



MARCO POLO MARINE

A conceptual image featuring a wind turbine with three blades, positioned on a large green leaf that is floating on a body of water. The turbine's blades are surrounded by glowing blue circular light trails, suggesting motion and energy. The background shows a blurred landscape with mountains and water.

# TRUSTED TIDES

Sustainability  
Report 2024

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# CEO's Message- A Year in Review

Dear Stakeholders,

Reflecting on the past year, we find ourselves navigating through a landscape marked by geopolitical tensions and global uncertainties. The maritime world has since November 2023 faced an increasing number of challenges. One of the most pressing issues was the ongoing conflict in Ukraine, which disrupted established shipping routes and altered global trade networks. This conflict, along with other geopolitical tensions, created a ripple effect throughout the shipping supply chain, leading to increased operational costs and logistical challenges. The war also exacerbated global inflation and economic instability, making it difficult for charterers to predict costs and secure profitable contracts. As an integrated marine logistics group, we remain steadfast in our commitment to adapt, seeking opportunities for growth and resilience amidst adversity. This year's report theme, "Trusted Tides: Building trust through reliable and consistent service", embodies this very mindset. By delivering top-quality services to our customers and clients, we aim to fortify the foundations of trust with our stakeholders, ensuring strong and enduring relationships.

Since our inception in 2006, we have consistently embraced a forward-looking and sustainable approach to business. We have firmly established ourselves as a leading entity in the Shipyard Services and Marine Transportation sector. Committed to harnessing clean energy, we at Marco Polo have expanded our horizons by venturing into the realm of Offshore Wind Energy, in addition to its already prominent presence in the Offshore Oil and Gas sector. This strategic move highlights our dedication to innovation and sustainability in the maritime industry.

One growing concern in the shipping industry has been in the context of rise in greenhouse gas emissions. Over the past decade, sectoral GHG emissions have increased by 20%, with the industry largely relying on fossil fuels. In response to this challenge, our new CSOV (Commissioning Service Operation Vessel), Wind Archer, has been specifically designed to meet Asia's increasing demand for support vessels in the offshore wind farm industry. This vessel features a hybrid energy storage system, leading to a 15-20% reduction in carbon emissions. Furthermore, our subsidiary PKR Offshore has signed a framework agreement with Siemens Gamesa in March 2024 to provide crew transfer vessels (CTVs) for offshore wind projects in Taiwan and South Korea.

Our Green Ship Recycling services offer ship-owners peace of mind, knowing that their end-of-life vessels are being recycled safely and responsibly. Our Shipyard, proudly certified under ISO 30000:2009, has been the first in Indonesia to receive this prestigious certification. Our recycling processes meet the latest European Union and international maritime convention standards, ensuring strict compliance with all regulations. These accomplishments not only ensure compliance with stringent regulations but also emphasise our commitment to sustainability in our industry.

However, our achievements are not simply limited to the environmental sphere. As an organisation, we firmly stand with the idea that an equitable and just workplace is essential for our collective progress. Our recruitment policy is meticulously designed to ensure that we hire staff based solely on their merit and capabilities, without any bias towards gender, age, or nationality. I am proud to share that we are building a variegated workforce across gender, age and regions and have successfully emerged as a socially responsible leader in the industry.

We maintain a resolute stance when it comes to maintaining safety at the workplace and conduct regular risk assessments to maintain a secure working environment. Moreover, we believe that providing the best opportunities and quality of life for our employees is paramount. Our efforts are not just about achieving numbers but about creating a workplace where our employees feel valued, supported, and motivated to grow with us. Together, we are building a safer, more fulfilling workplace for everyone at Marco Polo.

Good governance forms the backbone of our sustainability efforts. By implementing a strong governance framework, we ensure that we continue to promote a culture of accountability and transparency, also warranting timely risk management. Our Board consists of 8 directors out of which 4 are independent, ensuring that at least a third of the Board is independent. Through our several Board committees and policies, we ascertain the long-term success and stability of the organisation, balancing the interests of shareholders, management, customers and clients, suppliers, financiers, government and the community.

At Marco Polo, the commitment to ESG is a guiding principle. Through the careful selection of our material topics, we strive to align our sustainability outcomes with the Sustainable Development Goals (SDGs), focusing on SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and production) and SDG 13 (Climate Action). By implementing resilient policies and processes, we aim to achieve SDG 3 (Good Health and Well-Being), SDG 8 (Decent Work and Economic Growth), SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities), and SDG 16 (Peace, Justice, and Strong Institutions). These efforts reflect our dedication to building a sustainable, inclusive, and equitable future for all.

