

Double materiality assessment

GRI (3-1, 3-2, 101-4, 101-6) IFRS (S1)

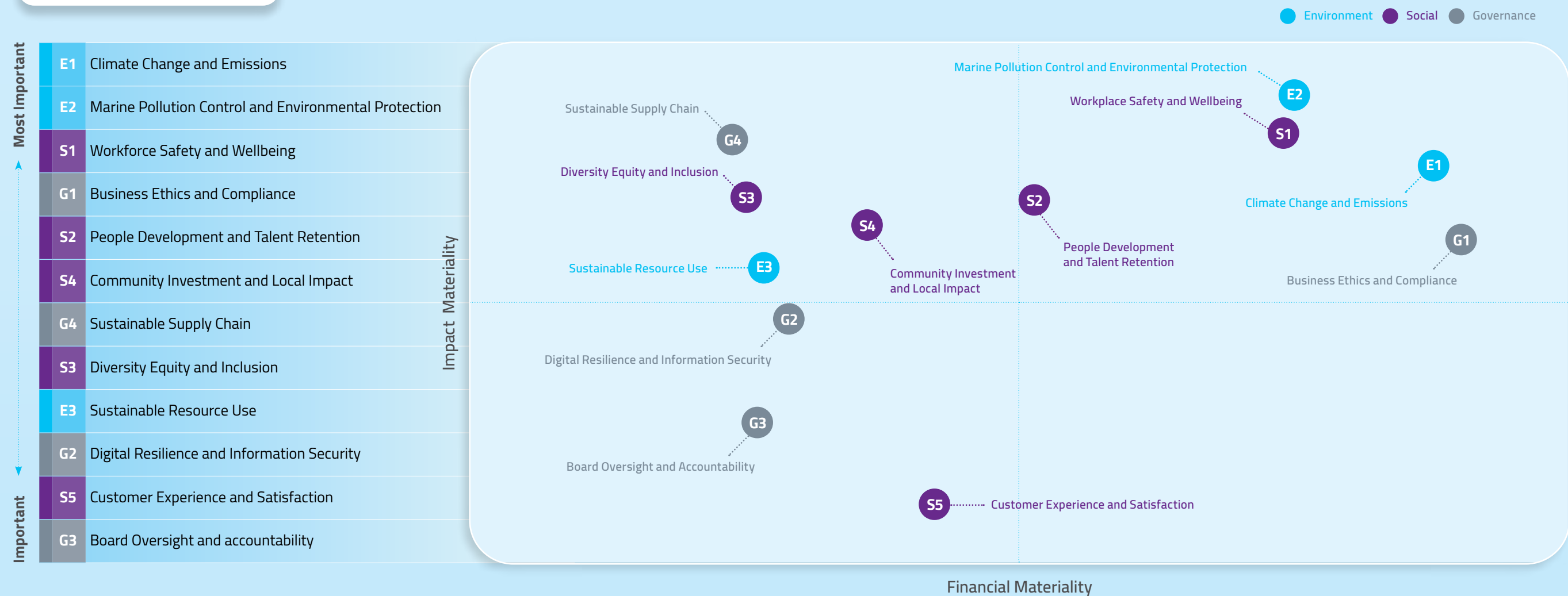
In 2025, Asyad Shipping Company (ASCO) refreshed its materiality assessment to reflect evolving regulatory developments, maritime industry dynamics, and stakeholder priorities. The update was conducted using a structured double materiality assessment approach, considering both the inward impact on the Company's financial performance and the outward impact of the Company's operations on the environment and society.

The identification of material topics was informed by a comprehensive desktop research, which included peer benchmarking within the maritime and logistics sector, investor and rating agency criteria, applicable international maritime regulations, emerging ESG standards, and industry-specific sustainability trends.

The refined list of material topics was subsequently reviewed and validated through structured engagement with Asyad Shipping Company (ASCO)'s executive management team to ensure alignment with corporate strategy, operational priorities, and enterprise risk management processes.

Material topics are categorized into priority tiers to support focused management action, governance oversight, and transparent disclosure. As part of the 2025 update, new topics were introduced and selected topics were refined to enhance clarity, relevance, and strategic alignment based on the outcomes of the research, stakeholder engagement, and internal validation process.

