

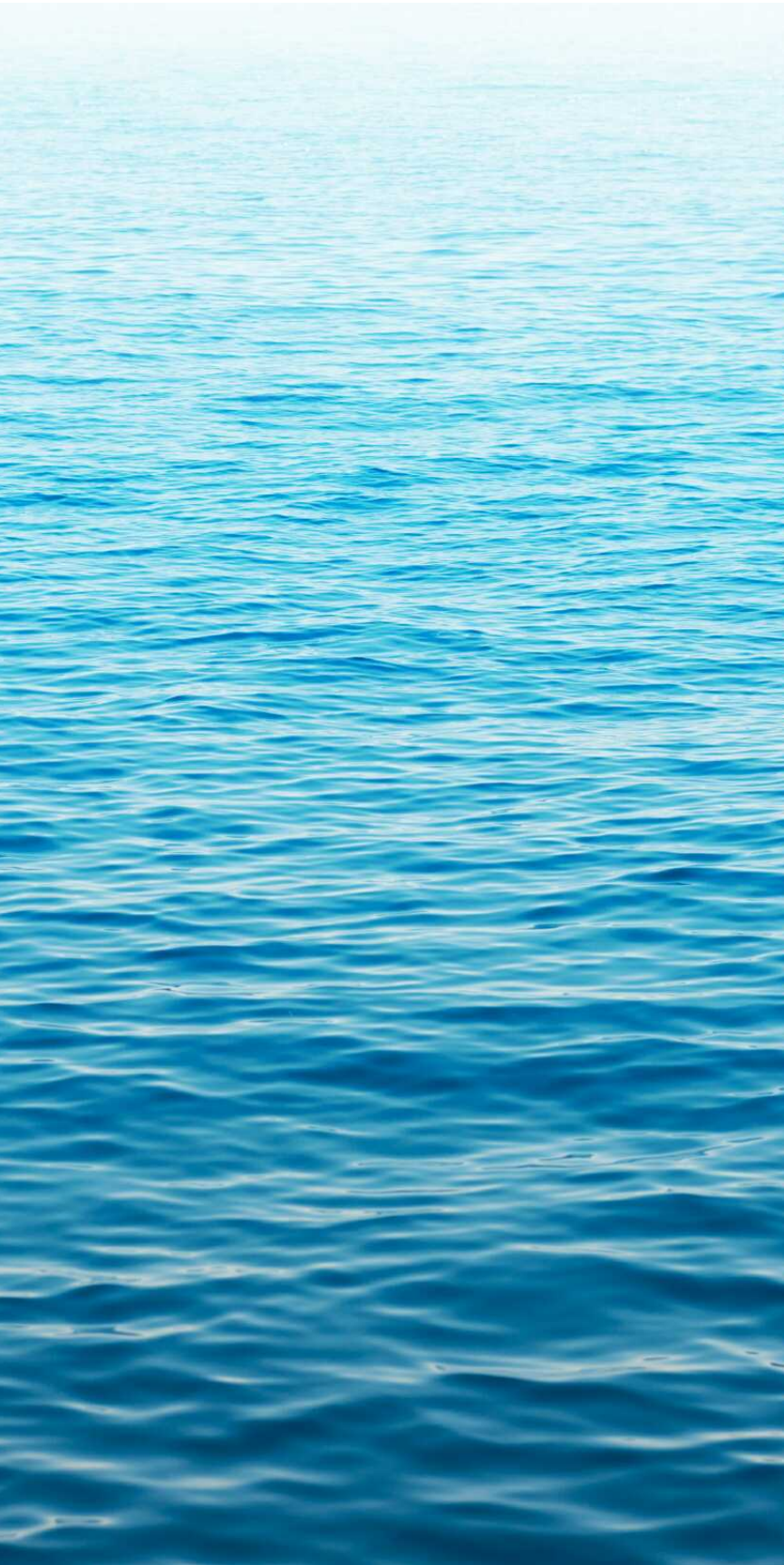
MARCO POLO MARINE LIMITED



SUSTAINABILITY REPORT

2020

CONTENTS



01

ABOUT THIS REPORT

02

ABOUT US

04

CHIEF EXECUTIVE
OFFICER'S MESSAGE

05

OUR PLEDGE TO
SUSTAINABLE
DEVELOPMENT

09

OUR PLEDGE TO
BUSINESS EXCELLENCE
AND ETHICS

11

OUR PLEDGE TO THE
ENVIRONMENT

20

OUR PLEDGE TO OUR
PEOPLE

31

GRI INDEX SUMMARY

ABOUT THIS REPORT

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

The Sustainability Report (“Report”) of Marco Polo Marine Ltd and our subsidiaries (“Marco Polo” or “the Group”) covers the sustainability performance of the Group for the reporting period from 1 October 2019 to 30 September 2020. This Report has been prepared in accordance with the GRI Standards: Core Option.

Sustainability reporting enables us to better communicate our management approach and the performance of Marco Polo’s material Economic, Environmental, Social and Governance (EESG) topics with our stakeholders. It enables us to identify opportunities, helping us better measure, monitor and manage these sustainability topics in our organisation. We recognise the role we play in sustainable development and endeavour to work closely with all stakeholders in enhancing and integrating sustainability across our value chain.

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.



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. Our core businesses are in shipping and shipbuilding.

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 charters 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 shipbuilding 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 houses three dry docks which boosts the Group's 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).

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 and building a sustainable business environment in various aspects.



CHIEF EXECUTIVE OFFICER'S MESSAGE

[GRI 102-14]

Dear Stakeholders,

It is our pleasure to present our Sustainability Report ("Report") for the financial year ended 30 September 2020. Global Reporting Initiative ("GRI") Standards: Core Option forms the foundation of our conscious efforts in fostering sustainable growth.