We are committed to enhancing our sustainability reporting and disclosures to be in line with ISSB guidelines by 2026. This will ensure greater transparency and comparability of our ESG performance, aligning with global best practices. For 2024, we have identified climate-related risks and opportunities and conducted a comprehensive qualitative scenario analysis to assess our resilience to climate change. By exploring various scenarios, we can better prepare for potential futures and ensure our strategies are strong and adaptable.

As CEO of Marco Polo, I would like to extend my heartfelt gratitude to all our stakeholders for continued support in our sustainability journey. Your commitment and collaboration have been instrumental in driving our initiatives forward, enabling us to achieve significant milestones. Together, we are making a meaningful impact, and I am confident that with your continued support, we will reach even greater heights in our pursuit of a sustainable future.

Thank you for being an integral part of our journey.

**Sean Lee Yun Feng**  
CEO

# Chapter I - Unveiling Marco Polo's Journey of Impact and Innovation

## About Us

Marco Polo Group (herein referred to as Marco Polo/the Company/the Group/the organisation), listed on the Main Board of the Singapore Exchange (SGX) since 2009, is a prominent player in the integrated marine logistics sector. Headquartered in the vibrant city-state of Singapore, Marco Polo excels in integrated marine logistics, with core operations that include shipping, shipbuilding, and renewable/offshore fabrication.

In the shipping sector, Marco Polo charters a fleet of Offshore Supply Vessels (OSVs), including Anchor Handling Tug Supply Vessels (AHTS), for regional deployment, alongside tugboats and barges that serve a diverse array of industries. The Shipyard business, strategically located on a sprawling 34-hectare facility in Batam, Indonesia, boasts a 650-meter seafront and three dry docks tailored for mid-sized and advanced vessels. This facility is a hub of innovation and expertise, offering comprehensive services in shipbuilding, maintenance, repair, outfitting, and conversion.

In a bold and visionary move, Marco Polo has recently expanded into the renewable energy sector. This strategic shift underscores the Group's commitment to sustainability, focusing on the development of renewable energy sources while ensuring energy security and affordability. The dedication to this cause is reflected in Marco Polo's bespoke solutions for renewable energy assets, tailored to meet the unique needs of both clients and the environment.

The Group's journey is one of continuous evolution and commitment to excellence, sustainability, and innovation, as it navigates the seas of change towards a greener and more sustainable future.

### Moving Responsibly towards a Greener Tomorrow

As a business, Marco Polo Group has celebrated numerous milestones. However, the organisation's achievements extend far beyond these accomplishments, delving into the realm of sustainability:

**Industry Leadership:** In a landmark achievement, the Group became Indonesia's pioneering Shipyard to achieve ISO 30000:2009, setting a new standard for excellence.

**Water Conservation:** Reflecting its commitment to sustainable practices, Marco Polo has successfully reduced water intensity since FY2022.

**Marine Conservation:** In 2022, Marco Polo took a bold step towards marine conservation by implementing a No Shark Corporate Policy as a mark of its dedication to protecting endangered species and ending inhumane shark consumption practices.

**Technological Advancement:** The new CSOV vessel is equipped with a Diesel-Electric Drive System complemented by a hybrid battery setup, reducing fuel consumption and emissions.

These accomplishments highlight Marco Polo's continuous efforts to lead with integrity and responsibility in all its endeavours.

## Sustainable Operations across Marine and Shipyard Value Chain

### Offshore

Marco Polo maintains strong partnerships within the marine industry, collaborating with trusted partners for essential services and support. The fleet, comprising 14 vessels, serves two key sectors: Southeast Asia's Oil & Gas industry and North-eastern Asia's Wind Farm projects. The vessels support major oil companies and assist wind farm developers in harnessing clean energy, demonstrating the Group's versatility and commitment to sustainability across diverse industries.

### Shipyard

Marco Polo's Shipyard operations are integral to its sustainability efforts. Collaborating with suppliers and contractors, the Group focuses on shipbuilding, conversion, repair, and maintenance services across multiple regions, including Singapore, Indonesia, China, and Europe. Serving a diverse clientele of core customers, the Shipyard handles both short-term and long-term projects, reflecting the Group's adaptability in the industry. The Group remains dedicated to advancing sustainable practices while upholding its environmental and social responsibilities.

