscribed onto the first Representative List of the Intangible Cultural Heritage of Hong Kong.



02 FOUNDING MEMBER AND SUPPORTER OF THE HONG KONG MARITIME MUSEUM



Wah Kwong is a founding member and continuing corporate member and sponsor of the Hong Kong Maritime Museum. This Museum aims to enhance public learning in maritime history through various education programmes and services including workshops, guided tours and learning materials. In September 2021, Wah Kwong staff and their families visited the Museum and celebrated the Mid-Autumn Festival by making festive lanterns.



EDUCATING NEXT GENERATION OF SEAFARERS /

School-Enterprise Partnership



山东交通学院
SHANDONG JIAOTONG UNIVERSITY

In collaboration with the Shipping College of Shandong Jiaotong University, throughout the academic year Wah Kwong has provided lectures to maritime students delivered by our experienced seafarers.

Under this collaboration, Wah Kwong provides its own bespoke course materials which include practical information and guidance from the perspective of a ship owner or operator with the aim of ensuring cadets are well equipped for the start of their careers at sea, whether this be with Wah Kwong or another shipping company.

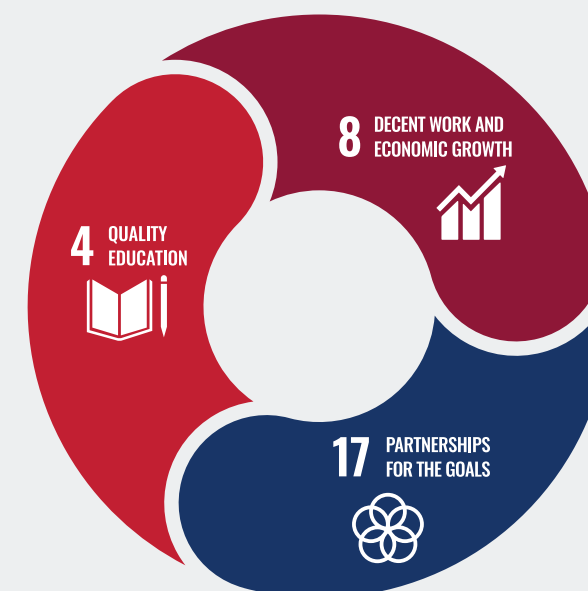


THE COURSE OPENING CEREMONY

A total of 115 students have joined the course starting from September 2020. Our programme includes Navigation and Seafarer Culture, Life of Seafarer, Maritime Leadership & Management, and Sustainable Sailing Careers.

SHIP VISITS

Lecturers and students were also invited to visit the Wah Kwong managed 180,000-ton class vessel CS Nan Jing before its maiden voyage. Through this visit, students were able to see directly what they learned during the course, as well as the latest advanced technology and equipment onboard the vessel.



This education scheme seeks to directly support UN Sustainability Goal 8 – Good Jobs and Economic Growth as well as Goal 4 – Quality Education Goal 17 – Partnerships for the Goals and provide meaningful support to students seeking a career in the maritime industry.