This year, the COVID-19 pandemic crisis poses a number of unforeseen challenges to countries and industries globally. At the closing of this report, this crisis continues to have a significant impact on a large number of industries, including the maritime industry, as a result of the unprecedented global travel restrictions, border closures as well as varying degree of lockdowns across the globe. Consequently, affected business around the world have been pre-occupied with survival and recovery.

However, even during this period of uncertainty, the Group's commitment to sustainability remains strong in conducting our businesses responsibly, taking measures to protect our employees, and integrating sustainability into our operations. We aim to continuously promote environmental awareness within the Group and we are committed to creating a safe workplace with culture that welcomes equality, diversity and inclusion with trainings provided to keep our employees skilled and relevant.

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

7 JANUARY 2021

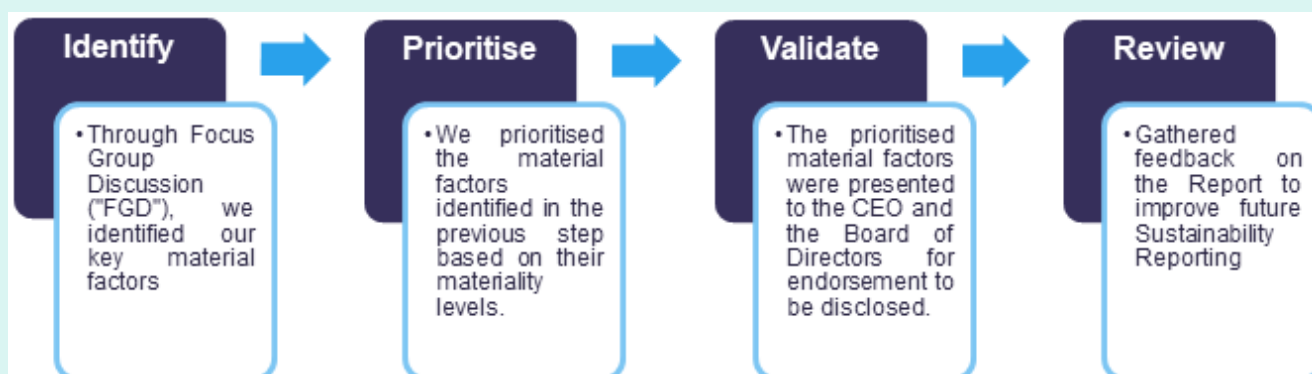
OUR PLEDGE TO SUSTAINABLE DEVELOPMENT

[GRI 102-18, 102-40 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 first materiality assessment in 2018 with reference to the GRI Standards to identify and select stakeholders with whom to engage and determine the material EESG factors. Every 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 identified. This exercise confirmed the continued relevance of the key stakeholder groups and material factors. Hence, we have not revised them. 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 impacts 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 the implications of the identified EESG risks on our business 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 EESG issues at hand. After specific solutions are identified and approved, the Team then works with the relevant departments to execute the approved strategies.

OUR PLEDGE TO SUSTAINABLE DEVELOPMENT

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

OUR REPORTING PRINCIPLES

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 following certain regulatory measures as denoted by the GRI standards, and we are aligned with our EESG objectives.

c) Materiality:

This principle focuses on issues that impact business growth and of utmost importance to our stakeholders; and

d) Completeness

This principle requires the Report to include the material topics and their boundaries that are of significant economic, environmental and social impact, supported by complete 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 an honest representation of the Group's effort in creating and developing a sustainable business environment.

We stay committed to improve 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 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 each category of the stakeholder is shown below.

Stakeholders	Basis for determining Stakeholders	Engagement Platform	Frequency of Engagement	Topic Discussed
Employees	Employees are involved in the daily operations of the Group	Informal dialogues, performance appraisal	As and when, annually	Personal development, employee compensation and benefits
Government and regulators	Compliance with local and overseas law and regulations	Regular reports, site visits	Annually, ad-hoc visits	Regulatory matters
Investors and shareholders	Influence on Management's and the Board's decisions and responsibility towards investors	Group's annual report, annual general meetings, website, SGX announcements	Annually, as and when	Financial performance, strategic planning, sustainability reporting
Suppliers and subcontractors	Dependency on suppliers and subcontractors	E-mails, phone calls, meetings	As and when	Quality management, price negotiation
Customers	Customers' needs influence the direction of the Group	E-mail, phone calls, customer feedback forms, meetings	As and when	Quality management, contract negotiation
Trade unions	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 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
Economic				
Market presence	Compliance towards local and cross-border laws and regulations	202-1	√	
Anti-corruption	Poses significant effects towards stakeholders	205-3	√	
Environmental				
Materials	Poses significant effects towards sustainability	301-1	√	
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	√	
Social				
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	404-1 404-2 404-3	√	
Diversity and equal opportunity	Poses significant effects towards employees	405-1	√	

OUR PLEDGE TO BUSINESS EXCELLENCE AND ETHICS

[GRI 102-17, 102-18, 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 are 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, including incidents of corruptions, received through the whistleblowing mechanism.

OUR PLEDGE TO BUSINESS EXCELLENCE AND ETHICS

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

ENTERPRISE RISK MANAGEMENT

As part of our wider governance framework, we have aligned our governance policies and practices with the principles and guidelines set out in the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 and have formalised our Enterprise Risk Management (“ERM”) process starting from financial year ended 30 September 2019. This process aims to develop a robust and rigorous 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 with the objectives of meeting the compliance in the design, implementation and monitoring of the ERM and internal control systems in place. Through this methodology, the Group has developed and implemented the appropriate risk management procedures to address the key risks identified. These key risks are closely monitored throughout the financial year to ensure the effectiveness of the internal controls in managing these risks. They are reviewed annually to ensure their relevance to the Group given the changing external and internal factors. Based on the most recent review performed, new risks resulted from the COVID-19 pandemic were added to the key risk listing of the Group with updated risk response to keep the risks within acceptable level for continue monitoring.

