

SUSTAINABILITY REPORT 2023



15 JANUARY 2024

MARCO POLO MARINE LTD



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About This Report

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 2022 to 30 September 2023. This report has been prepared in reference to the GRI Standards. The Global Reporting Initiative (“GRI”) is an independent, international organization that helps businesses and other organizations take responsibility for their impacts by providing them with a global common language to communicate the Group adopts the GRI Standards for sustainability reporting as GRI provides most widely used standards for greater ease of understanding.

Sustainability reporting enables us to communicate better our management approach and the performance of Marco Polo’s material Economic, Environmental, Social, and Governance (“EESG”) topics with our key stakeholders. It enables us to identify opportunities, helping us better measure, monitor, and manage these sustainability topics in our organization. We recognize the role we play in sustainable development and endeavor closely with our key stakeholders in enhancing and integrating sustainability across our value chain. The board is currently discussing and planning to monitor the progress made toward sustainability.

This report's information has been checked, reviewed, and explained for changes from one year to the next, and it is presented in a way that allows for meaningful comparison.

Reporting Boundary

The scope of this report is indicated below:

List of Companies (Within Scope)	List of Companies (Out of Scope)	Reasons for Exclusion
<ul style="list-style-type: none"> ▪ Marco Polo Marine Ltd ▪ Marco Polo Shipyard Pte Ltd ▪ PT Marco Polo Shipyard ▪ MP Offshore Pte Ltd ▪ Marco Polo Offshore Pte Ltd ▪ Marco Polo Offshore (II) Pte Ltd ▪ Marco Polo Offshore (III) Pte Ltd ▪ Marco Polo Offshore (VII) Pte Ltd ▪ Marco Polo Offshore (VIII) Pte Ltd ▪ PT Pelayaran Nasional Bina Buana Raya Tbk ▪ BBR Shipping Pte Ltd ▪ BBR (L) Shipping Berhad ▪ Oceanic Crown Offshore Marine Services Company Limited ▪ PKR Offshore Co. Ltd. 	<ul style="list-style-type: none"> ▪ MP Ventures Pte Ltd ▪ MP Marine Pte Ltd ▪ PT Marco Polo Indonesia ▪ Marco Polo Wind Private Limited ▪ Marco Polo Offshore Sdn Bhd 	These are holding companies with minimum activities and zero headcounts, as such, we have excluded them in this report.
	<ul style="list-style-type: none"> ▪ Marco Polo Offshore (IV) Pte Ltd ▪ SK Marco Polo Sdn Bhd ▪ Pelayaran New Era (L) Berhad ▪ Pelayaran Era Sdn Bhd 	These are joint venture entities and have zero to little contribution to the Group. The total contribution to the net profit is less than 1%; as such, we have excluded them in this report.
	<ul style="list-style-type: none"> ▪ Marco Polo Shipping Co Pte Ltd ▪ MP Shipping Pte Ltd 	These entities contribute less than 5% of total revenue and net profit. The Group is also expanding its business in the offshore and shipyard segments, and we expect the contribution from tugboats and barges to be even more insignificant in the near future, as such, we have excluded them in this report.

About This Report

Reporting Principles

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

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.

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.

Materiality

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

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.

About This Report

Assurance Statement

We engaged our Internal Audit Function to review the current sustainability reporting processes. The internal review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The scope included a risk-based review of the processes including but not limited to the sustainability governance and management; the identification, prioritization, and assessment of ESG-related risks and opportunities; reporting relevant sustainability information; climate-related disclosures; and compliance against local regulatory reporting requirements. We have not sought external assurance for this reporting year.

Feedback

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>. Please contact us at info@marcopolomarine.com.sg should you have any questions or concerns about the report.

About Us

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 headquarters is based in Singapore. Our core businesses are in shipping, shipbuilding, and renewable/offshore fabrication.

The shipping business of the Group relates to the chartering of Offshore Supply Vessels (“OSVs”), which comprise mainly Anchor Handling Tug Supply Vessels (“AHTS”) for deployment in regional waters, including the Gulf of Thailand, Malaysia, Indonesia, Myanmar and Taiwan, as well as the chartering of tugboats and barges to customers, especially those which engaged in the mining, commodities, construction, infrastructure and land reclamation industries.

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 modern shipyard also houses three dry docks which boosted the Group’s technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.

In recent years, there was a pivot towards the renewable segment by the Group where we start the journey of transition towards renewable energy sources while balancing the need for energy security and affordability for consumers. Marco Polo tailored and customized solutions in the chartering, development, fabrication, and construction of bespoke renewable energy assets for our customers.

About Us

Our Value Chain:

Offshore

We take pride in our strong partnerships within the marine industry, working closely with trusted and dependable partners who provide essential services, spare parts, and logistical support for our fleet.

Our fleet comprises a total of 12 vessels, and these vessels play a pivotal role in our operations. They are instrumental in servicing two distinct sectors – the Oil & Gas industry in Southeast Asia and Wind Farm projects in Northeastern Asia. In the realm of Oil & Gas, our vessels predominantly cater to the needs of renowned oil majors within the region, facilitating their operations seamlessly. Simultaneously, in the Wind Farm sector, our vessels are chartered out to primarily support wind farm developers as they work towards harnessing clean energy from these projects. This dual focus on servicing two vital industries is a testament to our versatility and commitment to sustainable practices across multiple domains.

Furthermore, there are no downstream entities incorporated within our offshore operations.

Shipyard

In our commitment to sustainability, our shipyard operations remain at the forefront of our efforts. This year we have collaborated with a network of 30 suppliers and engaged with 35 contractors. We focus on producing marine-related products. These engagements encompass a diverse range of contracts, spanning both long-term and short-term commitments, both contractual and non-contractual. Our projects exhibit a balanced blend of material and labor-intensive processes, with an estimated monetary value that spans from a few hundred dollars to several million. Our shipyard footprint extends across multiple regions, including Singapore, Indonesia, China, and Europe.

Our shipyard's core activities revolve around the shipbuilding, conversion, repair, and maintenance services of various kinds of vessels, serving a valued clientele of 40 core customers. Our services cater to container shipping companies, bunkering operations, and cargo-related endeavors. These partnerships comprise an assortment of long-term and short-term contracts, both contractual and non-contractual, reflecting our versatility and adaptability in the industry. As we continue to drive sustainability in our shipyard operations, we remain committed to responsible practices that uphold our environmental and social responsibilities.

CEO'S Message

Dear Stakeholders,

Sustainability concerns regarding 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. As we release our latest sustainability report, we acknowledge that “United Nations Sustainable Development Goal (SDG) 14: Life Below Water” often receives less focus, but at Marco Polo Marine, it is a prominent commitment towards sustainability. Also, the board has reviewed sustainability matters in the issuer's operations and strategy, identified significant EESG factors, and supervised their management and monitoring.

Our strategies have always been aligned with helping our valuable customers achieve their business objectives while fostering sustainability. We adhere to the latest Global Reporting Initiative (“GRI”) standards, which form the foundation of our conscious efforts in promoting sustainable growth.

One of our primary objectives is to raise environmental awareness within our Group continually. In this pursuit, we have taken significant steps to reduce emissions. The engines on our vessels now run on Marine Gas Oil (“MGO”), which contains lower sulphur content, minimizing our impact on the environment.

Furthermore, we are creating a work culture that embraces equality, diversity, and inclusion. Our recruitment policy is designed to ensure that staff are strictly employed based on merit and capability, irrespective of their gender, age, or nationality. Ensuring the well-being of our employees, we maintain close partnerships with trade unions in Singapore, Indonesia, and Taiwan, ensuring that their benefits and welfare are properly safeguarded.

In significant progress towards decarbonizing the maritime industry and contributing to SDG 14, we are thrilled to announce our collaboration with Brooklyn-based Amogy. Under this Memorandum of Understanding (MoU), Amogy's proprietary ammonia-to-power system will be installed on Marco Polo Marine's existing or newly built wind vessels. This technology will enable these vessels to operate with zero emissions, marking a pivotal moment in the path toward a sustainable and decarbonized maritime industry.

On behalf of the Board of Directors, I would like to express our sincere gratitude to all our stakeholders for your unwavering support and active participation in our journey towards a sustainable future. Together, we will continue to make strides towards a healthier and more sustainable marine logistics industry.

Sean Lee Yun Feng
CEO

Stakeholder Engagement

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 and work with our stakeholders to understand their expectations and address any concerns faced by the stakeholders. Similarly, the company tries to establish constant communication with various stakeholders, and the approach to each category of the stakeholder is shown below.

