

MARCO POLO MARINE LIMITED

# SUSTAINABILITY REPORT 2019



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**PREPARED AND PRESENTED BY**  
THE BOARD OF DIRECTORS

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# ABOUT THIS REPORT

[GRI 102-1, 102-50, 102-53 TO 54]

This is the second Sustainability Report (“Report”) of Marco Polo Marine Ltd and our subsidiaries (“Marco Polo” or “the Group”) and it covers sustainability performance for the reporting period from 1 October 2018 to 30 September 2019. This Report has been prepared in accordance with the GRI Standards: Core Option.

The Report considers the Economic, Environmental, Social and Governance (“EESG”) factors that were material to Marco Polo and our key stakeholders. This has enabled us to be transparent about the EESG factors of our business.

In our effort to go paperless and in the spirit of sustainability, we have uploaded a digital copy of this Report on our website at <http://www.marcopolomarine.com.sg>.

We welcome any feedback from our stakeholders for continuous improvement on our long-term sustainable development goals at [ir@marcopolomarine.com.sg](mailto:ir@marcopolomarine.com.sg).



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## ABOUT US

[GRI 102-2 TO 7, 102-13, 102-16]

### OUR OPERATIONS

Established in 1991, Marco Polo was listed on the then SGX SESDAQ (now known as SGX Catalyst) in 2007 and migrated to the Main Board of the Singapore Exchange (“SGX”) in 2009. The Group is a reputable regional integrated marine logistics company whose headquarter is based in Singapore. The core business is in the shipping and shipyard business.

The shipping business of the Group relates to the chartering of Offshore Supply Vessels (“OSVs”) for deployment in the regional waters, including the Gulf of Thailand, Malaysia, Indonesia, and Australia. The Group also charter tugboats and barges to customers, especially those who are engaged in the mining, commodities, construction, infrastructure, and land reclamation industries. The Group’s consolidated financial statements encompass the business relating to the chartering of tugboats and barges.

The shipyard business of the Group relates to shipbuilding as well as the provision of ship maintenance, repair, outfitting and conversion services which are being carried out through its shipyard located in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 meters, the shipyard also houses three dry docks which boosts the Group’s technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.

Marco Polo is a member of the Singapore Business Federation (SBF) and Batam Shipyard and Offshore Association (BSOA).

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# ABOUT US

[GRI 102-2 TO 7, 102-13, 102-16]

## OUR PRACTICES

Marco Polo always strives to enhance long-term value and protect the interests of our stakeholders. To achieve that, we have put in place corporate practices so as to attain a high standard of corporate governance, based on the Code of Corporate Governance 2018.

With over a decade of experience, Marco Polo has built an established shipping track record. While we continue to strive in providing quality services to serve the diverse needs of our customers, we also place emphasis on efficiency, honesty, and integrity in our business practices.

Our vision is to continue growing and sustaining our business as an integrated marine logistics service provider in the regional marine industry. We aim to create high business value to fulfil our mission of serving the needs of our key stakeholders while building a sustainable business environment.



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# BOARD'S MESSAGE

[GRI 102-14]



**Dear Stakeholders,**

It is our pleasure to present our second Sustainability Report (“Report”) for the financial year ended 30 September 2019. The health and safety of our oceans are at the forefront of our priorities, along with strategies to help our valuable customers achieve their business objectives. Global Reporting Initiative (“GRI”) Standards: Core Option forms the foundation of our conscious efforts in fostering sustainable growth.

We aim to continuously promote environmental awareness within the Group. We have taken steps to reduce emissions, where the engines on our vessels run on Marine Gas Oil (“MGO”) which has a lower amount of sulphur content.

Additionally, we are committed to creating a work culture that welcomes equality, diversity and inclusion. Our recruitment policy ensures that staff are strictly employed based on merit and capability, regardless of their gender, age or nationality. We keep a close partnership with trade unions in Batam to ensure that our employees’ benefits and their welfare are being properly taken care of.

On behalf of the Board of Directors, I would like to thank all our stakeholders for your continued support and participation in our journey towards a sustainable future.

**Sean Lee**

Chief Executive Officer

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# OUR PLEDGE TO BUSINESS EXCELLENCE AND ETHICS

[GRI 102-17, 102-18, 205-1, 205-3]

## WHISTLE BLOWING POLICY

Marco Polo is committed to conduct our business with high ethical standards and continually ensure that we comply with all applicable laws and regulations. Our employees are required to comply with the Group's "Code of Conduct and Ethics" and to adhere to the Group's anti-corruption and anti-bribery guidelines and policies. The foundation of the Group's policy is based upon Singapore's statutory Prevention of Corruption Act.

The Group strives to prevent corrupt practices in all aspects of our business and honestly conduct our activities. Our ethical environment fosters a culture for all employees to develop a high standard of integrity in their conduct. To entrench this culture, the Group has implemented policies to safeguard the ethical interests of our stakeholders and simultaneously safeguard the Group's assets and protect our best interest. These policies emphasise the Group's commitments against corrupt practices and our commitments to the highest ethical standards of business. We have also adopted a strict policy against receiving favours or gifts which are intended to affect business judgement and decisions and undermine honest business ethics. Furthermore, we expect all of our business counterparties whom we work with to share this commitment and to promote similar values and standards.

The Whistle-Blowing Policy has been implemented to provide employees of the Group with an independent and confidential channel to report suspected fraud and irregularities within the Group and offer reassurance that they are protected from reprisals or victimisation for whistleblowing in good faith and without malice. The policy encourages the reporting of such matters by employees on an anonymous basis. The Group is confident of the policy's effectiveness as reports by employees are confidential and can be made easily through post or e-mail, directly to the Audit Committee.

Details of the Whistle Blowing Policy have been disseminated to all employees of the Group (including full time, part time and contract employees) and reminders are circulated on an annual basis.

To date, there were no reports received through the whistleblowing channels.

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# OUR PLEDGE TO BUSINESS EXCELLENCE AND ETHICS

[GRI 102-17, 102-18, 205-1, 205-3]

## ENTERPRISE RISK MANAGEMENT

During the reporting period, Marco Polo commissioned an Enterprise Risk Management (“ERM”) project to develop a robust corporate governance structure that safeguards the stakeholders’ interests. The risk management framework applied determines the nature and extent of the key risks, including risk related to corruption for its operations, which the Group faces in achieving its strategic goals. ERM enables us to effectively deal with uncertainties, the associated risks and opportunities, enhancing the capacity to build value.