## A Comprehensive Overview of the Report

The Sustainability Report ("the Report") of Marco Polo Marine Ltd and its subsidiaries ("Marco Polo" or "the Group") outlines the sustainability performance of the Group for the reporting period from 1 October 2023 to 30 September 2024. This is the seventh ESG report prepared by Marco Polo, in reference to the Global Reporting Initiative (GRI) Standards, which are recognised as the most widely used standards for sustainability reporting globally. The GRI, an independent international organisation, provides businesses and organisations with a common language to communicate their impacts responsibly.

Marco Polo's adoption of the GRI Standards for sustainability reporting ensures clarity and comprehensibility for its stakeholders. Through sustainability reporting, the Group effectively communicates its management approach and performance on key Economic, Environmental, Social, and Governance (EESG) topics. This process enables the identification of opportunities and enhances the Group's ability to measure, monitor, and manage these sustainability topics across its organisation.

The Group acknowledges its role in sustainable development and is committed to closely collaborating with key stakeholders to integrate sustainability throughout its value chain. Our Board of Directors is actively engaged in monitoring the progress made toward sustainability goals. The information presented in this report has been carefully reviewed, with changes from the previous year clearly explained, allowing for meaningful comparison.

## Theme of the Report

In the dynamic world of shipping and marine services, Marco Polo stands as a hallmark of reliability and consistency. Recognising its influential position, the Group understands that it has both the power and the responsibility to set high ESG (Environmental, Social, and Governance) standards, not just for itself but for the entire industry.

Marco Polo believes that stakeholders are the foundation of business growth. These stakeholders, whether they are internal team members or external partners, play a pivotal role in shaping the Group's direction. They are not just passive observers but active participants who are deeply impacted by organisational operations and, in turn, influence its trajectory.

With this understanding, Marco Polo is committed to strengthening its foundation by dedicating significant time and effort to enhancing the quality of its services. This commitment is not merely about improving performance metrics; it is about cultivating a deep-rooted trust with stakeholders. By consistently delivering reliable services, the Group aims to build enduring relationships with those who matter most.

This approach is encapsulated in the theme of this year's Sustainability Report: "Trusted Tides: Building trust through reliable and consistent service". For Marco Polo, this theme is not just a slogan but a guiding principle. It underscores the Group's dedication to operational excellence, regulatory compliance, and sustainability. By prioritising trust and reliability, the Group not only enhances its own performance but also sets a benchmark for the industry, nurturing a culture of mutual trust and shared growth.

In essence, Marco Polo Marine's focus on "**Trusted Tides**" reflects its strong commitment to its stakeholders and its vision for a sustainable and prosperous future. Through reliable and consistent service, the Group aims to navigate the challenges of the industry and emerge as a trusted leader, setting new standards for excellence and integrity.

## Reporting Boundary

The following subsidiaries of Marco Polo are included within the scope of this report:

- 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 Group Limited
- PKR Offshore Co. Ltd.



The following companies have not been considered under the scope of reporting because of the reasons stated:

<ul style="list-style-type: none"> <li>• MP Ventures Pte Ltd</li> <li>• MP Marine Pte Ltd</li> <li>• PT Marco Polo Indonesia</li> <li>• Marco Polo Wind Private Limited</li> <li>• Marco Polo Offshore Sdn Bhd</li> </ul>	These are holding companies with minimum activities and zero headcounts.
<ul style="list-style-type: none"> <li>• Marco Polo Offshore (IV) Pte Ltd</li> <li>• SK Marco Polo Sdn Bhd</li> <li>• Pelayaran New Era (L) Berhad</li> <li>• Pelayaran Era Sdn Bhd</li> </ul>	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%.
<ul style="list-style-type: none"> <li>• Marco Polo Shipping Co Pte Ltd</li> <li>• MP Shipping Pte Ltd</li> </ul>	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.

This sustainability data will be reported by division, including Shipyard operations and Offshore operations, as well as data from our global offices in Singapore, Jakarta, and Taiwan. The Offshore division encompasses the operations of MP Offshore, PTBBR, and PKR Offshore.

## Reporting Principles

This sustainability report is built on principles that emphasise clarity, accountability, and relevance to both stakeholders and the environment. The organisation prioritises open communication and actively seeking stakeholder input to enhance transparency.

Focusing on sustainability issues relevant to Marco Polo's operations and ESG goals, this report adheres to regulatory guidelines and GRI standards to maintain credibility. It concentrates on material topics that significantly impact the business and stakeholders, enabling identification and prioritising key growth areas.

The report also ensures comprehensive coverage of the material topics, supported by accurate data that reflects the entire reporting period. These principles guide the organisation in delivering an honest and thorough portrayal of its sustainability efforts.