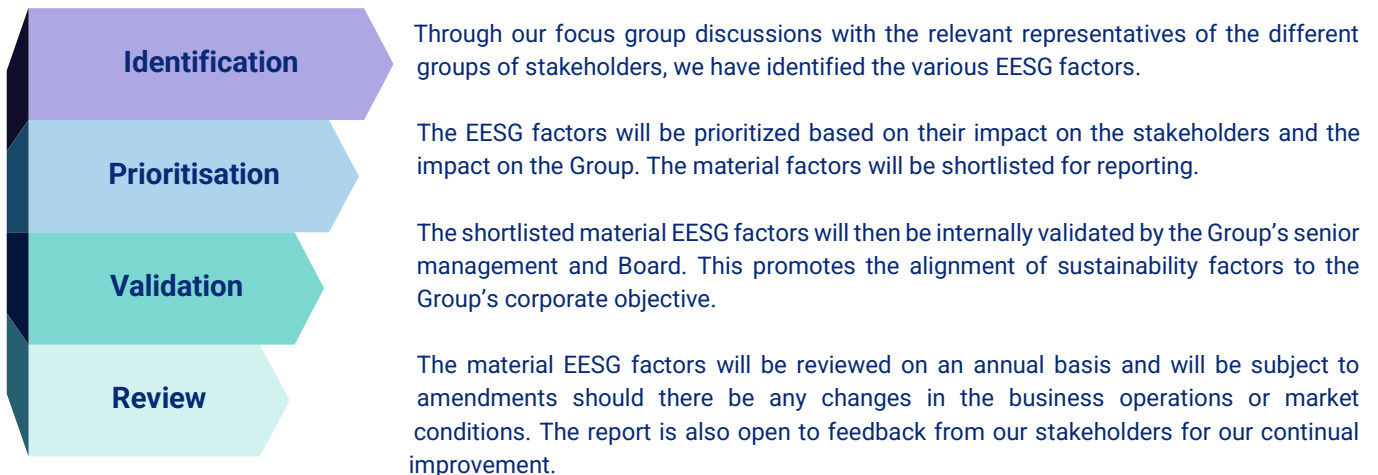
Stakeholders	Basis for Determining Stakeholders	Engagement Platform	Frequency of Engagement	Areas of Concerns
Employees	Employees are involved in the daily operations of the Group	<ul style="list-style-type: none"> Informal dialogues Performance appraisal 	<ul style="list-style-type: none"> As and when Annually 	<ul style="list-style-type: none"> Personal development Employee compensation and benefits Occupational health and safety Diversity and equal opportunity
Government and regulators	Compliance with local and overseas laws and regulations	<ul style="list-style-type: none"> Regular reports Site visits 	<ul style="list-style-type: none"> Annually Ad-hoc visits 	<ul style="list-style-type: none"> Regulatory matters Compliance with regulations Timely reporting
Investors and shareholders	Influence on Management's and the Board's decisions and responsibility towards investors	<ul style="list-style-type: none"> Annual Report Annual General Meetings Website SGX Announcements 	<ul style="list-style-type: none"> Annually As and when 	<ul style="list-style-type: none"> Financial performance Strategic planning Sustainability reporting Anti-corruption Risk management
Suppliers and contractors	Dependency on suppliers and subcontractors	<ul style="list-style-type: none"> E-mails Phone calls Physical meetings 	<ul style="list-style-type: none"> As and when 	<ul style="list-style-type: none"> Quality management Price negotiation
Customers	Customers' needs influence the strategic direction of the Group	<ul style="list-style-type: none"> E-mails Phone calls Customer feedback forms Physical meetings 	<ul style="list-style-type: none"> As and when 	<ul style="list-style-type: none"> Quality management Contract negotiation Service delivery Environmental Compliance
Trade unions	Represents the voice of employees collectively	<ul style="list-style-type: none"> Meetings with union leaders 	<ul style="list-style-type: none"> Annually As and when 	<ul style="list-style-type: none"> Employee compensation and benefits

Materiality Assessment

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. We conducted a Focus Group Discussion with our Sustainability Reporting Champion Team (“Team”), consisting of various Heads 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 regularly to ensure their relevance.

Our Approach

Our approach to determining the material factors consists of a 4-step process listed below.



Marco Polo addressed the issues at hand by following the 4-step process listed above. We studied the identified EESG risks and their potential impacts to gain a comprehensive overview before we developed the mitigation approaches. Through the 4-step process, we can 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 Board of Directors strategies and actions for the identified EESG issues at hand. After specific solutions are identified and approved, the Team works with the relevant departments to execute the approved strategies.

Materiality Assessment

Prioritisation of Key Factors

Significant topics

Topics that are deemed material impact to the Group and the stakeholders are indicated in the top right quadrant.

Moderate topics

Topics that are relatively less significant impact but are still incorporated in Marco Polo’s sustainable and responsible business practices.

LEVEL OF CONCERN TO EXTERNAL STAKEHOLDERS	High	<ul style="list-style-type: none"> ▪ Diversity and Equal Opportunity ▪ Non-discrimination ▪ Risk Management 	<ul style="list-style-type: none"> ▪ Occupational Health and Safety ▪ Strategic Planning ▪ Anti-corruption ▪ Financial Performance
	Medium	<ul style="list-style-type: none"> ▪ Employee Compensation and Benefits ▪ Personal Development ▪ Quality Management 	<ul style="list-style-type: none"> ▪ Regulatory and Compliance Matters ▪ Environmental Compliance
	Low		
	Low	Medium	High
	POTENTIAL OR CURRENT IMPACT ON OUR BUSINESS		

Materiality Assessment

Our Material Factors

There have been no major changes to our business operations this year. The key factors identified under the EESG framework are indicated below.

Material Topic	Impact	Mitigation	GRI Standard	SDG Linkage	Boundary	
					Within Marco Polo	Outside Marco Polo
GOVERNANCE						
Corporate Governance	Weak corporate governance may result in violations of laws and regulations, leading to legal actions and regulatory penalties. Ultimately, it will tarnish a company's reputation, financial loss and leading to a decline in employee morale and productivity.	We will be implementing measures and practices that enhance transparency, accountability, and ethical conduct within an organization. These measures include strong governance structures that promote transparency and disclosure, effective risk management, and the fostering of a culture of ethical behavior and integrity starting from the top leadership.	2-9 to 2-18	16	✓	
Anti-Corruption	Corruption can lead to inefficiencies, higher costs, and compromised integrity, eroding trust in the company and deterring ethical investors and customers.	We ensured compliance with all regulations. We have implemented robust anti-corruption measures to maintain transparency, integrity, and ethical conduct throughout our operations, reducing the risk of corruption-related issues.	205-2 205-3	16	✓	
ECONOMIC						
Economic Performance	Poor economic performance can hinder investment in sustainable initiatives, affecting the marine industry's long-term viability and competitiveness in a rapidly changing market.	We stand to gain more interest from shareholders / potential shareholders and increase the liquidity of the shares traded. We continuously monitor our financial performance, seeking opportunities to invest in sustainable initiatives that align with our long-term growth and sustainability goals.	201-2	8,9,12	✓	
Procurement Practices	Unethical procurement practices can lead to increased costs, reputational damage, and legal liabilities, undermining the industry's ability to attract environmentally conscious clients and partners.	We were able to manage costs better and react to operation requirements (i.e., Delivery of vessel for chartering purposes, scheduling of ship repair projects and delivery of shipbuilding projects). Our procurement practices prioritize ethical sourcing and environmentally responsible suppliers to minimize negative impacts on ecosystems and ensure a sustainable supply chain.	204-1	12,16	✓	
ENVIRONMENTAL						
Materials	Inadequate material choices can result in increased maintenance costs, environmental damage, and regulatory non-compliance, impacting the industry's sustainability goals and profitability.	We were able to reduce the usage of materials and hence reduce cost and promote sustainability efforts. Our material selection process emphasizes the use of sustainable and recyclable materials to minimize environmental impact and enhance product longevity.	301-1	12,14	✓	
Energy	Excessive energy consumption can lead to higher operational costs, increased emissions, and a diminished market position due to the growing importance of energy efficiency in the industry.	We were able to reduce the usage of energy or use alternative forms of energy and hence reduce cost and promote sustainability efforts. We are committed to optimizing our energy usage through efficient technologies and practices, reducing our carbon footprint, and enhancing energy resilience.	302-1 302-3	7,13	✓	✓