The framework used is aligned to the COSO Enterprise Risk Management framework, the international framework on ERM. The Group has developed and implemented the appropriate risk management procedures to address all the key risks identified which were also highlighted to the Audit Committee and the Board of Directors.





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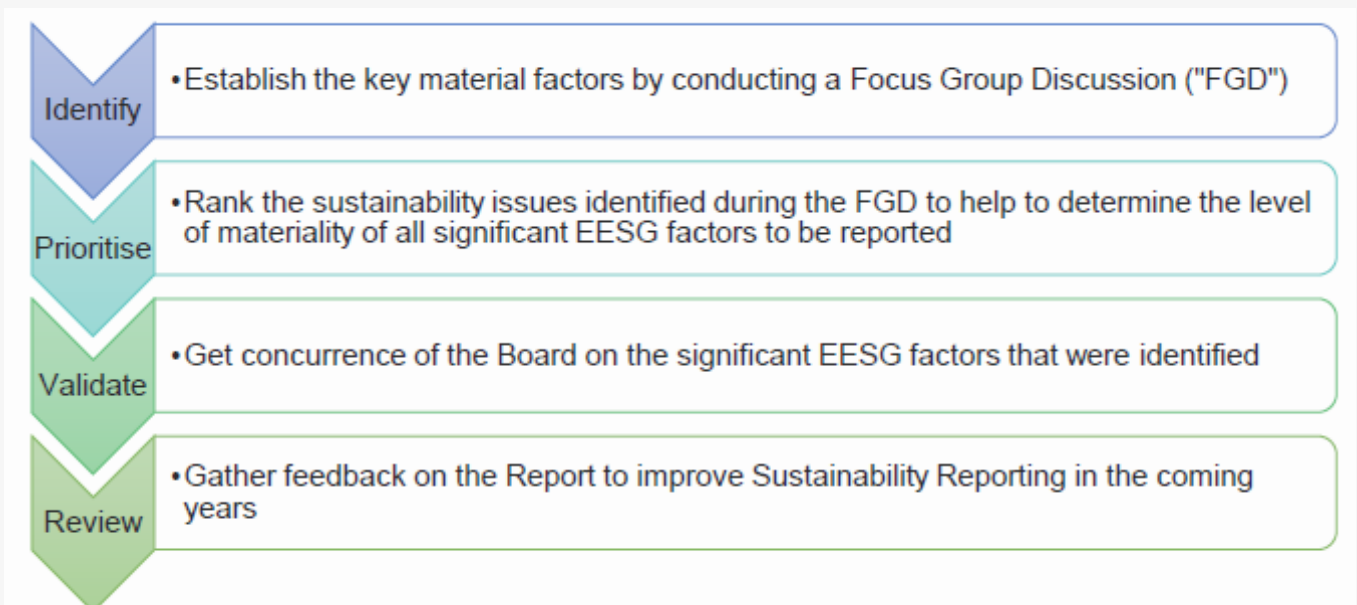
# OUR PLEDGE TO SUSTAINABLE DEVELOPMENT

[GRI 102-18, 102-40, 102-42 TO 44, 102-46, 102-47]

Sustainability is part of the Group’s wider strategy to create long term value for all our stakeholders. We conducted our second materiality assessment in the financial year ended 30 September 2019 with reference to the GRI Standards to identify and select stakeholders with whom to engage and determine the material EESG factors. This year, we conducted a Focus Group Discussion with our Sustainability Reporting Champion Team (“Team”), consisting of various Head of Departments (“HODs”), to validate the assessment and gather feedback on the sustainability issues that were identified as important. This exercise confirmed the continued relevance of the key stakeholder groups and material factors. We will continue to assess the identified material factors on a regular basis to ensure their relevance.

## OUR APPROACH

Our approach in determining the material EESG factors consists of a four-step process listed below.



Marco Polo addressed the issues at hand by following the 4-step process listed above. We studied the EESG risks identified and their potential impact to gain a comprehensive overview before we developed the mitigation approaches. Through the four-step process, we are able to assess the materiality of the significant aspects of our business operations, with reference to the respective GRI standards. The Team evaluates these operations and their relationships with the GRI standards, and proposes to the Chief Executive Officer (“CEO”) and Board of Directors on strategies and actions for the identified issues at hand. After specific solutions are identified and approved, the Team then works with the relevant departments to execute the approved strategies.

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# OUR PLEDGE TO SUSTAINABLE DEVELOPMENT

[GRI 102-18, 102-40, 102-42 TO 44, 102-46, 102-47]

## OUR APPROACH (Continued)

The factors identified and reported are based on the four Reporting Principles:

### (a) Stakeholder Inclusiveness:

By keeping our stakeholders informed and included in business decisions, we strive to achieve a culture of transparency within the Group. Abiding by this principle results in increased accountability to our stakeholders. The stakeholder engagement process involves determining the Report contents and giving feedback on the published Reports.

### (b) Sustainability Context:

This principle ensures that all sustainability issues published in our Report are relevant to the Group, and follow certain regulatory measures as denoted by the GRI standards, and we are aligned with our EESG objectives.

### (c) Materiality:

This principle requires all material factors published in our Report to influence the assessments and decisions of our stakeholders.

### (d) Completeness:

This principle requires the Report to include the material topics and their boundaries, supported by data relevant to the scope and reporting period.

Together, these principles help us determine the content to include in our Report by taking into consideration the Group's activities, impacts, and the substantive expectations and interests of our stakeholders. The above details ensure that our Report is a honest representation of the Group's effort in creating and developing a sustainable business environment.

We stay committed to improving the identification and management of material issues annually to ensure their relevance to our stakeholders.

# OUR PLEDGE TO SUSTAINABLE DEVELOPMENT

[GRI 102-18, 102-40, 102-42 TO 44, 102-46, 102-47]

## IDENTIFICATION OF STAKEHOLDERS

The Group's success depends on the support we receive from our stakeholders. We seek to maintain a sustainable and mutually interdependent relationship with them.