The updated key risk management matters were highlighted to the Audit Committee and the Board of Directors.



OUR PLEDGE TO THE ENVIRONMENT

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

In the recent years, we have witnessed rising sea levels, blazing wildfires, intense storms and rapid melting of glaciers threatening the long term survival of people and nature. Accordingly to World Meteorological Organization, 2019 was concluded to be the second hottest year on record. The Meteorological Service Singapore warned that Singapore is heating up twice as fast as the rest of the world, and extreme heat combined with the island's high humidity could be life threatening.

The matter's importance was also highlighted during the 2019 National Day Rally by Singapore Prime Minister Lee Hsien Loong, calling climate change "an existential threat" highlighting Singapore's vulnerability to the rising sea levels. This was the first time that climate change was addressed on a national platform.

Given the alarming impact of climate change as well as other environmental threats such as water pollutions and resource scarcity, it has never been more critical for business to lead the way on environmental action.

Marco Polo is committed to playing its part 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.



OUR PLEDGE TO THE ENVIRONMENT

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

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-repairing operations consist of steel plates and copper blasting grit from approximately 10 and 2 major suppliers respectively. The shipyard's consumption of steel plates and copper grit is shown below:-

Material Consumption	Shipyard Division		Revenue (\$'000)	Ratio	
	Steel plates (tonnes)	Copper grit (tonnes)		Absolute (\$'000 per tonne)	Normalised (\$'000 per tonne)#
2018	949	-*	15,096	-*	-*
2019	819	2,520	13,632	\$4.08	\$4.08
2020	776	2,170	17,213	\$5.84	\$5.60

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

#Normalised ratio is computed after taking into consideration the price fluctuation of raw material on the revenue generated. 2019 is taken to be the base year for comparison.

The significant increase in revenue generated per tonne of steel plate and copper grit consumption in FY2020 demonstrates the Group's commitment to optimise material usage although material consumption varies in accordance to the requirements of each project. We will strive to maintain the historical average consumption ratio, assuming that there is no substantial change to the mix of projects in the subsequent reporting period.

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".

OUR PLEDGE TO THE ENVIRONMENT

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

MATERIAL MANAGEMENT (CONTINUED)

RECYCLING EFFORTS

The Sustainable Singapore Blueprint (SSB) 2015 outlines our nation's vision and plan towards becoming Zero Waste Nation by reducing the consumption of materials, and reusing and recycling them to give them a second lease of life.

In our Group, scrap from all non-renewable materials such as steel is collected, weighed and sold for recycling purpose wherever possible. In 2020, the Group has recycled 50% (2019: 36% and 2018: 24%) of the total steel used. The Group seeks to continue reducing the strain on the environment by regularly reviewing and strengthening our recycling practices.



OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 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 consumption comprise of gases and diesel, while the indirect source of energy consumption is 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. Additionally, the offshore division purchases a substantial amount of Marine Gas Oil ("MGO") for the bunkering of vessels.

The non-renewable energy consumption of the shipyard and offshore divisions are as follows:-

Non-renewable energy Consumption	Offshore Division		Revenue (\$'000)	Ratio (per thousand dollar)	
	Marine Gas Oil (Gallons)	Electricity (MWH)		Gallon	MWH
2018	349,018	-	4,292	81 gallons	-
2019	472,868	-	9,535	50 gallons	-
2020	290,000	-	9,791	30 gallons	-

Non-renewable energy Consumption	Shipyard Division		Revenue (\$'000)	Ratio (per thousand dollar)	
	Diesel oil (Gallons)	Electricity (MWH)		Gallon	MWH
2018	-*	2,668	15,096	-*	0.18 MWH
2019	221,904	3,113	13,632	16 gallons	0.23 MWH
2020	139,856	4,455	17,213	8 gallons	0.26 MWH

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

OUR PLEDGE TO THE ENVIRONMENT

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

ENERGY CONSUMPTION (CONTINUED)

Marco Polo is committed to reduce energy consumption and is always exploring ways to improve its energy efficiency. This is evidenced by the significant decrease in direct source of energy consumption per thousand dollar in the offshore and shipyard divisions. As the energy consumption in our industry is dependent on the requirements of the projects that we are engaged in, it is not be meaningful to set a target on energy consumption relative to the projected revenue. However, we will strive to maintain the historical average consumption ratio, assuming no substantial change in the mix of the projects in the subsequent reporting period.

The increase in the consumption of non-direct source of energy, electricity, per thousand dollar in the shipyard division was mainly due to the increase number of vessels dry-docking in the shipyard during the COVID-19 pandemic. Dry-docking requires shore power supply which increase the electricity consumption of the shipyard. The ratio is expected to remain constant for FY2021 assuming the volume of ship repair projects remains comparable to FY2020. The Group will closely monitor the energy consumption in this area to ensure efficiency in usage.



OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 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. There is no water-related impact and interaction across our value chain.

In our Batam operations, we have a designated rainwater catchment pond of approximately 3,500 m³ capacity 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 ³	Singapore HQ	Offshore division	Shipyard division	Total consumption (m ³)	Revenue (\$'000)	Ratio (m ³ per thousand dollar)
2018	42	1,122	35,360	36,524	26,557	1.38 m ³
2019	46	4,115	38,709	42,870	31,081	1.38 m ³
2020	47	3,051	39,758	42,856	30,849	1.39 m ³

The water consumption in respect of revenue generated remains relatively constant year-on-year. The shipyard division remains the highest contributor to the consumption of water. We will continue to reduce unnecessary water consumption where possible in the subsequent reporting period.