Material Topic	Impact	Mitigation	GRI Standard	SDG Linkage	Boundary	
					Within Marco Polo	Outside Marco Polo
ENVIRONMENTAL						
Water and Effluents	Poor water and effluent management can result in environmental damage, legal consequences, and increased operational expenses, potentially tarnishing the industry's reputation.	We implement advanced water management strategies to minimize water consumption and ensure responsible effluent treatment, reducing our environmental footprint.	303-1 303-2 303-5	6,14	✓	✓
Emissions	High emissions can lead to regulatory fines, public scrutiny, and higher carbon taxes.	Our emission reduction initiatives focus on improving fuel efficiency, adopting clean energy sources, and adhering to emissions regulations to minimize our environmental impact.	305-7	7,13	✓	✓
Waste	Ineffective waste management practices can result in resource inefficiencies, legal repercussions, and reputational harm, making it challenging for the company to demonstrate sustainability leadership.	We were able to reduce waste and hence promote sustainability efforts. We employ comprehensive waste reduction and management programs, diverting waste from landfills and minimizing environmental harm through responsible disposal.	306-1	12,14		✓
Biodiversity	Uncontrolled exploitation and pollution have severe and often irreversible impacts on biodiversity, which pose significant threats to the delicate balance of ecosystems, leading to a loss of species, disruption of ecological processes, and negative consequences for both the environment and human well-being.	We will implement effective pollution control measures, including the regulation of industrial emissions, waste disposal, and effluents, promote the use of clean technologies and sustainable practices to minimize environmental pollution and undertake restoration initiatives to rehabilitate degraded habitats and ecosystems affected by pollution and exploitation.	304-1	14,15		✓
Environmental Compliance	Non-compliance with environmental regulations can lead to fines, legal disputes, and damage to the company's reputation, impacting its ability to secure contracts and partnerships.	We proactively ensure compliance with all relevant environmental regulations, fostering a culture of legal and ethical responsibility throughout our organization.	307-1	16,17	✓	
SOCIAL						
Employment	Unfair employment practices can lead to high turnover, legal liabilities, and negative corporate culture, which may deter talent.	Our employee-centric approach includes fair labor practices, competitive compensation, and opportunities for career development, promoting a motivated and satisfied workforce.	401-1	5,8	✓	
Training and Education	Insufficient training and education can result in a less skilled workforce, reduced safety, and a higher risk of accidents.	We invest in continuous training and education programs to equip our employees with the skills and knowledge needed to excel in their roles and contribute to our sustainability goals.	404-1 404-3	4,8	✓	
Diversity and Equal Opportunity	A lack of diversity and equal opportunity can lead to reduced innovation, employee dissatisfaction, and difficulties attracting top talent, affecting the industry's competitiveness and adaptability.	To have a more inclusive working environment. We are committed to fostering diversity and equal opportunity within our organization, recognizing the value of diverse perspectives and experiences in driving innovation and success.	405-1	5,10	✓	
Non-discrimination	Discriminatory practices can result in legal consequences, harm to employee morale, and a tarnished company reputation, making it challenging to maintain a positive public image and business relationships.	To have a more inclusive working environment. We maintain a workplace culture that values non-discrimination and inclusivity, ensuring that all employees are treated fairly and respectfully, regardless of their background or identity.	406-1	10,16	✓	
Occupational Health and Safety	Inadequate safety measures may expose workers to harmful substances, ergonomic hazards, or stressful work conditions, leading to occupational diseases, chronic health problems, and increased absenteeism.	We conduct thorough risk assessments to identify potential hazards in the workplace, provide regular and comprehensive training to employees on safety policy, and emergency procedures, foster a culture of safety awareness, and ensure that employees understand their roles and responsibilities in maintaining a safe workplace.	403-1	3,8	✓	

Corporate Governance

GRI 2

Board and Board Committees

The Group firmly believes that strong corporate governance is the cornerstone of our commitment to sustainability. As stewards of our stakeholders' trust and resources, we recognize the profound impact our decisions and actions can have on society, the environment, and our long-term business success. Through our robust governance framework, we aim to align our decision-making processes with the interests of our stakeholders, fostering resilience, innovation, and positive societal impact while safeguarding our planet for generations to come.

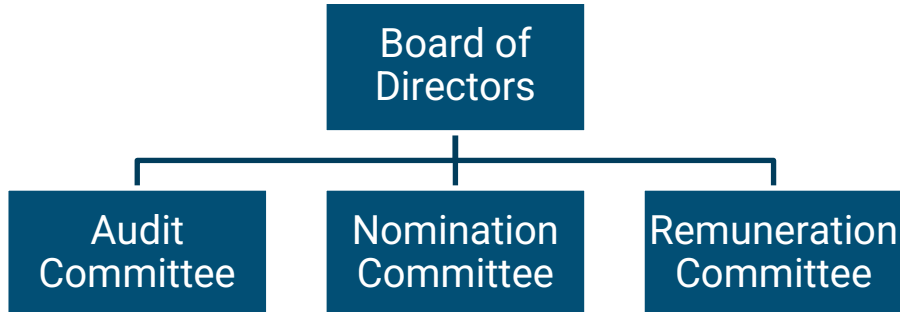
The Board consists of seven directors, encompassing three independent directors, two non-executive directors, and two executive directors. The presence of independent directors, led by Chairman Mr. Micheal Tan, constitutes over a third of the Board, thus ensuring a significant independent perspective within its composition.

Tan Hai Peng Micheal	Independent Non - Executive Director
Sean Lee Yun Feng	Chief Executive Officer
Liely Lee	Executive Director
Lee Kiam Hwee Kelvin	Independent Director
Leong Kah Wah	Independent Director
Hing Yih Peir Jeffrey	Non-Executive Director
Teo Jun Xiang Darren	Non-Executive Director

Our Board Committees play an important role in steering our sustainability journey with precision and purpose. To facilitate effective management, the Board has delegated specific responsibilities to three subcommittees within our organizational framework, three distinct committees - the Audit Committee, Nomination Committee, and Remuneration Committee - operate as specialized arms of the Board. Together, these committees form a robust governance structure that ensures transparency, accountability, and strategic decision-making in pursuit of our sustainability objectives.

Corporate Governance

GRI 2



The Group has made concert efforts to enhance the collective knowledge, skills, and expertise of our highest governance body in the realm of sustainable development. These endeavors involve the initiation of tailored training programs designed to empower our leadership with a deeper understanding of sustainability issues.

Additionally, we are currently in the process of establishing a dedicated Sustainability committee within our organisation, which will serve as a central hub for fostering expertise and driving sustainability initiatives forward. These proactive measures underscore our commitment to continuous improvement and sustainable growth.

We provide insights into the allocation of responsibilities for implementing our commitments throughout the organization's various levels. Just as we designate business commitments and key performance indicators (KPIs), the responsibility for driving sustainability initiatives is distributed among our Heads of Departments (HODs).

These leaders play a pivotal role in translating our sustainability goals into actionable strategies and outcomes. Their active involvement and ownership of these initiatives underscore our commitment to integrating sustainability across all facets of our organization, fostering a culture of shared responsibility for our environmental and social commitments.

Business Excellence and Ethics

GRI 205-2 to 3

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 fulfill our mission of serving the needs of our key stakeholders and building a sustainable business environment in various aspects.

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

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

In the spirit of transparency and accountability, we are pleased to report that there have been no instances of non-compliance within our operations this year. Also, we are proud of our record in maintaining a compliant and responsible operation.

Code of Ethics Policy

The company's commitment to integrity, compliance, and ethical conduct is evident through its Code of Ethics. This code outlines six key principles for all employees to follow. Firstly, employees are expected to demonstrate honesty and ethics, proactively addressing potential conflicts of interest. They must also ensure full and fair disclosure of information in all communications. Additionally, compliance with laws and regulations is non-negotiable, with a mandatory reporting requirement for any violations. Reporting any code violations or potential violations is another responsibility employees share, with the option to remain anonymous. Safeguarding the confidentiality and privacy of company information is essential, and all employees are held accountable for adhering to the code. Failure to do so may lead to disciplinary action or legal consequences. Ultimately, the Code of Ethics underscores the company's unwavering dedication to ethics, legal compliance, and trust preservation, and it is the responsibility of every employee to uphold these principles, nurturing a culture of integrity and responsibility within the organization.

Business Excellence and Ethics

GRI 205-2 to 3

Whistle-Blowing Policy and Anti-Corruption

Marco Polo is committed to conducting our business with high ethical standards and continually ensuring 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 whistle-blowing and anti-corruption policies to safeguard the ethical interests of our stakeholders and simultaneously safeguard the Group's assets and protect our best interest. These policies emphasize the Group's commitment against corrupt practices and our commitment to the highest ethical standards of business. We have also adopted a strict policy against receiving favors or gifts that are intended to affect business judgment 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 and Anti-Corruption 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 victimization 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 and Anti-Corruption Policy are disseminated to all employees of the Group (including full-time, part-time, and contract employees) and reminders are circulated annually. In addition, all employees, including new hires and crew members, are expected to acknowledge their comprehension of the whistle-blowing and anti-corruption policies via the company's internal portal.

Business Excellence and Ethics

GRI 205-2 to 3

To date, there were no reports, including incidents of corruption, received through the whistleblowing mechanism.

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 formalized 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 risks 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 with the COSO Enterprise Risk Management framework, the international framework on ERM with the objectives of meeting 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. All the aforementioned have been addressed in our Enterprise Risk Management Policy. Based on the most recent review performed, geopolitical risks are added to the key risk listing of the Group with updated risk response to keep the risks within the acceptable level for continued monitoring.

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

Economic Sustainability

GRI 201-2

Economic Performance

Marco Polo understands the importance of a positive economic performance in sustaining earnings and enhancing shareholder value from the appreciation of share prices. Financial performance growth therefore remains a fundamental prerequisite that can strategically impact performance in environmental and social areas.

In recent years, climate change and its consequences on the global economy have become more transparent. As such, Marco Polo seized opportunities such as using new technologies to address challenges related to climate change, mainly pivoting towards protecting the environment and expanding the natural resources supply.

Direct Economic Value

In line with our commitment to transparency and accountability, we have rigorously assessed our economic performance as table below. Using its business model, Marco Polo generates and distributes a wide range of economic value to its stakeholders. In FY2023, the Group's consistent financial growth led to improved value distribution of wealth to relevant stakeholders.

Particulars	UOM	FY2022	FY2023
Total Revenue Generated	SGD '000	86,095	127,126
Economic Value Distributed			
Operating Cost	SGD '000	58,617	81,385
Employee wages	SGD '000	11,121	9,372
Employee benefits	SGD '000	612	752
Payment to the provider of capital	SGD '000	112	85
Payment to government	SGD '000	125	257
Community Investment	SGD '000	1	22
Economic Value Retained	SGD '000	15,507	35,253

Economic Sustainability

GRI 201-2, 204-1

Indirect Economic Value

Wind Farm

Under the chartering operations, the Group has diversified our activities beyond the oil and gas industry to include the support of the construction of offshore wind farm projects. The burgeoning offshore wind energy industry in Asia is at a nascent stage where structures are in the process of being installed, which presents tremendous opportunities for the Group whose fleet can support the development of renewable energy-related projects that could bring positive impact to the environment.