SUPPORTING NEXT GENERATION OF MARITIME TALENTS /

Scholarship and Awards



山东交通学院
SHANDONG JIAOTONG UNIVERSITY

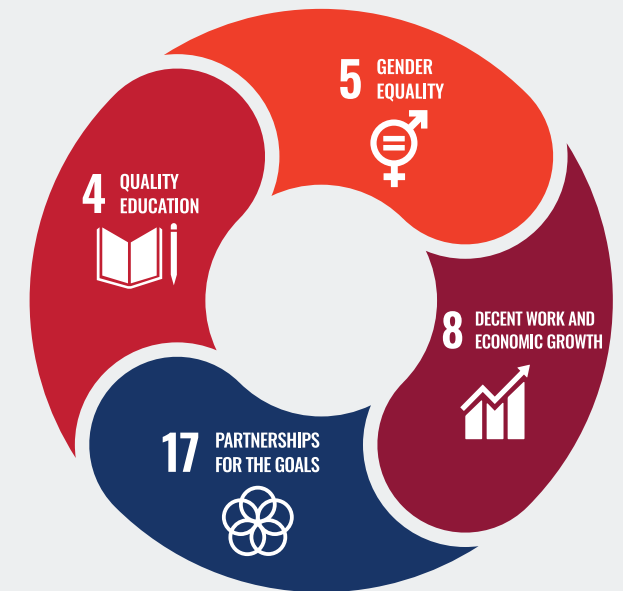
MARITIME STUDENT SCHOLARSHIPS

In 2021 Wah Kwong awarded scholarships to 30 students in their first academic year at the Shandong Jiaotong University. These scholarship were awarded based on academic results and socio-economic background.



MARITIME SUMMER INTERNSHIP

"Each year Wah Kwong takes two to four summer interns under the Hong Kong Maritime and Aviation Training Fund (MATF) Scheme run by the Hong Kong Maritime and Port Board, providing relevant and hands-on experiences and the exposure of a wide spectrum of career opportunities within the shipping sector. The 2021 intake came from academic disciplines of ship management and operations, logistics and maritime law.





SPONSORING MARITIME INNOVATION /

In 2020 Wah Kwong was the “Decarbonization/Environmental Solutions” sponsor for last year’s “Captain’s Table” shipping incubator start-up competition hosted by the Hong Kong-based Young Professionals in Shipping Network.

In support of this Hong Kong-based initiative, Wah Kwong was very pleased to be a sponsor of the 2021 Captain’s Table competition, the finals of which were held in December. The competition brought together start-ups seeking to tackle issues including seafarers’ mental health, vessel operation efficiency, alternative green fuels, maritime regulatory compliance and carbon emissions measurement, all of which are highly relevant to Wah Kwong’s own operations as they are to the global shipping industry.

REACHING SUSTAINABILITY GOALS REQUIRES RELEVANT AND ACCURATE DATA

Through Wah Kwong’s sponsorship of the Decarbonisation section of the Captain’s Table competition in 2020 we developed a collaboration with Hong Kong-based start-up Carbonbase. Our first collaboration was to carry out a carbon audit across the owned/right of use and managed fleet. This data was then directly applied to determine the Company’s carbon off-set requirements with CLP for 2020 as well as forecasting for 2021 and 2022.

In 2021 this collaboration expanded further to both companies working together to build a bespoke emissions data capture software platform for all owned/right of use and third-party managed vessels. Substantial progress was made in the development of this platform in 2021.