DOUBLE MATERIALITY MATRIX



Material Topic	Impact	Risk	Opportunity
Climate change and emissions management	Greenhouse gas (GHG) emissions from fleet operations contribute to climate change and air pollution, impacting marine ecosystems, coastal communities, and global decarbonization efforts.	- Exposure to carbon pricing mechanisms and emissions trading systems - Stricter IMO regulations (EEXI and CII) - Rising fuel transition costs and asset stranding risk - Reputational exposure from high carbon intensity	- Early adoption of low-carbon technologies and alternative fuels - Access to green financing and sustainability-linked instruments - Competitive positioning in green shipping corridors - Enhanced stakeholder confidence and long-term asset resilience
Marine pollution control and Environmental Protection	Operational discharges (oil, waste, ballast water, chemicals) may lead to marine ecosystem degradation, biodiversity loss, and long-term environmental harm.	- Non-compliance with MARPOL and international discharge regulations - Oil spill incidents and associated remediation costs - Port state detentions and operational disruption - Public and regulatory scrutiny	- Strengthened environmental management systems - Improved operational efficiency through waste minimization - Lower insurance and compliance costs - Enhanced brand positioning as a responsible operator
Sustainable Resource Use	Inefficient fuel, energy, water, and material use increases operational costs and environmental footprint.	- Higher operating costs from fuel inefficiency - Stricter energy intensity regulations - Resource scarcity and supply volatility	- Cost savings through optimized fuel and energy management - Improved vessel efficiency ratings - Reduced long-term exposure to energy market volatility - Enhanced operational competitiveness
Workforce Safety and Wellbeing	Serious workplace incidents may result in injury, loss of life, operational downtime, and psychological harm to employees.	- High-risk maritime working environments - Fatigue and mental health challenges at sea - Increased insurance premiums and liability exposure - Regulatory sanctions from safety non-compliance	- Strong safety culture enhancing workforce morale - Improved retention and talent attraction - Reduced operational disruptions - Enhanced industry recognition and stakeholder trust
People, Development and Talent Retention	Insufficient training and career development may result in skill gaps, operational inefficiencies, and reduced workforce stability.	- Difficulty retaining skilled seafarers - Inability to adapt to evolving regulatory and technological demands - Increased turnover and recruitment costs	- Strong internal talent pipeline - Increased productivity and innovation - Enhanced institutional knowledge retention - Alignment with national human capital development priorities
Diversity, Equity and Inclusion	Lack of inclusive employment practices may limit workforce diversity, innovative potential, and equal opportunity.	- Reputational exposure from discrimination incidents - Legal and regulatory consequences - Reduced talent pool competitiveness	- Broader talent attraction - Improved decision-making through diverse perspectives - Stronger alignment with national inclusion agendas - Enhanced corporate reputation
Community Investment and Local Impact	Corporate activities influence national economic development, community wellbeing, and public perception.	- Community dissatisfaction impacting social license to operate - Weak alignment with national development priorities - Reduced public trust	- Strengthened national economic contribution (ICV) - Enhanced stakeholder relationships - Increased social legitimacy and public support - Alignment with Oman Vision 2040
Customer Experience and Satisfaction	Service reliability, transparency, and safety performance directly affect customer trust and long-term partnerships.	- Service disruptions due to operational incidents - Loss of key contracts - Reputational damage from poor performance	- Long-term charter agreements - Repeat business and strategic partnerships - Premium positioning for high-performance fleet - Improved competitive advantage
Business Ethics and Compliance	Unethical conduct, corruption, or non-compliance may lead to financial penalties, reputational damage, and regulatory sanctions.	- Anti-bribery violations - Conflicts of interest - Regulatory investigations - Financial and legal exposure	- Strong governance reputation - Increased investor confidence - Improved access to global markets - Strengthened stakeholder trust
Digital Resilience and Information Security	Cybersecurity breaches or IT disruptions may compromise operational continuity, financial data integrity, and stakeholder trust.	- Cyberattacks targeting vessel systems - Data breaches - Operational downtime - Regulatory penalties	- Enhanced operational efficiency through digitalization - Improved data-driven decision-making - Strengthened customer confidence - Competitive differentiation
Board Oversight and Accountability	Weak governance oversight may result in strategic misalignment, financial inefficiencies, and inadequate risk management.	- Governance failures - Poor risk oversight - Regulatory non-compliance - Reduced shareholder confidence	- Strong strategic alignment - Improved transparency and accountability - Enhanced investor trust - Long-term sustainable value creation
Sustainable Supply Chain	Supplier practices influence environmental footprint, human rights performance, and operational reliability.	- Supply chain disruptions - Reputational exposure from unethical suppliers - Regulatory non-compliance across jurisdictions	- Strengthened supplier due diligence - Increased local value creation - Improved cost efficiency - Stronger ESG performance across value chain