Proportion of spending on local suppliers

The Group believes that a good and well-regulated procurement practice is critical to its operational efficiency and financial results. We constantly monitor our major suppliers and ensure that the suppliers we source from are financially sound and can fulfill the business's operational needs. For Offshore, we have reliable and valued partners in the marine industries supplying services, spares, and logistics for our fleet. For the shipyard, our suppliers are mainly from Singapore, Indonesia, China, and Europe which provide marine-related products. The estimated monetary value ranges from a few hundred dollars to a few million. Similarly, downstream entities include bulk carriers, containers, and core customers. These entities perform shipping, bunkering, and cargo activities and our relationships with these entities can be short-term or long-term, contractual or not, or a mix of the two.

Procuring from suppliers local to the operations is advantageous as they can deliver within a shorter lead time and at a lower cost. Face-to-face meetings with suppliers allow us to address any concerns and maintain greater control over the standard and quality of products and services provided to us.

The Group namely has two significant locations of operations, Singapore and Indonesia. The proportion of spending on suppliers local to the Singapore, Indonesia, and Taiwan operations is depicted below. We aim to continue our local procurement practices in the long run.

	2021	2022	2023
Singapore	73%	49%	64%
Indonesia	18%	49%	30%
Taiwan	9%	2%	6%

Environmental Sustainability

In 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. According to the World Meteorological Organization, global sea level rise has accelerated since 2013 to a new high in 2023, with continued ocean warming and ocean acidification. 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.

During the 26th United Nations Climate Change Conference of the Parties ("COP26") in Glasgow, Singapore called for "urgent collective action to address the global climate crisis" during the delivery of its national statement. Minister for Sustainability and Environment Grace Fu said that multilateral cooperation was essential to delivering successful outcomes at the negotiations in Glasgow. She also committed Singapore to further reviewing and enhancing its future climate goals.

In light of the profound implications of climate change and other environmental challenges, such as water pollution and resource scarcity, the imperative for businesses to take a leading role in environmental stewardship has never been more pronounced. Marco Polo recognizes the urgency of addressing the impact of climate change and is committed to implementing proactive mitigation measures.

To align with best practices, Marco Polo will adopt the Task Force on Climate-related Financial Disclosures (TCFD) framework, establishing a robust sustainability governance structure. This structure will provide oversight on all sustainability matters and climate-related issues. The Group is poised to conduct a comprehensive assessment of the potential impact and opportunities associated with climate risks that could affect its business operations.

As part of this commitment, the Group has diligently calculated its Scope 1 and Scope 2 greenhouse gas (GHG) emissions. This measurement serves as a critical tool for assessing and managing climate-related risks and opportunities relevant to our operations. Looking ahead, Marco Polo will develop a comprehensive climate roadmap integrated into its overall strategy. This roadmap will articulate the Group's specific climate goals and delineate a strategic course of action to effectively combat the impact of climate change.

Environmental Sustainability

GRI 301-1

Marco Polo is committed to playing its part in safeguarding 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 into our operations.

Material Management

We manage our material consumption by continuous monitoring and constant effort to reduce 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.

Marco Polo Marine Ltd.			Revenue (\$'000)	Ratio	
Material Consumption	Steel Plates (tonnes)	Copper Grit (tonnes)		Absolute (\$'000 per tonne)	Normalised (\$'000 per tonne)
2021	3,503	3,145	46,106	6.94	7.31
2022	2,884	5,952	86,095	9.74	9.34
2023	19,872	7,400	127,126	4.66	4.87

The increase in the consumption of steel plates and copper grit was mainly due to the construction of new shipbuilding projects, as a large amount of steel was required for these new builds in the initial stages of construction. In FY2023, the construction of three barges has been completed, while a Commissioning Service Operation Vessel (CSOV) and six more barges are still in progress.

The Group remains committed to optimizing material usage in accordance with the requirements of each project. We will strive to maintain the historical average consumption ratio, assuming 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".

Environmental Sustainability

GRI 301-2

Recycling Efforts

The Sustainable Singapore Blueprint (“SSB”) 2015 outlines our nation’s vision and plan towards becoming a 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 and copper are collected, weighed, and sold to mills for recycling purposes wherever possible. The Group seeks to continue reducing environmental strain by regularly reviewing and strengthening our recycling practices.

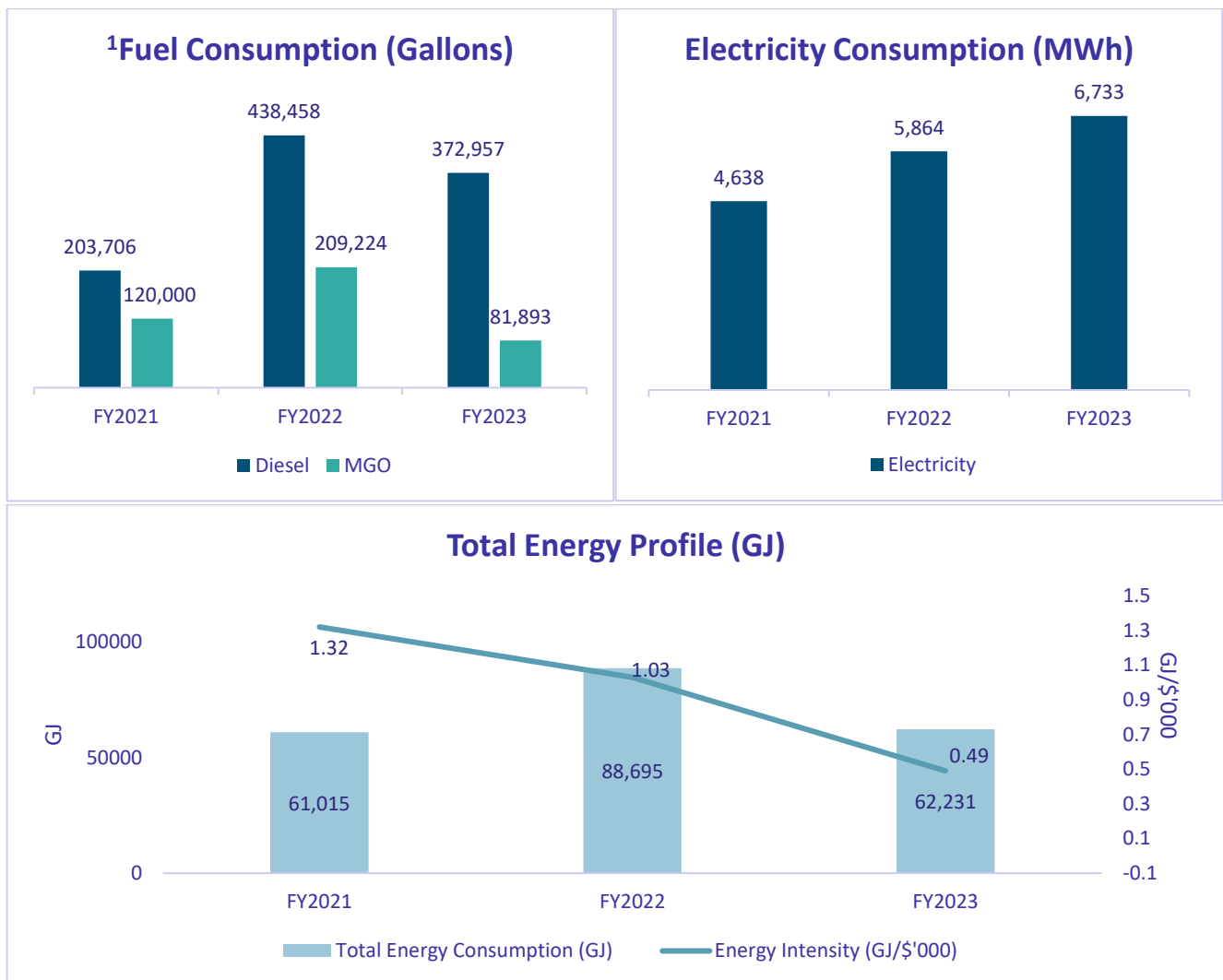
Apart from that, Marco Polo Marine has ventured into Green Ship Recycling to support the environmental sustainability of the shipping ecosystem at Batam. It is being awarded a permit by local authorities (Indonesia) to conduct ship recycling activities. The Group has also become the first shipyard in Indonesia to be certified and awarded the ISO 30000:2009 certificate. With the ISO certification by ABS QE, ship-owners can be assured that their vessels are recycled in safe and environmentally sound facilities.

Environmental Sustainability

GRI 302-1, 3

Energy Consumption

Marco Polo’s energy consumption comprises a mix of direct and indirect sources of energy. Our direct sources of energy consumption comprise gas oil and diesel, while the indirect source of energy consumption is electricity. The major activities in our shipyard include cutting, molding, 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 indicated below and are provided at the consolidated group level.



¹ The Group has adopted a more precise methodology for calculating and analysing its data, leading to revisions in MGO consumption data for FY2022.