We engage with our stakeholders to understand their expectations and our approach to the engagement is shown below.

Stakeholders	Basis for determining Stakeholders	Engagement Platform	Frequency of Engagement	Topic Discussed
<b>Employees</b>	Employees are involved in the daily operations of the Group	Informal dialogues / Performance appraisal	As and when / annually	Personal development, employee compensation and benefits
<b>Government and regulators</b>	Compliance with local and overseas jurisdiction	Regular reports / Site visits	Annually / adhoc visits	Regulatory matters
<b>Investors and shareholders</b>	Influence on Management's and the Board's decisions and responsibility towards investors	Group's annual report / Annual General Meetings / Website / SGXNet announcements	Annually / as and when	Financial performance, strategic planning, sustainability reporting
<b>Suppliers and subcontractors</b>	Dependency on suppliers and subcontractors	E-mails / Phone calls / Meetings	As and when	Quality management, price negotiation
<b>Customers</b>	Customers' needs influence the direction of the Group	E-mail enquiries / Customer feedback forms / Meetings	As and when	Quality management, contract negotiation
<b>Trade unions</b>	Represents the voice of employees collectively	Meetings with union leaders	Annually/ as and when	Employee compensation and benefits

# OUR PLEDGE TO SUSTAINABLE DEVELOPMENT

[GRI 102-18, 102-40, 102-42 TO 44, 102-46, 102-47]

## OUR MATERIAL FACTORS UNDER THE EESG FRAMEWORK

We have identified the following key factors under the EESG framework which are included in this Report.

Material Topic	Why Material	GRI Standards Disclosure	Boundary	
			Within Marco Polo	Outside Marco Polo
<b>Economic</b>				
Market presence	Compliance towards local and cross-border laws and regulations	202-1	√	
Anti-corruption	Poses significant effects towards stakeholders	205-3	√	
<b>Environmental</b>				
Materials	Poses significant effects towards sustainability	301-1   301-3	√	
Energy	Poses significant effects towards sustainability	302-1	√	
Water	Poses significant effects towards sustainability	303-1	√	
Emissions	Poses significant effects towards sustainability	305-7		√
Effluents and waste	Poses significant effects towards sustainability	306-1		√
Environmental compliance	Compliance towards local laws and regulations	307-1	√	
<b>Social</b>				
Employment	Poses significant effects towards employees	401-1	√	
Occupational health and safety	Poses significant effects towards employees	403-1   403-2	√	
Training and education	Poses significant effects towards employees	404-2   404-3	√	
Diversity and equal opportunity	Poses significant effects towards employees	405-1	√	

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## OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 301-3, 302-1, 303-1, 305-7, 306-1, 307-1]

Marco Polo is committed to safeguard the environment by ensuring compliance with all relevant global and local environmental laws and regulations. We place great emphasis on conserving the health and safety of the planet by integrating environmentally responsible practices in our operations. The Group is in compliance with all relevant environmental standards and regulations.

### MATERIAL MANAGEMENT

#### Material Consumption

We manage our material consumption by continuous monitoring and constant effort in reducing wastage where possible. The bulk of the non-renewable materials used for our shipbuilding and ship-repair operations consist of steel plates and copper blasting grit from approximately 10 and 2 major suppliers respectively. The consumption for 2018 and 2019 were as follows:-

Materials Consumption	Shipyard Division		Revenue (\$'000)	Ratio (thousand dollar per tonne)
	Steel plates (tonnes)	Copper grit (tonnes)		
2018	949	*	15,096	*
2019	819	2,520	13,632	\$4.08

*\*management only started tracking the consumption of copper grit in FY2019 and therefore, there is no comparative data in FY2018.*

The slight decrease in steel plate consumption was generally due to the decrease in revenue of the shipyard division in 2019 as compared to 2018 due to the slowdown in the marine industry. As the materials consumption in our industry varies based on the specifications of different projects engaged, it is not meaningful to set target on materials consumption relative to revenue. Nonetheless, the Group will continue to optimise our material usage and consumption.

During the year, the scrap from material consumption was recycled for re-melting and reforming into other metal products. The details are elaborated under "recycling efforts".

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# OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 301-3, 302-1, 303-1, 305-7, 306-1, 307-1]

## MATERIAL MANAGEMENT (Continued)

### Recycling Efforts

Singapore has designated 2019 as the Year Towards Zero Waste and is working towards becoming a zero-waste nation by reducing her consumption of materials, and reusing and recycling them to give them a second lease of life. To support the government's national recycling efforts, non-renewable materials such as scrap metal is collected, weighed and sold for recycling purpose wherever possible.

In 2019, the Group has recycled 36% (2018: 24%) of the total steel used during the respective reporting periods. The Group seeks to continue reducing the strain on the environment by regularly reviewing and improving our recycling practices.



## OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 301-3, 302-1, 303-1, 305-7, 306-1, 307-1]

### ENERGY CONSUMPTION

Marco Polo's energy consumption comprises a mix of direct and indirect sources of energy. Our direct sources of energy comprise of gases and diesel, while the indirect source being electricity.

The major activities in our shipyard include cutting, moulding and welding, which collectively contribute to the bulk of the energy consumed by the Group. On top of that, the offshore division purchases a substantial amount of Marine Gas Oil ("MGO") for the bunkering of vessels.

The non-renewable energy consumption of the material business units are as follows:-

Non-renewable energy Consumption	Offshore Division		Revenue (\$'000)	Ratio (gallon per thousand dollar)
	Marine Gas Oil (gallons)	Electricity (mwh)		
2018	349,018	-	4,292	81 gallons
2019	472,868	-	9,535	50 gallons

Non-renewable energy Consumption	Shipyard Division			Ratio (per thousand dollar)	
	Diesel oil (gallons)	Electricity (mwh)	Revenue (\$'000)	Gallon	MWH
2018	-*	2,668	15,096	-*	0.18 mwh
2019	221,904	3,113	13,632	16 gallons	0.23 mwh

*\*management only started tracking the consumption of diesel oil in FY2019 and therefore, there is no comparative data in FY2018.*

Marco Polo is committed to reduce energy consumption and is always exploring ways to improve its energy efficiency. This is evidenced in the decrease in energy consumptions per dollar in the offshore division. As the energy consumption in our industry is dependent on the requirements of the projects engaged, it is not meaningful to set target on energy consumption relative to revenue. Nonetheless, the Group will continue to strive to increase our efficiency in energy usage and consumption.

# OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 301-3, 302-1, 303-1, 305-7, 306-1, 307-1]

## WATER CONSUMPTION

The Group uses the municipal water supplies available in the respective geographical areas of operations. Marco Polo recognises the importance of saving water, an invaluable finite resource.

In our Batam operations, we have a designated rainwater catchment pond which we use for the washing of ship hull. Harvesting our own water for this purpose reduces the need for unnecessary wastage of water.

Based on our monthly utility bills from the various authorities, our total water consumption for the reporting period is tabulated below, excluding the rainwater collected in the catchment pond.

Water Consumption/ m <sup>3</sup>	Singapore HQ	Offshore division	Shipyard division	Total consumption (m <sup>3</sup> )	Revenue (\$'000)	Ratio (m <sup>3</sup> per thousand dollar)
2018	42	1,122	35,360	36,524	26,557	1.38 m <sup>3</sup>
2019	46	4,115	38,709	42,870	30,181	1.42 m <sup>3</sup>

The water consumption in respect of revenue generating remained relatively constant within a 3% increase from FY2018. Shipyard division remained as the highest contributor to the consumption of water in FY2019. As the water consumption in shipyard division varies in accordance to the requirements of different projects engaged, it is not meaningful to set target on water consumption relative to revenue. Nonetheless, we will continue to reduce unnecessary water consumption where possible.





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# OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 301-3, 302-1, 303-1, 305-7, 306-1, 307-1]

## AIR QUALITY

Eleven thousand scientists in 153 countries have declared a climate emergency in early November 2019 and cutting the emissions of short-lived pollutants is one of the 6 key objectives in tackling climate change. Marco Polo is conscious in reducing the amount of emissions that are being released into the atmosphere. Marco Polo is aware that its vessels in the shipping division emit sulphur dioxide and continues to actively manage the compliance of the emissions of this gas from our operations. Our offshore division provides time charters and bareboat charters and the Group does not track the sulphur dioxide emitted from our vessels as the charterers are responsible for supplying the vessels with bunkers.

Nonetheless, Marco Polo has taken additional measures to ensure that the engines on our vessels burn MGO, which has a lower amount of sulphur content. Our Charter Party Agreement (“CPA”) only allows the charterer to use fuel oil with sulphur content not exceeding the maximum limit as stipulated by ISO 8127 2017 - Fuel Standard for Marine Distillate Fuels and the relevant provisions of the International Convention for the Prevention of Pollution from Ships (“MARPOL”). A certification of quality of the MGO must be provided to the Chief Engineer during bunkering, for verification and recording purpose and samples of the MGO used are retained. Should any claim arise in respect of the quality of the fuels supplied, the samples shall then be analysed by a qualified and independent laboratory.

The Group will continue to monitor the emissions from our operations by ensuring that charterers are in compliance with the sulphur content limit as stipulated by ISO 8127 2017 and the MARPOL.



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# OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 301-3, 302-1, 303-1, 305-7, 306-1, 307-1]

## EFFLUENTS AND WASTE

Marine pollution is a combination of chemicals and trash, being discharged, washed or blown into the ocean. This pollution results in damage to the environment, to the health of all organisms, and to economic structures worldwide. Ocean destruction is evident in many parts of the world and may have caused irreversible damage to the marine ecosystem. In our effort to do our part for marine biodiversity, our shipyard's port of discharge is situated in an area that is far away from marine life.

Further, Marco Polo continues to strengthen water conservation efforts by adopting a strict policy on the planned discharge of oily water in our offshore business.

As required by the MARPOL, any oil or oily mixture discharged into the sea must be processed through an oil filtering equipment and the oil content must not exceed 15 parts per million ("ppm"). These oily waters must not be discharged in special areas for technical reasons relating to their oceanographical and ecological conditions.

An Oily Water Separator ("OWS") is used to discharge water collected in the Engine Room bilges from water leakages. Before water is being discharged, the OWS ensures that the oil content of the effluent without dilution does not exceed 15 ppm. Any discharges into the sea are measured by the meter and recorded in the Oil Record Book ("ORB"). The ORB records details such as the volume, location and quality of the discharge, which is signed off by the Chief Engineer. Once the vessels reach the port, they are selected at random by Maritime and Port Authority of Singapore ("MPA") for compliance checks to ensure that both the oily water discharged into the sea and residual waste matches with the ORB. This is to ensure that none of the effluents are illegally disposed into the sea.

As members of the marine industry, the health of our oceans is of utmost importance to the Group. We will continue to monitor the oily water discharge from our vessels by ensuring that the effluents released into the ocean do not exceed the requirements as stipulated by the MARPOL.

During the period, there was no water or oil leakage reported and the Group aims to maintain this excellent track record going forward.

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## OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 301-3, 302-1, 303-1, 305-7, 306-1, 307-1]

### ENVIRONMENTAL COMPLIANCE

The Group adopts the International Organisation for Standardisation (“ISO”) 14001, which provides a guideline or framework to systemise and improve environmental management efforts. We also undergo annual recertification to ensure that regulatory requirements are met. In addition, Marco Polo also complies with the regulations stipulated by the MARPOL.

We have not identified any non-compliance with any environmental laws to-date and we aim to continuously promote environmental awareness within the Group as well as our key stakeholders.



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## OUR PLEDGE TO OUR PEOPLE

[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-2, 404-3, 405-1]

Our employees are one of the driving forces behind the success of our business and we are committed to create a positive environment for their physical and mental well-being. This includes their overall job satisfaction which keeps our retention rate high; an inclusive and non-discriminatory culture which forms a safe working space and a fair and open environment for the continuous career development of all employees.

Our recruits are selected based on merit and talent, regardless of gender, age or nationality. Retaining our existing staff is just as important to us as attracting new talents. Here, we endeavour to provide our staff with training opportunities to advance their skills. The welfare and safety of our staff are of great significance to us and we have in place proper health and safety procedures to keep accidents to the bare minimum.