## Feedback and Disclaimer

This report includes forward-looking statements that pertain to future events and anticipations. While these statements are grounded in reasonable assumptions, it is essential to acknowledge that they are subject to various risks and uncertainties. Consequently, the outcomes might vary from the expectations conveyed in these forward-looking statements. The Group values your input and encourages you to share your feedback at [info@marcopolomarine.com.sg](mailto:info@marcopolomarine.com.sg).

## 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 materiality identification and prioritisation; reporting relevant sustainability information; climate-related disclosures; and compliance against local regulatory reporting requirements. We have not sought external assurance for this reporting year.

## Stakeholder Engagement

*Fostering Collaborative Relationships*

The Group's success is intrinsically linked to continuous support from its stakeholders. To foster a sustainable and mutually beneficial relationship, the Group actively engages with stakeholders, seeking to understand their expectations and address any concerns. Committed to maintaining consistent and transparent communication, Marco Polo tailors its engagement approach to meet the unique needs of each stakeholder category, as detailed below:

### Overview of Stakeholder Engagement

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

## Materiality Assessment

### *Identifying What Matters Most*

Sustainability is integral to the Group's broader strategy for creating long-term value for all stakeholders. The Group conducted its first materiality assessment in 2018 and reassessed it in 2024. This process ensures that Marco Polo adapts to evolving stakeholder expectations, manages unique risks such as environmental regulations and climate change impacts, and identifies up and coming opportunities. Such reassessments are also key to strategic decision-making processes - providing a clear picture of priorities, ensuring compliance with stringent environmental regulations, and supporting credible sustainability reporting.

The material topics covering key Environmental, Economic, Social, and Governance (EESG) factors were finalised using the Global Reporting Initiative (GRI) Standards, SGX Core ESG metrics, Marco Polo's existing framework and stakeholder consultation.

The Group assessed materiality from two perspectives: financial materiality and impact materiality.

#### Financial Materiality

This perspective focuses on the creation of economic value at a Group-wide level, with information reported primarily for the benefit of investors and stakeholders.

#### Impact Materiality

This perspective examines the Group's effects on the economy, environment, and society, providing information intended to benefit a broader range of stakeholders.

## Approach

The materiality process involved a five-step approach:

- 1. Identification:**  
The initial step involved identifying potential environmental, economic, social, and governance (EESG) issues relevant to the Group and its stakeholders.
- 2. Selection**  
In this phase, the identified issues were evaluated and selected based on their significance to the Group and its stakeholders.
- 3. Analysis**  
This step entailed a detailed analysis of the selected issues to understand their implications and relevance to the Group's operations and strategy.
- 4. Prioritisation**  
The issues were prioritised based on their impact and importance, determining which ones should be the focus of Marco Polo's sustainability efforts.
- 5. Confirmation**  
Finally, the prioritised issues were validated through internal review from the Board to ensure their accuracy and relevance before finalising them.

## Material Factors




The following topics have been identified and selected under EESG issues:





Economic	Environment	Social	Governance
<ul style="list-style-type: none"> <li>• Ship and service quality</li> <li>• Economic performance</li> <li>• Customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Energy management and emission</li> <li>• Waste management and recycling</li> <li>• Climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Talent attraction and development</li> <li>• Occupational health and safety &amp; Security at sea</li> <li>• Employee welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Good Governance and Anti-corruption</li> <li>• Risk management</li> <li>• Ethical business conduct</li> </ul>






The final selection of material topics was determined based on a poll conducted among seven members of the management committee, including directors and senior management. Topics that received a rating of 4 or higher were included in the final list. An exception was made for the topic of climate change, which was included due to its global significance and legal mandates. Additionally, some topics were consolidated where their relevance overlapped, ensuring a more streamlined and focused approach.