Environmental Sustainability

GRI 302-4, 305-1 to 2

Marco Polo is committed to reducing energy consumption and is always exploring ways to improve its energy efficiency. As the energy consumption in our industry depends on the requirements of the projects that we are engaged in, it may not be meaningful to set a target on energy consumption relative to the projected revenue. Nonetheless, we were able to reduce energy consumption over 3 years (based on a ratio per dollar of revenue earned metric) by switching to inverter technology in the welding sets and graving dock pumps in our shipyard. In addition, we have switched from fluorescent/mercury lights to low energy savings LED lights for our general lighting whenever it is practicable. We are currently exploring installing solar panels in our shipyard operation.

Emission Profile

Marco Polo calculates its Scope 1 and Scope 2 emissions using the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"). The global warming potential ("GWP") values for all greenhouse gases are consistent with the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report, 2021 (AR6) based on a 100-year timeframe.

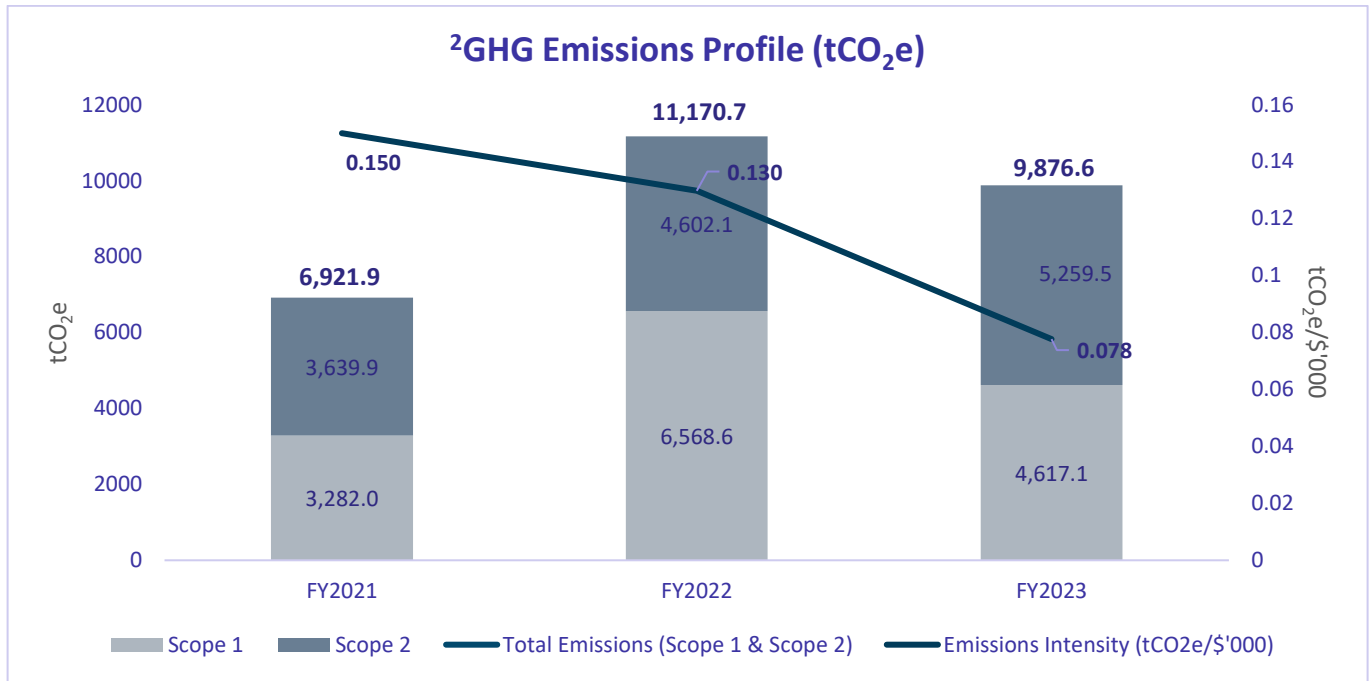
The emission factors and calculation methodologies are aligned with the IPCC Guidelines for National Greenhouse Gas Inventories, Singapore Energy Market Authority (EMA), and Climate Transparency Report – Indonesia Profile.

Scope 1 and Scope 2 GHG Emissions

Scope 1 (direct emission) GHG emissions are from facilities owned or controlled by operators including fuel use and company vehicle fleet. Scope 1 GHG emissions consist of the following GHG types: CO₂, CH₄, and N₂O. Scope 2 (indirect emissions) GHG emissions are from purchased electricity from the national grid.

Environmental Sustainability

GRI 305-1 to 2, 303-4 to 5



In April 2023, the Group initiated a strategic partnership with Amogy, a Brooklyn-based organization, with the shared objective of pioneering zero-emissions solutions for its offshore wind fleet. This collaboration seamlessly aligns with Marco Polo Marine's ongoing commitment to spearheading the decarbonization of the maritime industry, while simultaneously curbing the carbon footprint associated with offshore wind farms through the integration of more sustainable and environmentally friendly practices. The two parties have formalized their partnership through the signing of a Memorandum of Understanding (MOU), in which Amogy's proprietary ammonia-to-power system will be integrated into Marco Polo Marine's existing and future wind vessels, thereby enabling them to operate with complete emissions neutrality.

The Group will continue to closely monitor the energy consumption in this area to ensure efficiency in usage.

² As per US EPA, scope 1 is nearly 3,340.5 tCO₂e for FY2021; 6,677.4 tCO₂e for FY2022 and 4,676.1 tCO₂e for FY2023.

Environmental Sustainability

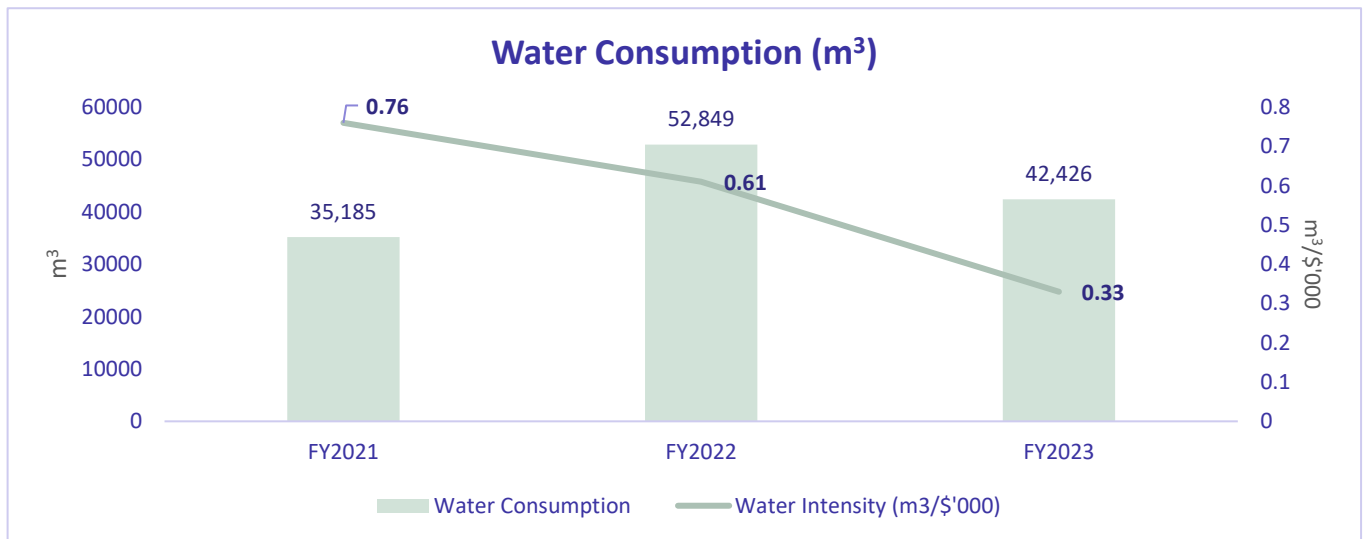
GRI 303-1 to 2, 303-5

Water Consumption

The Group uses the municipal water supplies available in the respective geographical areas of operations. Marco Polo recognizes 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 hulls. Harvesting our 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.



Although the shipyard division remains the highest contributor to the consumption of water, the bulk of fresh water was supplied to the vessels docked at our shipyard for their daily water consumption needs. There is a decrease in water consumption from FY2022 to FY2023 which shows a positive sign of water conservation effort. We will continue to reduce unnecessary water consumption, where possible in the subsequent reporting period. We will also continue with our recycling efforts to reduce water consumption.

Environmental Sustainability

GRI 303-1 to 2, 303-5

Management of Water Discharge-Related Impacts

The Ballast Water Management (“BWM”) Convention entered into force globally on 8 September 2017 and applies to ships registered under contracting Parties to the BWM Convention, which take up and use ballast water during international voyages. From the date of entry into force, ships in international traffic are required to manage their ballast water and sediments to a certain standard, according to a ship-specific ballast water management plan.

There are two ballast water management standards (D-1 and D-2). The D-1 standard requires ships to exchange their ballast water in open seas, away from coastal areas. Ideally, this means at least 200 nautical miles from land and in water at least 200 meters deep. By doing this, fewer organisms will survive, and ships will be less likely to introduce potentially harmful species when they release the ballast water. The D-2 standard specifies the maximum number of viable organisms allowed to be discharged, including specified indicator microbes harmful to human health.