### EMPLOYMENT

#### Fair employment practices

Marco Polo adopts fair employment practices and treats all employees equally. We comply with local labour regulations across our geographic operations, including minimum wage laws, where such laws exist. In 2019, both male and female entry-level employees in our Batam operations were paid the local minimum wage amounting to IDR 3.94 million (2018: IDR3.52 million).

Employees covered under a collective bargaining agreement represents approximately 29% (2018: 38%) of the Group's total workforce. Marco Polo respects our employees' rights to exercise freedom of association and collective bargaining. Trade unions in Batam are our partners and we have a close working relationship with them, which involves annual meetings to develop collective agreements that cover our employees' wages, benefits, and working conditions.

# OUR PLEDGE TO OUR PEOPLE

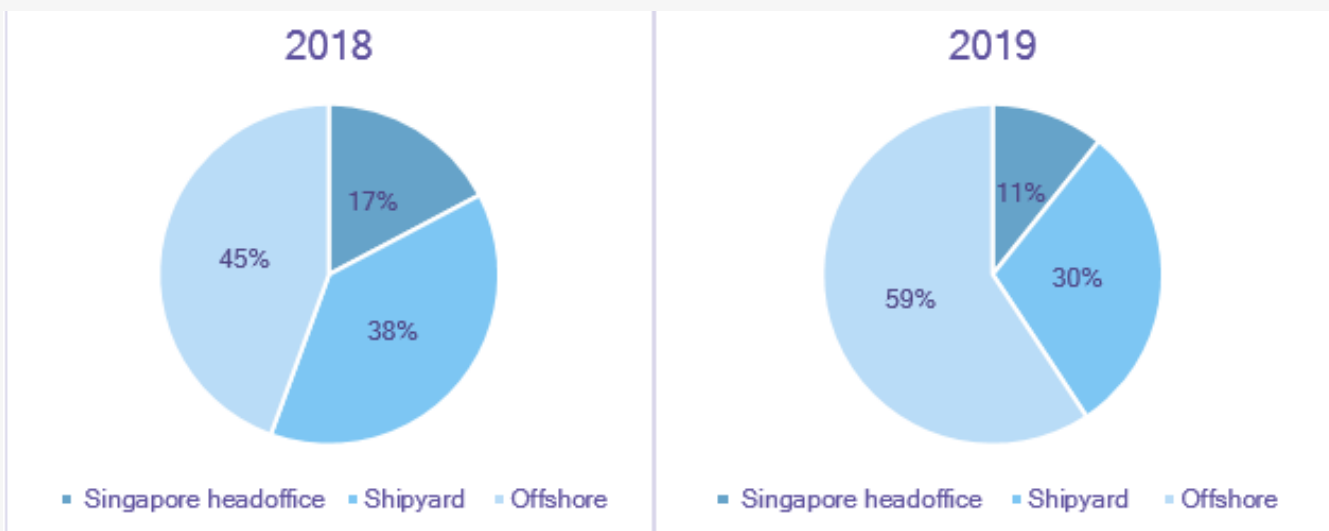
[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-2, 404-3, 405-1]

## EMPLOYMENT (Continued)

### Our workforce retention and recruitment

Marco Polo's strategy for maintaining our high retention rate involves raising the overall well-being of our employees. While we consciously seek to retain our core team of experienced employees, we are also constantly on the lookout for new talent to complement the existing team members and contribute to our growth.

As at 30 September 2019, the Group's workforce totalled 457 (2018: 324) staff and it comprises of different employee categories split by their function, namely the production department from our shipyard, the crew from offshore vessels ("crew") and support staff from the Singapore Headquarter.



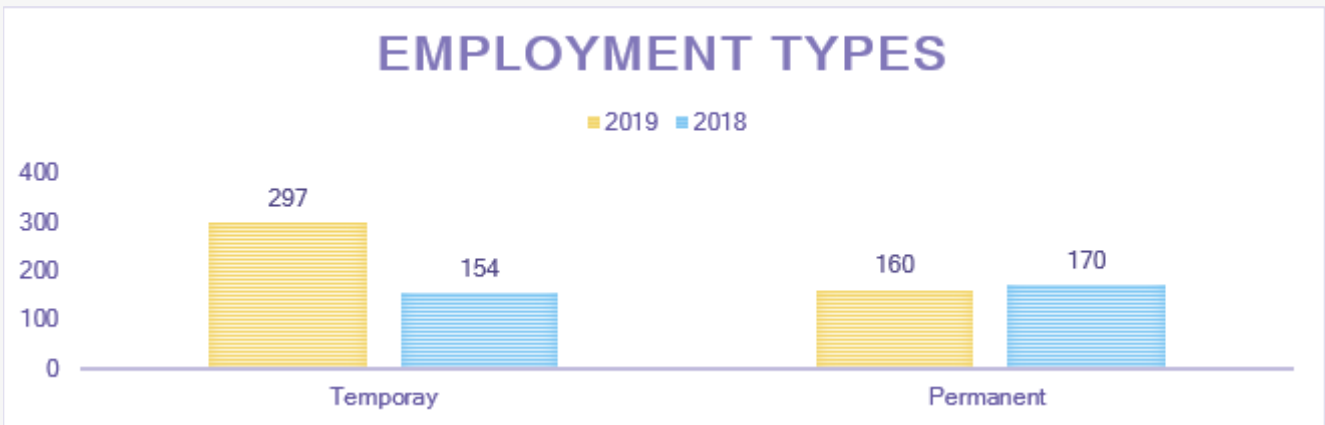
The Group's workforce comprises of all full time employees and can also be segregated into employees with permanent contracts and temporary contracts. Employees from our Singapore office and our Shipyard have permanent contracts while the crew from Offshore vessels has temporary contracts due to the nature of their jobs. The crew is hired on 3-month contracts whenever there are projects, as and when required. The detailed information of our employees are shown below.