OUR PLEDGE TO THE ENVIRONMENT

[GRI 102-9, 102-12, 301-1, 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 they have agreed on cutting the emissions of short-lived pollutants as one of the 6 key objectives in tackling climate change. As at 15 November 2020, 1,834 jurisdictions in 31 countries, covering the population of over 820 million citizens, have joined the declaration for climate emergency.

Marco Polo is conscious of reducing the emission of sulphur dioxide into the atmosphere by its vessels. 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 our vessels use marine gas oil ("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. Additionally, 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 vessels by ensuring that charterers use only fuel oil that is in compliance with the sulphur content limit as stipulated by ISO 8127 2017 and MARPOL.



OUR PLEDGE TO THE ENVIRONMENT

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

EFFLUENTS AND WASTE

Marine pollution is contributed by 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 and it has caused irreversible damage to the marine ecosystem. In our effort to preserve the marine ecosystem, our shipyard's port of discharge is situated in an area that is far away from marine life.

Further, Marco Polo continues to strengthen its water conservation efforts by adopting a strict policy on the planned discharge of oily water from our vessels.

As required by MARPOL, any oil or oily mixture discharge 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 due to oceanographical and ecological reasons.

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 discharge into the sea are measured by the meter and recorded in the Oil Record Book ("ORB"). The ORB records, which comprise details such as the volume, location and quality of the discharge, are 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 effluents are not 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 year, there was no water or oil leakage reported and the Group aims to maintain this good track record going forward.

OUR PLEDGE TO THE ENVIRONMENT

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

ENVIRONMENTAL COMPLIANCE

The Group adopts the International Organisation for Standardisation (“ISO”) 14001, which provides guidelines 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 MARPOL.

We did not identify any non-compliance with any environmental laws during the year and we aim to continuously promote environmental awareness within the Group as well as our key stakeholders.



OUR PLEDGE TO OUR PEOPLE

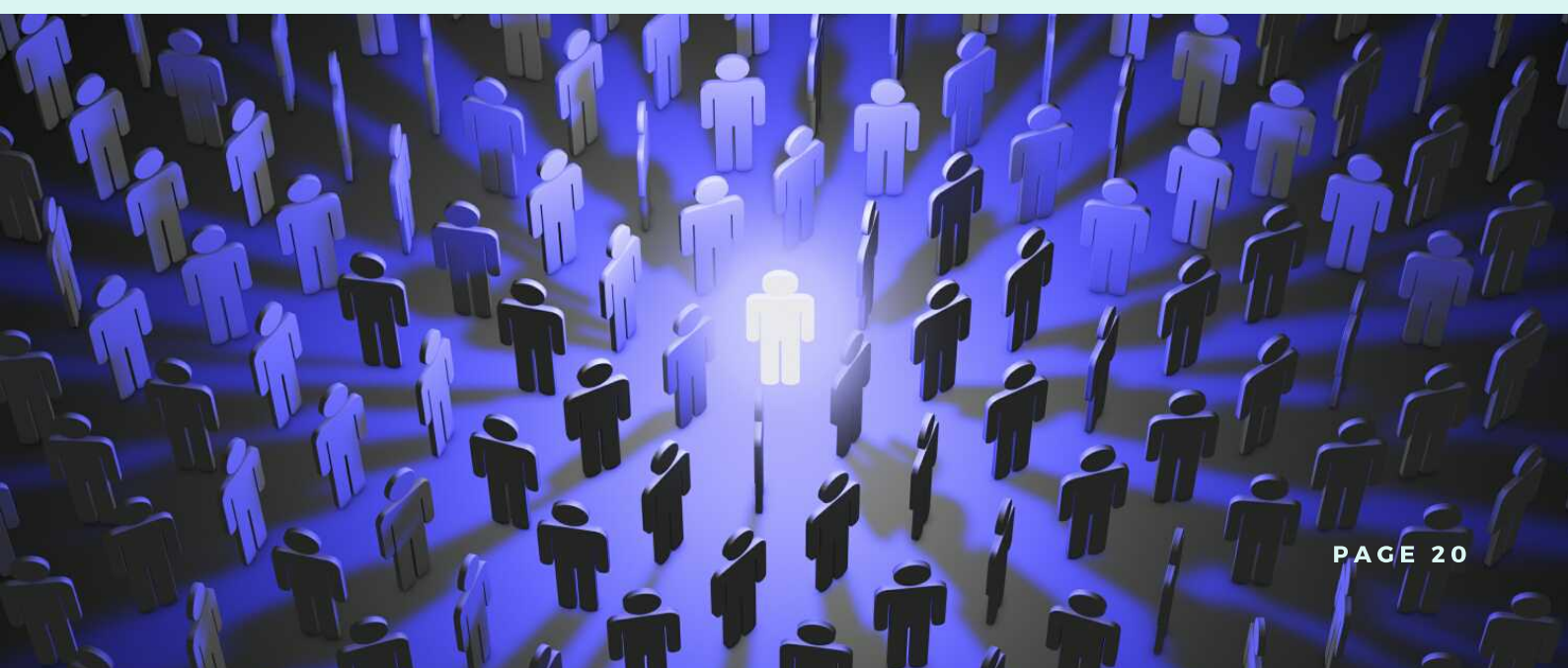
[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-1, 404-2, 404-3, 405-1]

Our employees are one of the main 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 employees is just as important to us as attracting new talents. Here, we endeavour to provide our employees with training opportunities to advance their skills. The welfare and safety of our employees are of great importance to us and we have in place proper health and safety procedures to keep accidents to the bare minimum.