From the date of entry into force of the BWM Convention, all ships must conform to at least the D-1 standard, and all new ships, to the D-2 standard. To date, seven MPO vessels have adopted the Closed Loop Ballast Systems to meet the requirement with approval by the Singapore Flag.

Environmental Sustainability

GRI 304-1

Biodiversity

At Marco Polo, we hold a deep reverence for our oceans and the invaluable role they play in sustaining life on Earth. We understand that safeguarding marine biodiversity is pivotal to the health of our planet’s ecosystems. Given our extensive maritime operations, we embrace our role as responsible custodians of the oceans, pledging to protect their pristine beauty.

In alignment with this dedication, Marco Polo introduced a No Shark Corporate Policy in 2022, reaffirming our commitment to the conservation of endangered species and the elimination of inhumane shark consumption practices. Our organization remains resolute in its resolve to neither support nor consume shark-related products within our facilities. The enforcement and oversight of this policy will be diligently administered by our dedicated management team.

Acknowledging the global imperative to conserve diminishing shark populations, our company is committed to addressing this pressing issue. In response to the unsustainable production of shark-related products currently available in the market, Marco Polo Marine Ltd has made a resolute commitment to cease the consumption of such items. This policy underscores our corporate responsibility, emphasizing our dedication to the preservation of marine ecosystems and the establishment of sustainable practices for the long-term protection of these invaluable natural resources for future generations.



Environmental Sustainability

GRI 305-7

Air Quality

According to the World Health Organization (“WHO”), air pollution is one of the biggest environmental threats to human health, contributing to an estimated seven million premature deaths each year globally. Improving air quality can enhance climate change mitigation efforts while reducing emissions will in turn improve air quality.

Marco Polo is conscious of reducing sulphur dioxide emission into the atmosphere by its vessels. Our offshore division provides time charters and bareboat charters. 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 lower sulphur content. Our Charter Party Agreement (“CPA”) only allows the charterer to use fuel oil with a 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 the quality of the MGO must be provided to the Chief Engineer during bunkering for verification and recording purposes. Additionally, samples of the MGO used are retained. Should any claim arise concerning the quality of the fuels supplied, the samples shall then be analyzed by a qualified and independent laboratory.

The Group has employed a fuel strategy for our maritime fleet, utilizing an MGO fuel blend with a 35% Fatty Acid Methyl Ester (FAME) content, as mandated by the regulations of the Indonesian government. The government places a strong emphasis on and actively promotes environmentally friendly fuel options, such as biofuels, to significantly mitigate carbon emissions.

The Group will continue to monitor the emissions from our vessels by ensuring that charterers use only fuel oil that complies with the sulphur content limit as stipulated by ISO 8127 2017 and MARPOL.

Environmental Sustainability

GRI 306-1

Effluents and Waste

Marine pollution is caused 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 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.

Hence, Marco Polo has implemented a waste management policy that outlines the principles and procedures for managing waste. This includes storing waste that cannot be eliminated until a suitable treatment or disposal route is available to prevent health and safety hazards to personnel and environmental threats. Additionally, all waste must be accompanied by information regarding its composition, hazards, and instructions for handling emergencies involving the waste.

Further, Marco Polo continues strengthening its effluent management 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 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 discharged, the OWS ensures that the oil content of the effluent without dilution does not exceed 15 ppm. Any discharge into the sea is 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 the 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 of into the sea.

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

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

Environmental Sustainability

GRI 307-1



Environmental Compliance

Our shipyard operation adopts the International Organization for Standardization (“ISO”) 14001, which provides guidelines or a framework to systemize 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.

Social Sustainability

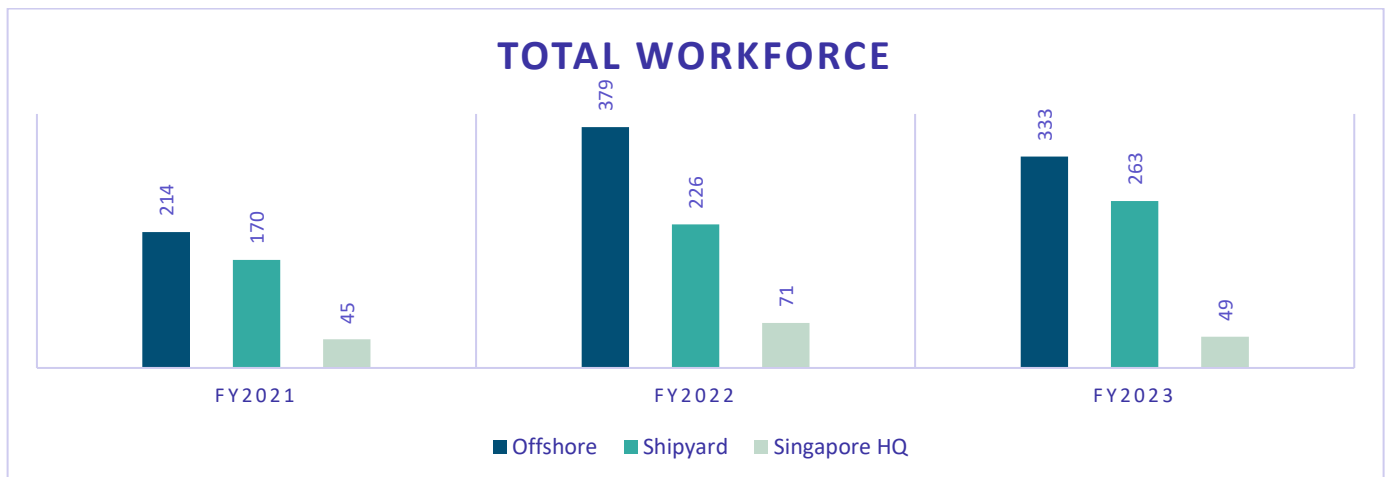
GRI 401-1

Our employees are one of the main driving forces behind the success of our business and we are committed to creating 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 and attracting new talents are important to the company. Here, we endeavor 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 a minimum.

Employment

As of 30 September 2023, the Group’s workforce totaled 645 (2022: 676, 2021: 429) staff and it comprises different employee categories split by their function, namely the shipbuilding team of our shipyard, the crew from offshore vessels (“crew”) and support staff from the Singapore Headquarters.



The Group’s workforce comprises all full-time employees, which can also be segregated into employees on permanent contracts and temporary contracts. Employees from our Singapore Headquarters and our shipyard division have permanent contracts, while the crew from the offshore division have temporary contracts due to the nature of their jobs. The crew is hired

Social Sustainability

GRI 406-1, 407-1

on 3-month contracts whenever there are projects, as and when required. The detailed information of our employees is shown below.

Employment Type	2021	2022	2023
Permanent	170	221	177
Temporary	259	455	468

Fair Employment Practices

Marco Polo adopts fair employment practices and treats all employees equally. We comply with local labor regulations across our geographic operations, including minimum wage laws, where such laws exist. In 2023, both male and female entry-level employees in our Batam shipyard operations are paid the local minimum wage amounting to IDR 4.50 million (2022: 4.19 million, 2021: IDR 4.15 million).

Employees covered under a collective bargaining agreement represent approximately 41% (2022: 33%, 2021: 40%) 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 meetings are conducted to develop collective agreements covering our employees' wages, benefits, and working conditions.

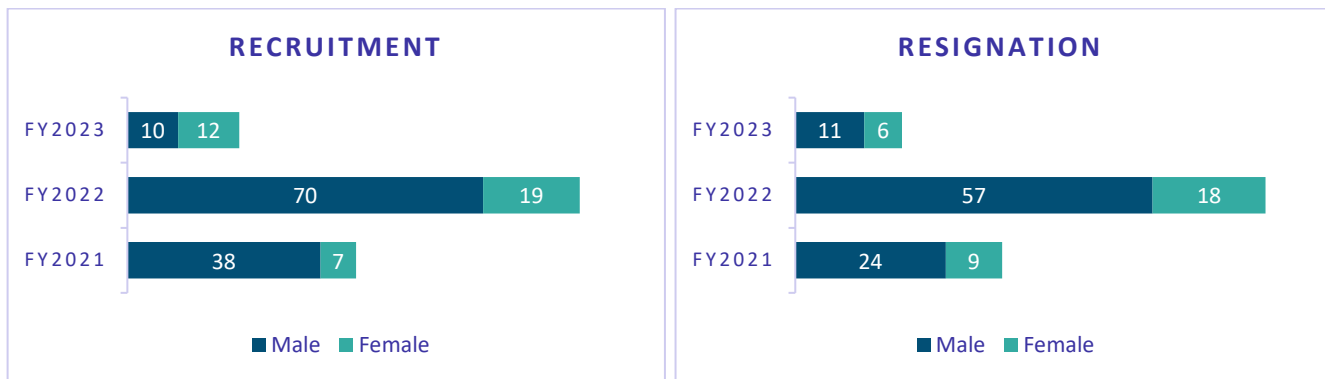
To facilitate a thorough grasp of Marco Polo's Code and policies, we provide each staff member with a comprehensive Staff Handbook. This handbook is conveniently accessible for download via the Company's internal portal, ensuring that employees can swiftly obtain the necessary information. The handbook serves as a valuable resource, offering in-depth insights into the company's policies, procedures, and guidelines, thus fostering a transparent comprehension of the standards expected from our staff.