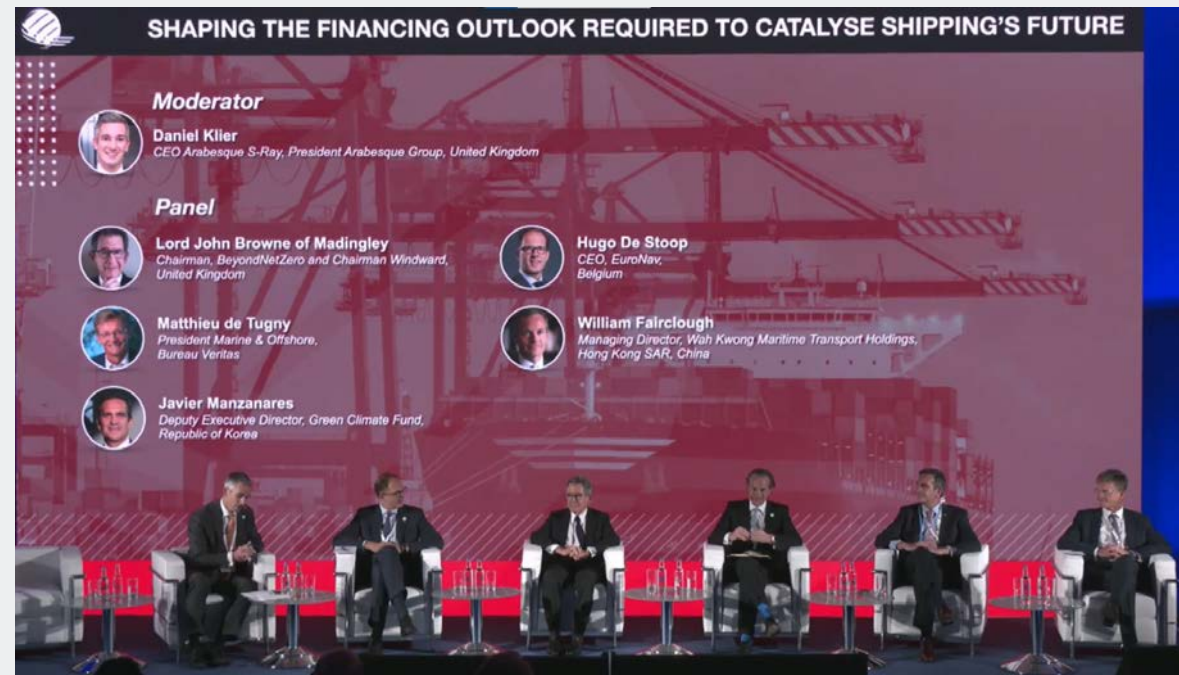
INDUSTRY PARTICIPATIONS /

Participating in Global Climate Change Discussions at COP26



We believe the maritime industry has a vital part to play in the global energy transition, and that an Asian perspective is necessary on the global stage. William Fairclough, our joint managing director, was present at the Glasgow COP-26. He was one of the only industry representatives from Asia to actively participate in various discussions. William joined other industry leaders at the International Chamber of Shipping's "Shaping the Future of Shipping" panel discussion.

William's message was that carbon emissions from seaborne transport around the world had to be tackled by all parties along the supply chain, not only by discrete parts of it working independently. Wah Kwong's participation in COP-26 underlines our commitment to decarbonisation and tackling climate change.

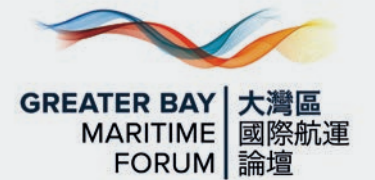


"Shaping the Future of Shipping" conference, organised by the International Chamber of Shipping, in November 2021.

DRIVING DECARBONISATION DISCUSSIONS WITHIN GREATER BAY AREA AND HONG KONG MARITIME COMMUNITY

INAUGURAL GREATER BAY MARITIME FORUM

The inaugural Greater Bay Maritime Forum, convened by Mr. Hing Chao and organised by the Hong Kong Shipowners Association (HKSOA), was held in Hong Kong with over 1,700 participants joining from the Greater Bay Area (GBA) and around the world (onsite and online). As an anchor event of Hong Kong Maritime Week 2021 in November, the Forum—bearing the theme "A Turning Point in the New Era"—aimed to facilitate dialogue and strengthen cooperation within the GBA. One of the in-depth panel sessions discussed the transformation of shipping industry in the GBA through decarbonisation and digitalisation.



INAUGURAL WORLD MARITIME MERCHANTS FORUM

Initiated by China Merchants Group in association with the Baltic and International Maritime Council (BIMCO), the International Chamber of Shipping (ICS), and the HKSOA, the Forum was held in October 2021 in Hong Kong. Our Executive Chairman hosted a roundtable session, gathering key Hong Kong shipowners, legal, government and ICS representatives to highlight the importance of integrated efforts across the supply chain in achieving decarbonisation goals.



INDUSTRY PARTICIPATIONS AND OUR PARTNERS /



WORLD OCEAN COUNCIL
The International Business Alliance for Corporate Ocean Responsibility



THE MISSION TO SEAFARERS



山东交通学院
SHANDONG JIAOTONG UNIVERSITY



WISTA
International



SIGTTO



International Chamber of Shipping
Shaping the Future of Shipping



Carbonbase



香港文化節
HONG KONG CULTURE FESTIVAL



BIMCO



Y P S N
YOUNG PROFESSIONALS in Shipping Network



Sailors' Society



HONG KONG SHIPOWNERS ASSOCIATION
香港船東會



WORLD MARITIME MERCHANTS FORUM
世界航商大會



OCIMF



HONG KONG maritime museum
香港海事博物館



CLP 中電



INTERTANKO



5 years +
商界展關懷
caring company
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發



GREATER BAY MARITIME FORUM
大灣區國際航運論壇



NEED HELP? /

Wah Kwong's Wellness at Sea guide is available for reference. We are always grateful for your feedback on our sustainability report.