During the COVID-19 pandemic, additional measures have been taken to ensure our employees' health and safety and to create a safe working environment for all employees. These measures include the following:

1. Making all necessary arrangement to enable the employees to work-from-home;
2. Temperature screening and recording at the office;
3. Ensuring check-in and check-out for anyone visiting the office premise, including visitors, through SafeEntry;
4. Providing face marks and hand sanitisers in the office if employees require them; and
5. Adopting and encouraging interaction through visual communication platform, such as Microsoft Team, Skype or Zoom.



OUR PLEDGE TO OUR PEOPLE

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

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 2020, both male and female entry-level employees in our Batam shipyard operations are paid the local minimum wage amounting to IDR 4.28 million (2019: IDR3.94 million).

Employees covered under a collective bargaining agreement represents approximately 35% (2019: 29%) 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. Annual meeting is conducted to develop collective agreements that cover our employees' wages, benefits, and working conditions.

OUR WORKFORCE RETENTION AND RECRUITMENT

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

As at 30 September 2020, the Group's workforce totalled 404 (2019: 457) staff and it comprises different employee categories split by their function, namely the shipbuilding team of from our shipyard, the crew from offshore vessels ("crew") and support staff from the Singapore Headquarter.

The shift in employee distribution from the offshore to shipyard division as at year end is a result of COVID-19 pandemic which significantly decrease the business activities of the offshore division and correspondingly increase the activities in the shipyard division as more vessels are taking this opportunity to dry-dock in our shipyard in Batam. The shift in distribution is shown in Figure 1.

OUR PLEDGE TO OUR PEOPLE

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

EMPLOYMENT (CONTINUED)

OUR WORKFORCE RETENTION AND RECRUITMENT (CONTINUED)



Figure 1: Employees distribution chart

The Group's workforce comprises all full time employees and can also be segregated into employees on permanent contracts and temporary contracts. Employees from our Singapore Headquarter and our shipyard division have permanent contracts while the crew from offshore division have temporary contracts due to the nature of their jobs. The crew are hired on 3-month contracts whenever there are projects, as and when required. The detailed information of our employees are shown in Figure 2

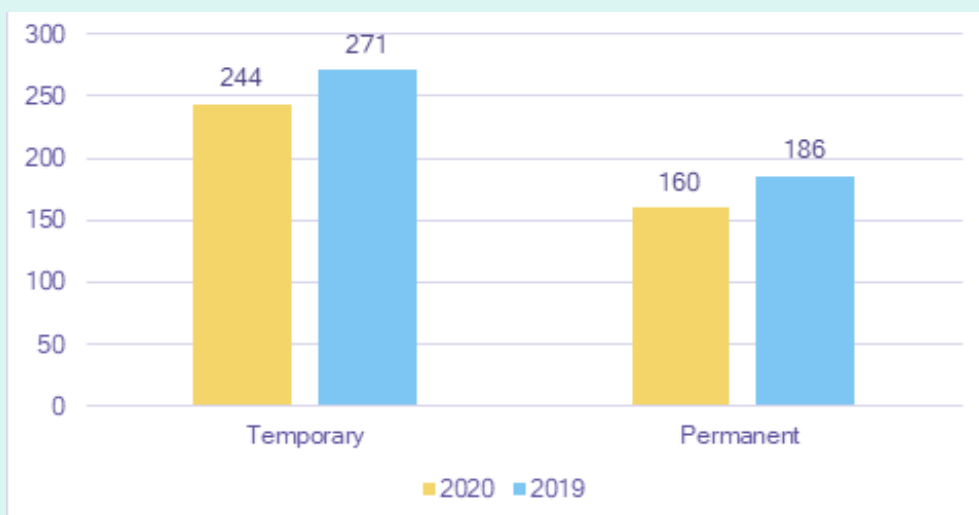


Figure 2: Employment types

OUR PLEDGE TO OUR PEOPLE

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

EMPLOYMENT (CONTINUED)

OUR WORKFORCE RETENTION AND ECRUITMENT (CONTINUED)

We have excluded the temporary crew in the calculation of new hires' rate and turnover rate as they are hired for short-term employment period and significant turnover of temporary crew is expected every 3 months. The resignation and recruitment data is shown below:-