Social Sustainability

GRI 401-1, 405-1

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 can contribute to our growth to complement the existing team members. We have excluded the temporary crew in the calculation of new hires’ rate and turnover rate as they are hired for a short-term employment period and significant turnover of the temporary crew is expected every three months. The recruitment and resignation details are shown below.



The retention rate for FY2023 is 80% (2022: 52%, 2021: 85%), representing a return to our usual rate. We will also target to keep our retention rate above 80% in the subsequent years.

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. Also implemented an Anti-Harassment & discrimination policy to prohibit not only unlawful harassment but also unprofessional and discourteous actions.

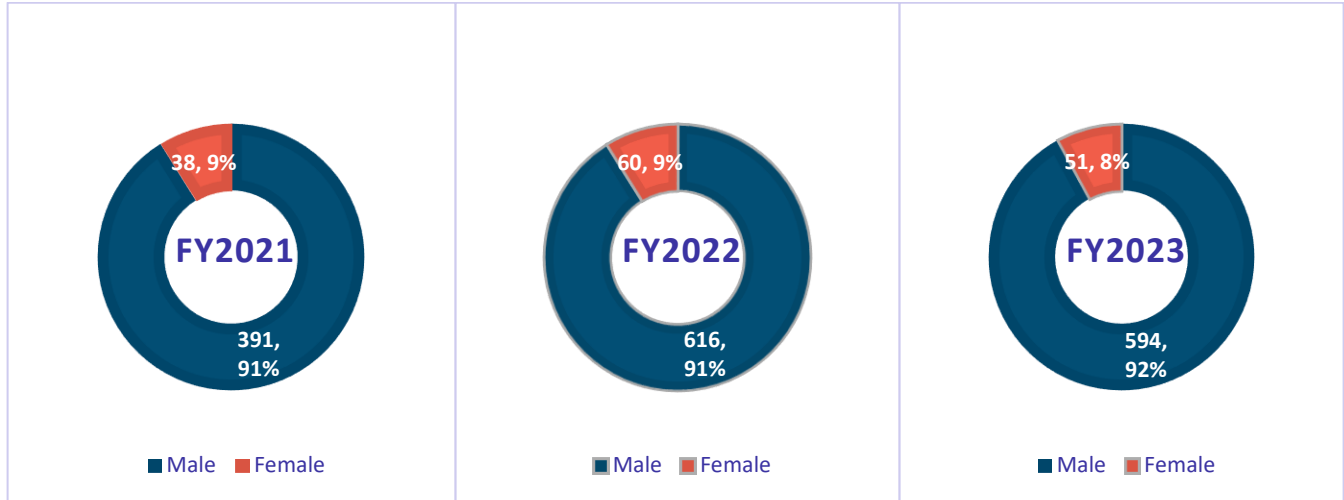
We value and promote diversity which is evident in our workforce comprising people from a wide array of cultures, viewpoints, and backgrounds. Our employment policies are based on meritocracy, regardless of age, gender, or nationality. As charted below, we have consistently

Social Sustainability

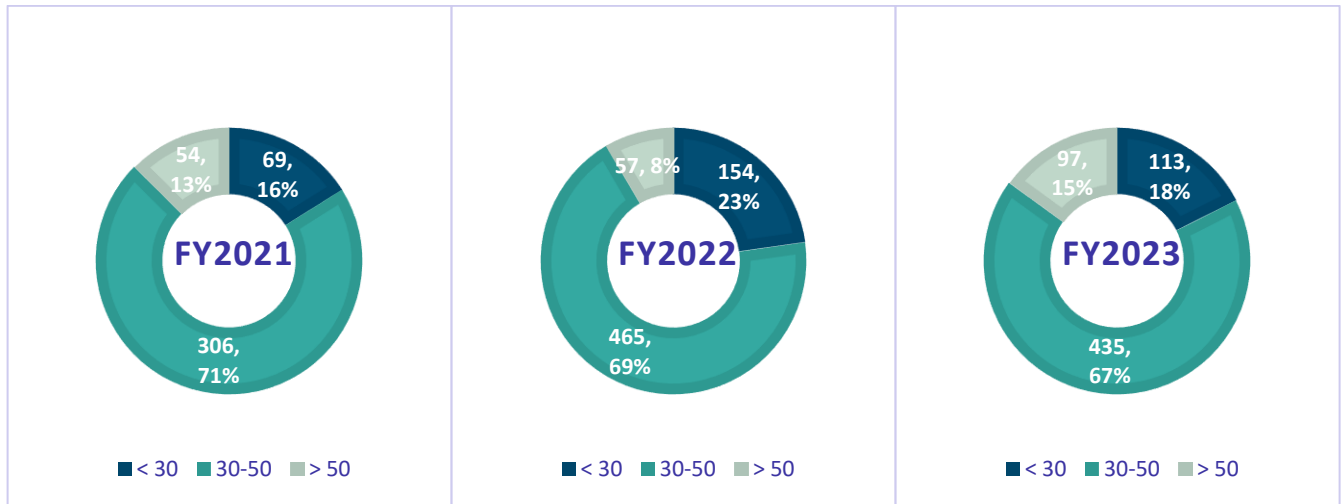
GRI 405-1

achieved a balanced employee distribution, enabling us to maintain a competitive and progressive workforce.

Gender Breakdown:



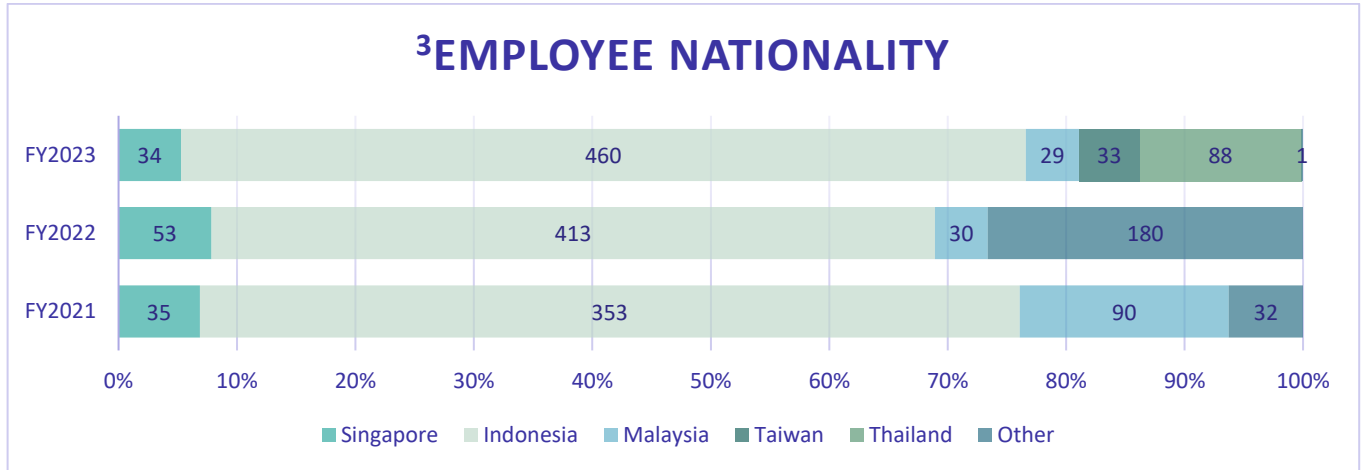
Age Breakdown:



The gender gap observed above is mainly due to the nature and requirements of the job, which generally requires more males as compared to females. The Group's employees are mostly within the age group of 30 to 50, also due to the nature and requirements of the job as a crew and at the shipyard.

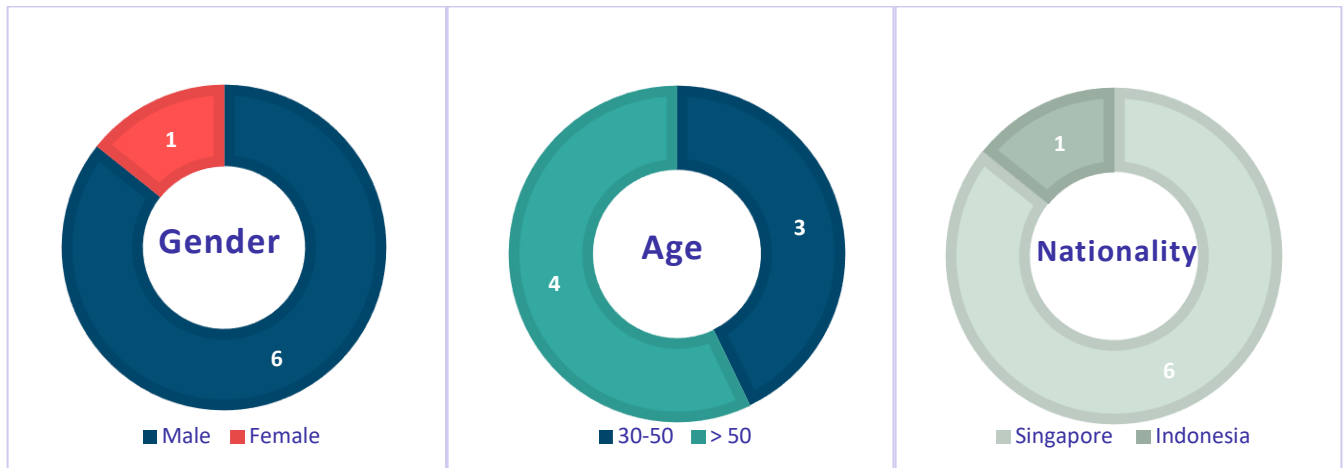
Social Sustainability

GRI 405-1



Our diversity is not just limited to our employees but also represented on 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 Group has established a Board diversity policy that takes into consideration criteria such as qualification, age, gender, experience, and expertise in various fields, in the relevant industry. The Board believes this approach reflects an appropriate balance between delivering business performance, growing shareholder returns, and progressing diversity. The Board recognizes the importance and value of gender diversity in the composition of the Board.