# OUR PLEDGE TO OUR PEOPLE

[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-2, 404-3, 405-1]

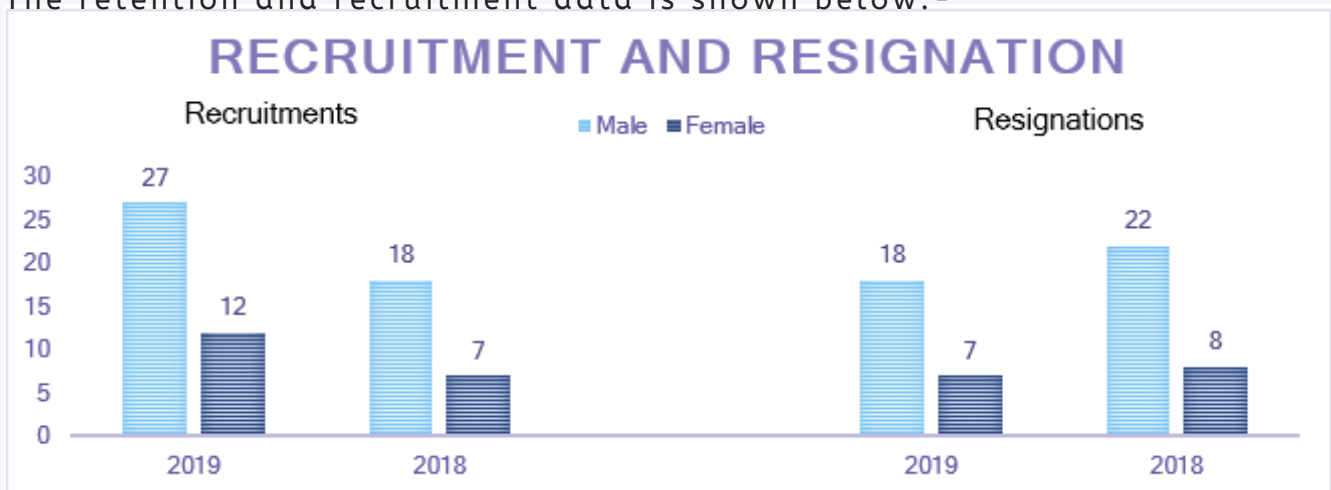
## EMPLOYMENT (Continued)

Our workforce retention and recruitment (Continued)



Since the crew is hired on short-term employment periods, there would be high staff fluctuation every 3 months and this would cause our statistics parameter to be skewed, resulting in an inaccurate representation of our workforce retention and recruitment rate. Hence, we have excluded the temporary crew in the calculation of new hires' rate and turnover rate.

The retention and recruitment data is shown below:-



The retention rate improved from 82% in FY2018 to 84% in FY2019 and we aim to maintain our retention rate at above 80% for FY2020.

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## OUR PLEDGE TO OUR PEOPLE

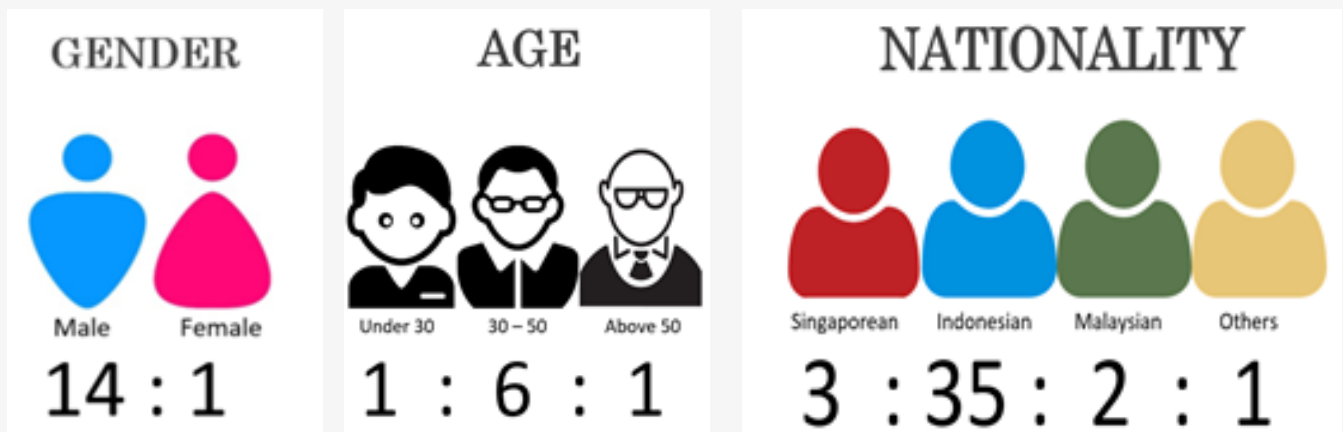
[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-2, 404-3, 405-1]

### EMPLOYMENT (Continued)

#### Our diverse workforce

Work culture plays an important role in drawing the best out of employees and for them to develop a sense of belonging. Marco Polo has pledged to endorse an inclusive culture that focuses on treating all employees fairly. We adopt a strong stance against discrimination on any basis and are committed to provide equal opportunities.

We value and promote diversity which is evident in our workforce comprising people from a wide array of cultures, viewpoints, and backgrounds. Our employment policies are based on meritocracy, regardless of age, gender, or nationality. As charted below, we have achieved a balanced employee distribution which enables us to maintain a competitive and progressive workforce.



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## OUR PLEDGE TO OUR PEOPLE

[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-2, 404-3, 405-1]

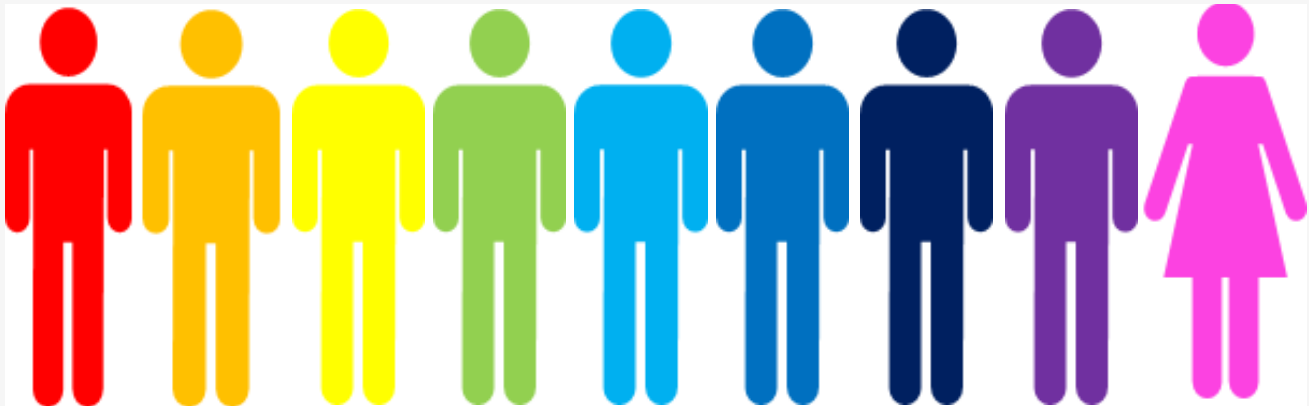
### EMPLOYMENT (Continued)

#### Our diverse workforce (Continued)

Our diversity is not just limited to our employees but also represented in our Board of Directors. Our directors come from different backgrounds which helps to expand the range of perspectives at the top and enables the Board to better advise the Group strategically.