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(852) 2863 5267

KEY METRICS /

Topic	Accounting Metric	Unit of Measure	SASB Code	2020	2021
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions (2) Scope 3 emissions of Managed Vessels	Metric tons (t) CO2-e	TR-MT-110a.1 / Additional disclosure	Owned: 431,009 Managed: 449,980	Owned: 480,360.50 Managed: 695,109.00
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against those targets	n/a	T -MT-110a.2	Page 4 of our 2020 report	Page 2 of our 2021 report
	(1) Total Energy consumed (owned vessels) (2) Percentage of heavy fuel oil (3) Percentage of renewable	Gigajoules (GJ), Percentage (%)	T -MT-110a.3	Owned: 5,450,030.22 56.93 / n/a Managed: 5,819,718.47 74.13 / n/a	Owned: 6,440,769.91 51.65 / n/a Managed: 3,326,657.65 63.91 / n/a
	Average Energy Efficiency (EEDI) for new ships	Grams of CO2 per ton-nautical mile	T -MT-110a.4	Two Owned: 3.63 Eleven Managed: 5.32	One Owned: 1.953 Eight Managed: 3.28
	Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O) (2) SOx, and (3) particulate matter (PM10)	Metric ton (t) T -MT-120a.1	One Owned Vessel: NOx 1,358.2 SOx 153.2 PM10 n/a One Managed Vessel: NOX 664.1 SOX 831.1 PM10 n/a	One Owned Vessel: Nox 931.4 SOx 100.41 PM10 n/a One Managed Vessel (until Sep 2021): NOx 647.6 SOx 82.4 PM10 n/a
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	T -MT-120a.1	TR -MT-160a.1	Owned: n/a Managed: n/a
	Percentage of fleet implementing ballast water exchange/treatment	Percentage (%)	TR-MT-160a.2	Owned: 25 / 75 Managed: 30 / 70	Owned: 14.28 / 85.72 Managed: 30 / 70
	Number/aggregate volume of spills and releases to the environment	Number Cubic meters (m3)	TR-MT-160a.3	Owned: 0/0 Managed: 0/0	Owned: 0/0 Managed: 0/0
	Percentage of fleet using Exhaust Gas Cleaning Systems / Low-Sulphur Fuel Oil	Percentage (%)	Additional disclosure	Owned: 10 / 90 Managed: 33 / 67	Owned: 15 / 86 Managed: 35 / 77.5

Topic	Accounting Metric	Unit of Measure	SASB Code	2020	2021
Employee Health & Safety	Loss time incident rate (LTR)	Rate	TR-MT-320a	0.000004	0.000011
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption	Number	TR-MT-510a.1	Owned: 0 Managed: 0	Owned: 0 Managed: 0
Accident & Safety Management	Number of marine casualties, percentage classified as very serious	Number Percentage (%)	TR-MT-540a.1	Owned: 0 Managed: 0	Owned: 0 Managed: 0
	(1) Number of class surveys (2) Conditions of class / recommendations (3) Observations	Number	TR-MT-540a.2 / Additional disclosure	Owned : 16/3/11 Managed: 20/ 7/ 6	Owned : 73/ 61 / 52 Managed: 115/ 17/ 39
	(1) Number of PSC inspections (2) Deficiencies (3) Detentions	Number	TR-MT-540a.3	Owned: 33/24/0 Managed: 53/28/1	Owned: 56/57/1 Managed: 92/81/1
Governance	Board makeup (M/F)	Percentage (%)	Additional Disclosure	87/13	87/13
	Senior Management Makeup (M/F)	Percentage (%)	Additional Disclosure	61/39	61/39