Board Diversity:



³ Due to the expansion and increased diversity of our employee nationalities, two more countries (Taiwan and Thailand) have been added to the data category from FY2023 onwards.

Social Sustainability

GRI 406-1, 404-1

We are committed to providing a workplace free from adverse conduct such as discrimination, sexual harassment, and bullying. Our employees are aware of these policies and have been communicated appropriately through the staff handbook. 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. It reflects our commitment to upholding human rights throughout our business relationships, underscoring our mission to foster an inclusive and equitable environment for all stakeholders.

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 training whenever possible and also source for external training courses. The training programs enable our employees to stay relevant and adapt to various changes in the professional requirements of their roles and responsibilities. We trust that the employees' personal growth would lead to improved organizational performance and help in achieving long-term business growth and sustainability.

The company allocates responsibility to implement the commitments across different levels within the organization by defining job descriptions at each level. Similarly, the organization integrates and implements its commitment through team meetings / operational meetings, and management meetings. In the same way, periodic training is provided to the employees to implement the commitments.

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 jobs but concurrently develops the leadership skills of senior employees or managers. Additionally, all directors have completed sustainability training certified by the Singapore Institute of Directors. However, the Group does not provide any transition assistance programs for retiring or terminated employees.

At times, shipyard employees are required to attend safety refresher courses conducted once every 1 to 2 years to enhance the overall safety in the Shipyard. We will arrange for them to attend the relevant courses whenever there are safety requirements updates.

Social Sustainability

GRI 404-1

External training is 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 this training, the senior officers conduct drills on board the vessels to maintain the crew's familiarity with the safety procedures.

We have leveraged 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 FY2023 as compared to FY2022. 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 employees' personal development, such as Adopt Design Thinking for Team Building. We have listed the comparison table of the average training hours over the past four years below.

Training Details	2021	2022	2023
Number of courses	0	58	65
Number of training hours	336	748	2,439
⁴ Average hours of training per employee	0.78	1.11	3.78

In FY2023, we have increased the number of courses and hours of training conducted as compared to FY2022. Marco Polo is constantly looking for suitable courses to upgrade our employees so that they remain relevant in today's competitive and fast-changing landscape.

⁴ Average training hours breakdown by gender has been removed as the disclosure may not be meaningful due to the type and suitability of training given to the significantly smaller number of female employees as compared to male employees.

Social Sustainability

GRI 404-3, 403-1

Performance Appraisal and Career Development

The competency and professionalism of our workforce drive the success of the Group. All permanent employees in our Singapore Headquarters 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.

Occupational Health and Safety

Marco Polo is fully committed to creating and maintaining a culture where safety is at the forefront of all its operations. The Group has systems in place that 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.

Moreover, the Group has several safety-related policies in place, including policies for drug and alcohol use, substance misuse, journey management, personal protective equipment (PPE), as well a stop-work policy. These policies are designed to control and maintain the safety and well-being of every staff member, ensuring a safe and productive work environment.

Singapore Headquarters

Our employees in the Singapore Headquarters 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.

Social Sustainability

GRI 403-1 to 2

Shipyard

Our shipyard division prepares a monthly Safety Statistics Report Summary, which records the total number of injuries. Similarly, our shipyard division follows government guidelines in both Singapore and Batam.

Offshore

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

We are compliant with the Maritime Labour Convention (“MLC”) and provide an open channel for all feedback and complaints to management for peaceful and prompt resolution. This certifies we are compliant with the requirement of conventions and provisions of Maritime Labour Compliance. Also, certify working and living conditions according to the country’s national requirements.

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 escape routes in case of emergencies of sorts.

Safety Risk Assessment

A risk assessment is carried out to manage and control the risks of hazards so that they are always within tolerable or negligible levels. The risk assessment shall be carried out initially for routine tasks and reviewed as necessary and recorded in the Risk Assessment Review Record. The risk assessment will also be carried out before all new or non-routine tasks. As part of the risk assessment, training for the crew is mandated to ensure that operations are carried out safely. Improving the safety management skills (risk assessment) of shipboard personnel will result in a safer system of work in ship operations.

Social Sustainability

GRI 403-2, 403-9

The Master's Management review is the forum on board the ship where the Master, officers, and crew meet to discuss matters relating to Safety, Environment, and Quality Management Systems and occupational health, safety, and security. It is also to periodically monitor and evaluate on-board health, safety, security, quality, and environmental protection matters and identify possible improvements that have been outlined in HSSEQ policy. The Master is responsible for monitoring the effectiveness of the Safety Management System and improvements on board. The participants in the shipboard management review meeting shall comprise the members of the Safety Committee. There shall be a Master's Management Review every six months (May and November) every year. Depending on vessel utilization. Management will endeavor to request a Master's review as frequently as practicable. This procedure paves the way for a communication channel between the vessel and the office to evaluate the vessel's operational efficiency.

OHS Performance

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 Headquarters within 24 hours.

The Group noted an increase in the trend of workplace accidents. The analysis of the injury cases is shown in the table below.

Work Injuries	2021	2022	2023
First aid cases	-	3	8
Near miss cases	4	7	23
Medical treatment cases	4	6	1
Fire incidents	-	3	0
Total	8	19	32

The total number of accidents increased from 8 in FY2021 to 32 in FY2023 mainly due to a significant increase in business activities during the year. As the majority of the accidents occurred in the shipyard division, the Group has stepped up its 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

Social Sustainability

GRI 403-2, 403-9

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 the accident rate. Hence, it has reported more near-miss cases by trained and mindful employees who observed high-risk safety conditions. In addition, we have provided training in safety inspector courses and surface preparation courses conducted by Jotun Paint for the shipyard employees. We aim to keep the number of incidents to a minimum and will continue to work towards zero accidents.

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

GRI Content Index

GRI STANDARD	DISCLOSURE		LOCATION
GRI 2: General Disclosures 2021	2-1	Organisational details	Page 6-7/AR 2-4
	2-2	Entities included in the organisation's sustainability reporting	Page 7/AR 3
	2-3	Reporting period, frequency, and contact point	Page 3-5
	2-4	Restatements of information	Restatement of Information is disclosed at relevant sections where applicable
	2-5	External assurance	Page 5
	2-6	Activities, value chain and other business relationships	Page 6-7
	2-7	Employees	Page 33-40
	2-8	Workers who are not employees	Page 34
	2-9	Governance structure and composition	Page 14-15/AR 4, AR 17
	2-10	Nomination and selection of the highest governance body	Page 15/AR 20
	2-11	Chair of the highest governance body	Page 15/AR 19
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 10
	2-13	Delegation of responsibility for managing impacts	Page 10
	2-14	Role of the highest governance body in sustainability reporting	Page 14
	2-15	Conflicts of interest	AR 15
	2-16	Communication of critical concerns	Page 10
	2-17	Collective knowledge of the highest governance body	AR 10-12
	2-18	Evaluation of the performance of the highest governance body	AR 21
	2-19	Remuneration policies	AR 22-24
	2-20	Process to determine remuneration	AR 22
	2-21	Annual total compensation ratio	Confidentiality Constraints
	2-22	Statement on sustainable development strategy	Page 8
	2-23	Policy commitments	Page 16
	2-24	Embedding policy commitments	Page 16
	2-25	Processes to remediate negative impacts	Page 17
	2-26	Mechanisms for seeking advice and raising concerns	Page 17
	2-27	Compliance with laws and regulations	Page 18, 32
	2-28	Membership associations	We are a member of SSA since 2010 and ASMI member since 2022

*AR refers to Annual Report FY2023

GRI STANDARD		DISCLOSURE	LOCATION
	2-29	Approach to stakeholder engagement	Page 9
	2-30	Collective bargaining agreements	Page 34
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 10-11
	3-2	List of material topics	Page 12-13
	3-3	Management of material topics	Page 12-13
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 19
	201-2	Financial implications and other risks and opportunities due to climate change	Page 21
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Page 20
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Page 20
GRI 205: Anti- corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Page 17
	205-3	Confirmed incidents of corruption and actions taken	Page 18
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Page 22
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Page 24
	302-3	Energy intensity	Page 24
	302-4	Reduction of energy consumption	Page 25
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Page 27
	303-2	Management of water discharge-related impacts	Page 28
	303-5	Water consumption	Page 27
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 29
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 25-26
	305-2	Energy indirect (Scope 2) GHG emissions	Page 25-26
	305-4	GHG emissions intensity	Page 26
	305-5	Reduction of GHG emissions	Page 26
	305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Page 30
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Page 31
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 35
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page 40-41
	403-2	Hazard identification, risk assessment, and incident investigation	Page 41-42
	403-9	Work-related injuries	Page 42-43

GRI STANDARD	DISCLOSURE		LOCATION
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 39
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 40
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 36-37
GRI 406: Non- discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Page 33-34
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 33-34