The Board comprises of 9 directors, 8 males and 1 female, amongst whom 2 directors fall under the age 50 years old and 7 are above 50 years old.

We are committed to provide a workplace free from adverse conduct such as discrimination, sexual harassment and bullying. We do not tolerate such conduct and will take action which may include dismissal if these cases occur. There were no incidents of adverse conduct reported during the reporting period.





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## OUR PLEDGE TO OUR PEOPLE

[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-2, 404-3, 405-1]

### DEVELOPING OUR EMPLOYEES

Marco Polo believes in nurturing our employees to ensure the continued professional competence of our workforce. To support this belief, we provide on-the-job training whenever possible and also source for external training courses. The training programmes enable our employees to stay relevant and adapt to various changes in the professional requirements in relation to their roles and responsibilities. We trust that the personal growth of the employees would lead to improved organisational performance and help in achieving long-term business growth and sustainability for the Group.

#### Employee training

All employees undergo on-the-job training in the course of their job. This helps to not only train junior employees in their job, but concurrently develops the leadership skills in senior employees or managers. The Group does not provide any transition assistance programs for retiring or terminated employees.

At times, when Shipyard employees are required to attend safety refresher courses to enhance the overall safety in the working environment, we will arrange for them to attend the necessary courses.

External trainings provided for crew members are on ad-hoc basis, as required by the ship's charter. These trainings include courses such as Rigging & Slings and Basic Offshore Safety Induction and Emergency Training. To supplement these trainings, the senior officers conduct drills onboard the vessels to maintain the crew's familiarity with the safety procedures.

Marco Polo is on a constant lookout for suitable courses in upgrading our employees so that they remain relevant in today's competitive workforce.

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## OUR PLEDGE TO OUR PEOPLE

[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-2, 404-3, 405-1]

### DEVELOPING OUR EMPLOYEES (Continued)

#### Performance and career development

The success of the Group is driven by the professionalism and competence of the workforce. Our employees' professional growth and progress are invaluable assets that we seek to maintain and improve on constantly.

All employees in our Singapore head office and our Shipyard are subjected to an annual performance review to discuss their job performance and career goals. As the offshore crew is contract-based, they are appraised after the completion of their contracts. We continue to review our annual performance and career development process to assess if additional initiatives and policies need to be implemented.

Marco Polo believes that with its annual appraisal exercise, we will be able to uphold the morale of our employees and provide the best for them to reach their full professional potential.



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## OUR PLEDGE TO OUR PEOPLE

[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-2, 404-3, 405-1]

### OCCUPATIONAL HEALTH AND SAFETY

Marco Polo is fully committed to create and maintain a culture where safety is at the forefront of all its operations. The Group has systems in place which aim to mitigate safety and health risks in the workplace and constantly seek ways to improve our safety standards in both our shipyard and our offshore vessel charters.

Our Shipyard undergoes annual re-certification for the Occupational Health and Safety Assessment Series (OHSAS) 18001. Adhering to the OHSAS 18001 helps us to identify and control any health and safety risks which in turn reduces the potential for accidents. This improves our overall performance in the safety department.

#### *Headquarter*

Our employees in the Singapore office are required to attend the fire drill conducted by the building management twice a year to ensure that they are familiar with the proper emergency exit procedures, and are prepared in the event of any disaster.

#### *Shipyard*

Our Shipyard Division prepares a monthly Safety Statistics Report Summary which records the total number of injuries.

#### *Offshore*

All shipping crew members undergo a “Pre-Joining Briefing” which is an induction programme that covers the safety policies which include the International Safety Management (ISM) Code, Safe Working Environment briefing and Near Miss & Incidents Reporting Procedures.

Before the commencement of each voyage, all crew members are taken on a mandatory Shipboard Familiarisation Tour. This tour covers the safety equipment locations and escapes routes in case of emergencies of sorts.

# OUR PLEDGE TO OUR PEOPLE

[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-2, 404-3, 405-1]

## OCCUPATIONAL HEALTH AND SAFETY (Continued)

In dealing with unforeseen events, the Near Miss & Incidents Reporting Procedures that require the crew to report and document details of these incidents in the “Near Miss & Incidents” form to be submitted to the head office within 24 hours.

Marco Polo aims to continually reduce the injury rate by constantly ensuring that employees are well-trained and aware of the safety measures. This is evident in the reduction in the number of incidents in the current year as compared to FY2018.

During the reporting period, there was a total of 1 (2018: 18) injury in the Group. The injury case during the year is shown in the table below.

	Singapore Headquarter	Offshore division	Shipyard division
First aid cases	-	-	-
Near miss cases	-	-	-
Medical treatment cases	-	-	1
<b>Total</b>	-	-	<b>1</b>

The total number of accidents was reduced significantly from FY2018 as the Group stepped up in its efforts in precautionary measures such as training and creating more awareness amongst its employees. We aim to keep the number of incident to the minimum and work towards zero accident.

There were no reported incidents or major accidents, occupational diseases, fatalities or absentees.