Activity Metric	Unit of Measure	SASB Code	2020	2021
Number of shipboard employees	Number (*estimate)	TR-MT-000.A	Owned: 410 Managed: 566	Owned: 441 Managed:882
Total distance travelled by vessels	Number (*estimate)	TR-MT-000.B	Owned: 410 Managed: 566	Owned: 441 Managed:882
Operating days	Days	TR-MT-000.C	Owned: 7,276.06 Managed: 10,933.51	Owned: 7,466.063 Managed: 12,738.512
Deadweight tonnage	Thousand deadweight tons	TR-MT-000.D	Owned: 2,420,551.7 Managed: 2,387,378.4	Owned: 2,728,907.59 Managed: 3,889,135.2
Number of vessels in total shipping fleet	Number	TR-MT-000.E	Owned: 20 Managed: 30	Owned: 21 Managed: 43
Number of vessel port calls	Number	TR-MT-000.F	Owned: 498 Managed: 797	Owned: 493 Managed: 993

* Our business model involves both owning our own and operating other owners' vessels. We have full control over our fully owned vessels, and limited control over those we just solely manage. Our strategy is to implement efficiency saving and optimising policies on our owned vessels and demonstrate these benefits to our clients whose vessels we manage.
** In the above metric disclosures we have excluded the GHG, Air Quality, Ecological Impact and HSEQ data for time chartered in vessels from our calculations, unless these vessels are also managed by Wah Kwong in order to more accurately reflect the company's position.

Disclaimer
In this report, the Company may make forward-looking statements or provide forward-looking information. All statements other than statements of historical facts should be considered forward-looking statements. Although such statements reflect the Company's current expectations, these statements are not guarantees of future performance, but involve risks, uncertainties, and assumptions which are difficult to predict.
This report is informed by metrics defined by the Sustainability Accounting Standards Board's (SASB) MARINE TRANSPORTATION: Sustainability Accounting Standard Sustainable Industry Classification System® (SICS®) TR-MT Prepared by the Sustainability Accounting Standards Board (October 2018), as well as taking into account relevant disclosure metrics set out by "Reporting for Signatories, United Nations: Principles for Responsible Investing (PRI) 2020."
All rights belong to their respective owners.

APPENDIX /

CDM carbon credit cancellation certificate

31,366 Certified Emission Reductions (CERs) for Roaring 40's Wind Farms (Khandke) Private Limited (left) and 26,004 CERs for Roaring 40s Wind Farms (Khandke) Private Limited- Phase II (right), a total of 57,370 CERs to offset our Scope 1 emissions.