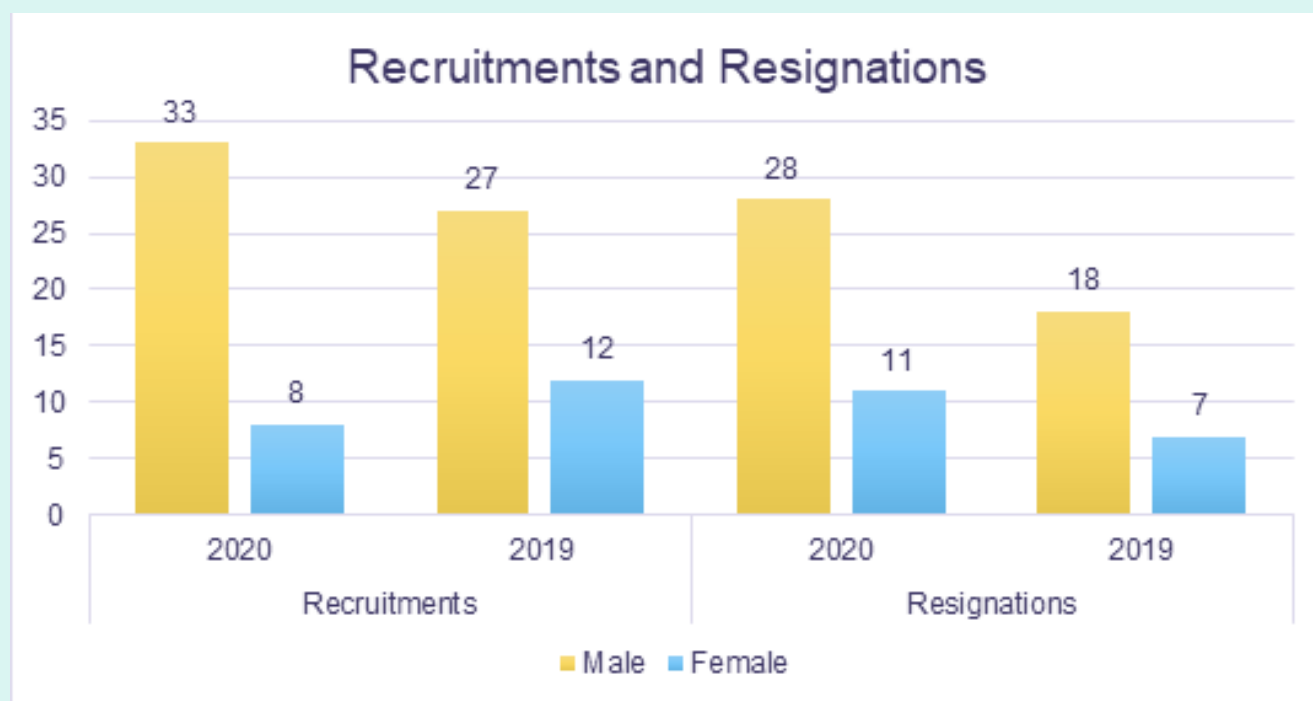


Figure 3: Recruitments and resignations

Approximately 90% of the recruitment was contributed by the shipyard division where there was an increase in business activities due to COVID-19. The retention rate worsened from 88% in FY2019 to 83% in FY2020 because a number of long serving staff in the Singapore Headquarter retired during the year. We will target to keep our retention rate at above 80% for the coming year.

OUR PLEDGE TO OUR PEOPLE

[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-1, 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 pledges to endorse an inclusive culture that focuses on treating all employees fairly. We adopt a strong stance against discrimination on any biases and are committed to providing 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 consistently achieved a balanced employee distribution which enables us to maintain a competitive and progressive workforce.