# GRI CONTENT INDEX

[GRI 102-55]

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
<b>GRI 102: Organisational profile</b>					
	102-1	Name of organisation	-	SR 1	About this report
	102-2	Activities, brands, products, and services	-	SR 2-3	About us
	102-3	Location of headquarters	-	SR 2-3	About us
	102-4	Location of operations	-	SR 2-3	About us
	102-5	Ownership and legal form	-	SR 2-3	About us
	102-6	Markets served	-	SR 2-3	About us
	102-7	Scale of the organisation	-	SR 2-3	About us
				SR 19-20	Our pledge to our people
				AR 9	Revenue by business segment
				AR 125-127	Statistics of shareholdings
	102-8	Information on employees and other workers	-	SR 19-20	Our pledge to our people
	102-9	Supply chain	-	SR 11	Our pledge to the environment
	102-10	Significant changes to the organisation and its supply chain	No changes	NA	NA
	102-11	Precautionary principle or approach	None	NA	NA
	102-12	External initiatives	-	SR 15-17	Our pledge to the environment
				SR 25	Our pledge to our people
	102-13	Membership of associations	-	SR 2	About us
<b>GRI 102: Strategy</b>					
	102-14	Statement from senior decision-maker	-	SR 4	Board's message
<b>GRI 102: Ethics and integrity</b>					
	102-16	Values, principles, standards, and norms of behaviour	-	SR 2-3	About us

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
	102-17	Mechanisms for advice and concerns about ethics	-	SR 5	Our pledge to business excellence and ethics
<b>GRI 102: Governance</b>					
	102-18	Governance structure	-	SR 5-6	Our pledge to business excellence and ethics
				SR 7	Our pledge to sustainable development
<b>GRI 102: Stakeholder engagement</b>					
	102-40	List of stakeholder groups	-	SR 9	Our pledge to sustainable development
	102-41	Collective bargaining agreements	-	SR 18	Our pledge to our people
	102-42	Identifying and selecting stakeholders	-	SR 9	Our pledge to sustainable development
	102-43	Approach to stakeholder engagement	-	SR 9	Our pledge to sustainable development
	102-44	Key topics and concerns raised	-	SR 9	Our pledge to sustainable development
<b>GRI 102: Reporting practice</b>					
	102-45	Entities included in the consolidated financial statements	-	AR 82-83	Investments in subsidiaries
	102-46	Defining report content and topic Boundaries	-	SR 10	Our approach to sustainable development
	102-47	List of material topics	-	SR 10	Our approach to sustainable development
	102-48	Restatements of information	None	NA	NA
	102-49	Changes in reporting	No changes	NA	NA
	102-50	Reporting period	-	SR 1	About this report
	102-51	Date of most recent report	30 September 2018	NA	NA

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
	102-52	Reporting cycle	Annual	NA	NA
	102-53	Contact point for questions regarding the report	-	SR 1	About this report
	102-54	Claims of reporting in accordance with the GRI standards	-	SR 1	About this report
	102-55	GRI content index	-	SR 27-33	GRI index
	102-56	External assurance	No external assurance	NA	NA
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 18	Our pledge to our people
	103-2	The management approach and its components	-	SR 18	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 18	Our pledge to our people
<b>GRI 202: Market presence</b>					
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	SR 18	Our pledge to our people
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 5	Our pledge to good business ethics
	103-2	The management approach and its components	-	SR 5	Our pledge to good business ethics
	103-3	Evaluation of the management approach	-	SR 5	Our pledge to good business ethics
<b>GRI 205: Anti-corruption</b>					
	205-1	Operations assessed for risks related to corruption	-	SR 5	Our pledge to good business ethics

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
	205-3	Confirmed incidents of corruption and actions taken	-	SR 5	Our pledge to good business ethics
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 11-12	Our pledge to the environment
	103-2	The management approach and its components	-	SR 11-12	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 11-12	Our pledge to the environment
<b>GRI 301: Materials</b>					
	301-1	Materials used by weight or volume	-	SR 11	Our pledge to the environment
	301-3	Reclaimed products and their packaging materials	-	SR 12	Our pledge to the environment
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 11	Our pledge to the environment
	103-2	The management approach and its components	-	SR 11	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 13	Our pledge to the environment
<b>GRI 302: Energy</b>					
	302-1	Energy consumption within the organization	-	SR 13	Our pledge to the environment
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 14	Our pledge to the environment
	103-2	The management approach and its components	-	SR 14	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 14	Our pledge to the environment
<b>GRI 303: Water</b>					



GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
	303-1	Water withdrawal by source	-	SR 14	Our pledge to the environment
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 15	Our pledge to the environment
	103-2	The management approach and its components	-	SR 15	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 15	Our pledge to the environment
<b>GRI 305: Emissions</b>					
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Only SOx is applicable for our Group	SR 15	Our pledge to the environment
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 16	Our pledge to the environment
	103-2	The management approach and its components	-	SR 16	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 16	Our pledge to the environment
<b>GRI 306: Effluents and waste</b>					
	306-1	Water discharge by quality and destination	-	SR 16	Our pledge to the environment
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 17	Our pledge to the environment
	103-2	The management approach and its components	-	SR 17	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 17	Our pledge to the environment
<b>GRI 307: Environmental compliance</b>					

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
	307-1	Non-compliance with environmental laws and regulations	-	SR 17	Our pledge to the environment
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 18	Our pledge to our people
	103-2	The management approach and its components	-	SR 19-20	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 19-20	Our pledge to our people
<b>GRI 401: Employment</b>					
	401-1	New employee hires and employee turnover	-	SR 19-20	Our pledge to our people
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 18	Our pledge to our people
	103-2	The management approach and its components	-	SR 25-26	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 25-26	Our pledge to our people
<b>GRI 403: Occupational health and safety</b>					
	403-1	Occupational health and safety management system	-	SR 25-26	Our pledge to our people
	403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	-	SR 26	Our pledge to our people
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 23	Our pledge to our people

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
	103-2	The management approach and its components	-	SR 23	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 23-24	Our pledge to our people
<b>GRI 404: Training and education</b>					
	404-2	Programs for upgrading employee skills and transition assistance programs	-	SR 23	Our pledge to our people
	404-3	Percentage of employees receiving regular performance and career development reviews	-	SR 24	Our pledge to our people
<b>GRI 103: Management approach</b>					
	103-1	Explanation of the material topic and its Boundary	-	SR 21	Our pledge to our people
	103-2	The management approach and its components	-	SR 21	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 21-22	Our pledge to our people
<b>GRI 405: Diversity and equal opportunity</b>					
	405-1	Diversity of governance bodies and employees	-	SR 21-22	Our pledge to our people