Carbon Credit Certificate

THIS CERTIFICATE IS PRESENTED TO

Wah Kwong Maritime Transport Holdings Limited for 2021 Internal Carbon Offset

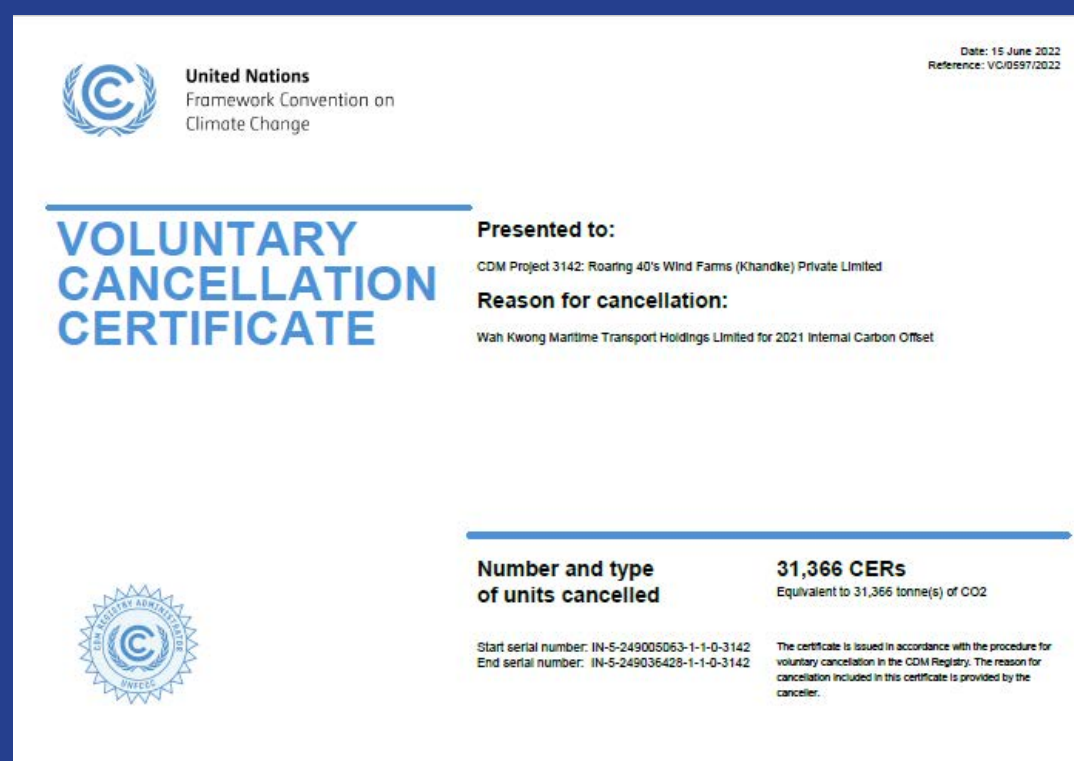
who has purchased 26004 metric ton(s) of CO2e offsets from
Khandke II Wind Farm
On 20th June 2022

CLP 中電

Mr. Nicolas Alain Marie Tissot
Chief Financial Officer
CLP Holdings Ltd

CERTIFICATE NO:
CLPCC00012250617
www.clpcarboncredits.com

QR Code



United Nations
Framework Convention on
Climate Change

Date: 15 June 2022
Reference: VC/0597/2022

**VOLUNTARY
CANCELLATION
CERTIFICATE**

Presented to:
CDM Project 3142: Roaring 40's Wind Farms (Khandke) Private Limited

Reason for cancellation:
Wah Kwong Maritime Transport Holdings Limited for 2021 Internal Carbon Offset

**Number and type
of units cancelled**
31,366 CERs
Equivalent to 31,366 tonne(s) of CO2

Start serial number: IN-5-249005063-1-1-0-3142
End serial number: IN-5-249036428-1-1-0-3142

The certificate is issued in accordance with the procedure for voluntary cancellation in the CDM Registry. The reason for cancellation included in this certificate is provided by the canceller.



Carbon Credit Certificate

THIS CERTIFICATE IS PRESENTED TO

Wah Kwong Maritime Transport Holdings Limited for 2021 Internal Carbon Offset

who has purchased 31366 metric ton(s) of CO2e offsets from
Khandke Wind Farm
On 20th June 2022

CLP 中電

Mr. Nicolas Alain Marie Tissot
Chief Financial Officer
CLP Holdings Ltd

CERTIFICATE NO:
CLPCC00012240617
www.clpcarboncredits.com

QR Code



United Nations
Framework Convention on
Climate Change

Date: 15 June 2022
Reference: VC/0599/2022

**VOLUNTARY
CANCELLATION
CERTIFICATE**

Presented to:
CDM Project 3298: Roaring 40s Wind Farms (Khandke) Private Limited - Phase II

Reason for cancellation:
Wah Kwong Maritime Transport Holdings Limited for 2021 Internal Carbon Offset

**Number and type
of units cancelled**
26,004 CERs
Equivalent to 26,004 tonne(s) of CO2

Start serial number: IN-5-196628725-1-1-0-3298
End serial number: IN-5-196654731-1-1-0-3298

The certificate is issued in accordance with the procedure for voluntary cancellation in the CDM Registry. The reason for cancellation included in this certificate is provided by the canceller.