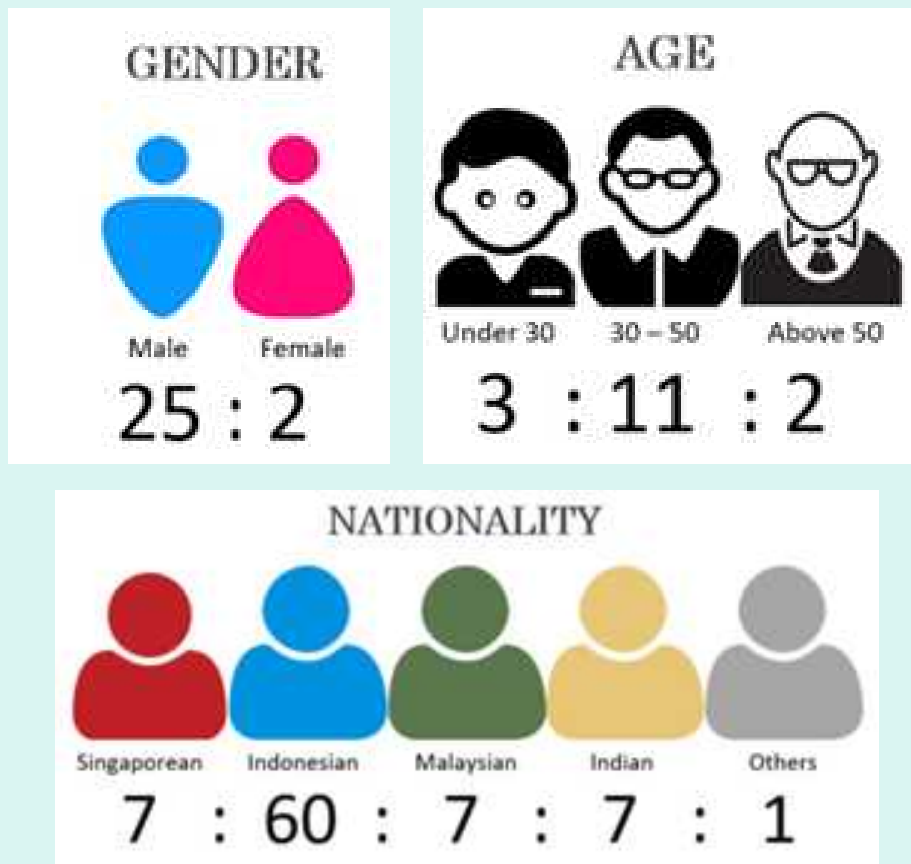


Figure 4: Ratio of employees by genders, age groups and nationalities

OUR PLEDGE TO OUR PEOPLE

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

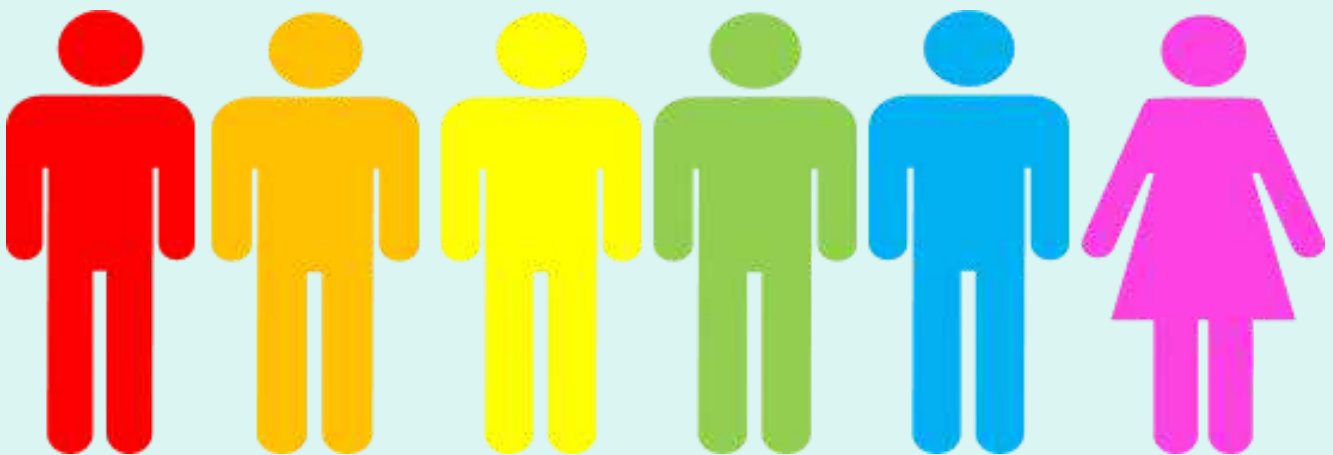
EMPLOYMENT (CONTINUED)

OUR DIVERSE WORKFORCE (CONTINUED)

Our diversity is not just limited to our employees but also represented in our Board of Directors. The different backgrounds of our directors have helped to expand the range of perspectives at the top and enable the Board to better advise the Group strategically.

The Board comprises 6 (2019: 9) directors, 5 (2019: 8) male and 1 (2019: 1) female, of whom 4 (2019: 2) are below 50 years old and 2 (2019: 7) are 50 years old and above, and they consist of 5 (2019: 7) Singaporeans and 1 (2019: 2) Indonesian.

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.



OUR PLEDGE TO OUR PEOPLE

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

DEVELOPING OUR EMPLOYEES

Marco Polo believes in nurturing our employees to raise our employees' learning and development capacity, yielding a capable and more agile workforce. To support this belief we provide on-the-job trainings 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.

Staff development has become even more important during this COVID-19 pandemic, playing a prominent role in ensuring that our employees are trained and reskilled to meet new challenges brought by the pandemic.

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 shipyard, we will arrange for them to attend the relevant courses.

External trainings are provided for crew members on an 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 on-board the vessels to maintain the crew's familiarity with the safety procedures.

OUR PLEDGE TO OUR PEOPLE

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

DEVELOPING OUR EMPLOYEES (CONTINUED)

EMPLOYEE TRAINING (CONTINUED)

We have leveraged on the government training grants provided to Singapore-based enterprises during this unprecedented COVID-19 pandemic to provide our employees with more training. Our employees enrolled in significantly more training courses in FY2020 as compared to FY2019. The courses range from technical skills required for the specific job scope, such as ISO 45001 *Occupational Health and Safety* and International Ship and Port Facility Security (ISPS) Code, to soft skills courses for personal development of the employees, such as Adopt Design Thinking for Team Building. Below is the comparison table of the trainings in the past two years:-

Area of focus	FY2020	FY2019
Number of courses	21	8
Number of hours	657	129

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



OUR PLEDGE TO OUR PEOPLE

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

DEVELOPING OUR EMPLOYEES (CONTINUED)

PERFORMANCE APPRAISAL AND CAREER DEVELOPMENT

The success of the Group is driven by the competency and professionalism of our workforce.

All permanent employees in our Singapore Headquarter and our shipyard are subjected to an annual performance review to discuss their job performance and career goals. As the offshore crew are contract-based, they are appraised after the completion of their employment contract. We continue to review our performance appraisal and career development process to assess if additional initiatives and policies are required to be implemented.

Marco Polo believes that with its performance 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.



OUR PLEDGE TO OUR PEOPLE

[GRI 102-7, 102-8, 102-12, 102-41, 202-1, 401-1, 403-1, 403-2, 404-1, 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 offshore vessel charters.

Our shipyard undergoes annual recertification 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 health and safety.

Headquarter

Our employees in the Singapore Headquarter 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 a fire.

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 that are in accordance with 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, 404-1, 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/employee to report and document details of these incidents in the "Near Miss & Incidents" form is to be submitted to the Singapore Headquarter within 24 hours.

During the year, there were 9 (2019: 10) reported injuries in the Group. The analysis of the injury cases during the year is shown in the table below.

	Singapore Headquarter	Offshore division	Shipyards division
First aid cases	-	2	2
Near miss cases	-	-	3
Medical treatment cases	-	-	2
Total	-	2	7

The total number of accidents decreased from 10 in FY2019 to 9 in FY2020. As majority of the accidents occurred in the shipyard division, the Group has constantly put in measures to increase the safety awareness of its employees, which include arranging external training on ISO 45001 *Occupational Health and Safety* for the employees at the shipyard during the year. The training aimed to further enhance the mindfulness amongst employees on the importance of health and safety and to better equip the senior level employees with the knowledge necessary to review and fine-tune safety processes within the division to reduce accident rate. We aim to keep the number of incident to the minimum and will continue to work towards zero accident.

There were no reported occupational diseases and fatalities during the year.

SAFETY FIRST



GRI CONTENT INDEX

[GRI 102-55]

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
GRI 102: Organisational profile					
	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 21	Our pledge to our people
				AR 9	Revenue by business segment
				AR 123-124	Statistics of shareholdings
	102-8	Information on employees and other workers	-	SR 20-24	Our pledge to our people
	102-9	Supply chain	-	SR 12	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 17-19	Our pledge to the environment
				SR 25	Our pledge to our people
	102-13	Membership of associations	-	SR 2	About us
GRI 102: Strategy					
	102-14	Statement from senior decision-maker	-	SR 4	Board's message
GRI 102: Ethics and integrity					
	102-16	Values, principles, standards, and norms of behaviour	-	SR 2-3	About us
	102-17	Mechanisms for advice and concerns about ethics	-	SR 9	Our pledge to business excellence and ethics
GRI 102: Governance					
	102-18	Governance structure	-	SR 9-10	Our pledge to business excellence and ethics
				SR 5	Our pledge to sustainable development

GRI CONTENT INDEX

[GRI 102-55]

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
GRI 102: Stakeholder engagement					
	102-40	List of stakeholder groups	-	SR 7	Our pledge to sustainable development
	102-41	Collective bargaining agreements	-	SR 20-21	Our pledge to our people
	102-42	Identifying and selecting stakeholders	-	SR 7	Our pledge to sustainable development
	102-43	Approach to stakeholder engagement	-	SR 5	Our pledge to sustainable development
	102-44	Key topics and concerns raised	-	SR 8	Our pledge to sustainable development
GRI 102: Reporting practice					
	102-45	Entities included in the consolidated financial statements	-	AR 81-82	Investments in subsidiaries
	102-46	Defining report content and topic Boundaries	-	SR 6	Our pledge to sustainable development
	102-47	List of material topics	-	SR 8	Our pledge to sustainable development
	102-48	Restatements of information	Yes [^]	SR 30	Our pledge to our people
	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	6 January 2020	NA	NA
	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 31-35	GRI index
	102-56	External assurance	No external assurance	NA	NA
GRI 103: Management approach					
	103-1	Explanation of the material topic and its Boundary	-	SR 20	Our pledge to our people
	103-2	The management approach and its components	-	SR 20	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 20	Our pledge to our people

[^]The number of accidents in FY2019 was wrongly reported as 1 instead of 10 in the previous year's report due to error in data collection procedures.

GRI CONTENT INDEX

[GRI 102-55]

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
GRI 202: Market presence					
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	SR 20-21	Our pledge to our people
GRI 103: Management approach					
	103-1	Explanation of the material topic and its Boundary	-	SR 9	Our pledge to business excellence and ethics
	103-2	The management approach and its components	-	SR 9	Our pledge to business excellence and ethics
	103-3	Evaluation of the management approach	-	SR 9	Our pledge to business excellence and ethics
GRI 205: Anti-corruption					
	205-1	Operations assessed for risks related to corruption	-	SR 9	Our pledge to business excellence and ethics
	205-3	Confirmed incidents of corruption and actions taken	-	SR 9	Our pledge to business excellence and ethics
GRI 103: Management approach					
	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 12-13	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 12-13	Our pledge to the environment
GRI 301: Materials					
	301-1	Materials used by weight or volume	-	SR 12-13	Our pledge to the environment
GRI 103: Management approach					
	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 14-15	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 14-15	Our pledge to the environment
GRI 302: Energy					
	302-1	Energy consumption within the organisation	-	SR 14-15	Our pledge to the environment
GRI 103: Management approach					
	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

GRI CONTENT INDEX

[GRI 102-55]

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
GRI 303: Water					
	303-1	Water withdrawal by source	-	SR 16	Our pledge to the environment
GRI 103: Management approach					
	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
GRI 305: Emissions					
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Only SOx is applicable for our Group	SR 17	Our pledge to the environment
GRI 103: Management approach					
	103-1	Explanation of the material topic and its Boundary	-	SR 18	Our pledge to the environment
	103-2	The management approach and its components	-	SR 18	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 18	Our pledge to the environment
GRI 306: Effluents and waste					
	306-1	Water discharge by quality and destination	-	SR 18	Our pledge to the environment
GRI 103: Management approach					
	103-1	Explanation of the material topic and its Boundary	-	SR 19	Our pledge to the environment
	103-2	The management approach and its components	-	SR 19	Our pledge to the environment
	103-3	Evaluation of the management approach	-	SR 19	Our pledge to the environment
GRI 307: Environmental compliance					
	307-1	Non-compliance with environmental laws and regulations	-	SR 19	Our pledge to the environment
GRI 103: Management approach					
	103-1	Explanation of the material topic and its Boundary	-	SR 20	Our pledge to our people
	103-2	The management approach and its components	-	SR 20-22	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 20-22	Our pledge to our people
GRI 401: Employment					
	401-1	New employee hires and employee turnover	-	SR 20-22	Our pledge to our people

GRI CONTENT INDEX

[GRI 102-55]

GRI	Disclosure Number	Disclosure Title	Comments	Page References (AR refers to Annual Report)	Section References
GRI 103: Management approach					
	103-1	Explanation of the material topic and its Boundary	-	SR 20	Our pledge to our people
	103-2	The management approach and its components	-	SR 29-30	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 29-30	Our pledge to our people
GRI 403: Occupational health and safety					
	403-1	Occupational health and safety management system	-	SR 29-30	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 30	Our pledge to our people
GRI 103: Management approach					
	103-1	Explanation of the material topic and its Boundary	-	SR 26	Our pledge to our people
	103-2	The management approach and its components	-	SR 26	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 26-27	Our pledge to our people
GRI 404: Training and education					
	404-1	Average hours of training per year per employee	-	SR 27	Our pledge to our people
	404-2	Programs for upgrading employee skills and transition assistance programs	-	SR 26-27	Our pledge to our people
	404-3	Percentage of employees receiving regular performance and career development reviews	-	SR 26-27	Our pledge to our people
GRI 103: Management approach					
	103-1	Explanation of the material topic and its Boundary	-	SR 24	Our pledge to our people
	103-2	The management approach and its components	-	SR 24	Our pledge to our people
	103-3	Evaluation of the management approach	-	SR 24-25	Our pledge to our people
GRI 405: Diversity and equal opportunity					
	405-1	Diversity of governance bodies and employees	-	SR 24-25	Our pledge to our people