Final Topics recognised under EESG Framework

Material Topic	Impact	GOVERNANCE			SDG Linkages
		Mitigation	GRI Standard		
Good governance & anti-corruption	Weak corporate governance and corruption pose serious risks to Marco Polo, threatening its economic stability, environmental responsibility, and social integrity. Ineffective governance can lead to poor oversight, increased costs, and a damaged reputation, while regulatory lapses may compromise Marco Polo's sustainability goals. Corruption further undermines investment, reduces quality and damages trust.	Marco Polo is actively reinforcing its mitigation measures to combat the risks associated with weak governance and corruption. This involves improving oversight protocols, boosting operational transparency, and enhancing employee training on ethical standards. With a firm commitment to a zero-tolerance on corruption and the implementation of regular audits, Marco Polo aims to strengthen its governance framework and build stakeholder trust, furthering its dedication to sustainable and responsible business practices.	GRI 2-9 to 2-18, GRI 205-1 to 205-3		
Ethical business conduct	Marco Polo emphasises strict adherence to ethical business conduct to safeguard its reputation, stakeholder trust, and long-term success. Unethical practices can lead to regulatory penalties, disrupt client and partner relationships, and diminish employee morale. These consequences not only risk Marco Polo's financial performance but also erode its commitment to responsible, sustainable growth.	Marco Polo enforces a strict compliance framework, reinforced by regular training to instil ethical practices across the Company. A secure whistle-blower system ensures that unethical behaviour is promptly reported and addressed, encouraging a zero-tolerance culture. Continuous monitoring upholds these standards, while leadership exemplifies firm commitment to ethical conduct. Through these decisive actions, Marco Polo safeguards its reputation, strengthens stakeholder trust, and ensures its dedication to responsible and sustainable growth remains uncompromised.	GRI 406-1		
Risk management	The absence of a strong risk management framework can expose Marco Polo to severe financial, operational, and regulatory threats, potentially leading to costly disruptions, compliance breaches, and weakened resilience against market volatility.	Marco Polo has formalised its Enterprise Risk Management (ERM) process since financial year ended 30 September 2019, marking a decisive step toward managing uncertainties, mitigating risks, and capitalising on opportunities that enhance long-term value. Aligned with the globally recognised COSO ERM framework, Marco Polo's ERM system establishes a structured approach to proactively address potential threats and optimise internal controls.	GRI 2-24		

Material Topic	Impact	Mitigation	GRI Standard	SDG Linkages
<b>ECONOMIC</b>				
Economic performance	Declining revenues may lead to reduced investment in innovation and infrastructure, hampering Marco Polo's ability to respond to market demands and weakening its overall value proposition. Additionally, economic underperformance can erode stakeholder confidence, resulting in diminished trust from investors, clients, and employees alike.	Marco Polo continues to streamline operations to reduce costs and invest in innovation to enhance service offerings. Marco Polo is also focusing on building strong relationships with stakeholders, ensuring transparent communication to maintain trust and confidence. By closely monitoring market trends and adjusting its strategies accordingly, the Company aims to enhance its resilience against economic fluctuations, ensuring sustained growth and competitiveness in the long term.	GRI 201-1 to 201-4	 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>
Ship and service quality	When ship and service quality fail to meet expectations, Marco Polo risks incurring costly delays, escalating operational expenses, and increased safety concerns, which can erode client relationships and weaken its competitive stance.	To effectively mitigate the risks of inadequate ship and service quality, Marco Polo prioritises sourcing from local suppliers, leading to strong partnerships that enhance oversight and quality control. By engaging in face-to-face meetings, Marco Polo addresses concern directly and ensure that products and services meet rigorous standards.	GRI 204-1	 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
Customer satisfaction	When customers feel let down, it erodes trust and drives them to seek alternatives, resulting in a tangible loss of market share. Additionally, negative feedback can tarnish brand image, making it increasingly difficult to attract new clients and retain existing ones. The financial ramifications are equally severe, as declining customer loyalty translates into reduced sales and diminished profitability.	The Company is harnessing data analytics to identify customer satisfaction trends and proactively address potential issues before they escalate into significant problems. This includes regularly gathering feedback from customers on various parameters, such as QHSE performance, service execution, equipment and crew competency, and contract management and relations. In addition to these feedback mechanisms, Marco Polo is investing significantly in training programs for employees, equipping them with the skills to deliver consistently outstanding service.	GRI 416-2	 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>

Material Topic	Impact	Mitigation	GRI Standard	SDG Linkages
<b>ENVIRONMENTAL</b>				
Energy management & emission	Energy consumption and emissions are closely interconnected challenges for Marco Polo impacting both operational efficiency and regulatory compliance. Increased energy usage not only raises operational costs but also directly contributes to elevated emissions, further exacerbating the environmental footprint of Marco Polo's activities and influencing climate change and air quality.	Marco Polo focuses on investing in cleaner energy sources and prioritising energy efficiency measures. The Company aims to reduce its reliance on fossil fuels to lower emissions. Additionally, with regular assessment and audits, Marco Polo can ensure continuous improvement to meet regulatory requirement.	GRI 302-1, 302-3 GRI 305-1, 305-2, 305-4, 305-7	 
Waste management & recycling	Poor waste management leads to environmental degradation, including soil and water contamination, and can result in higher operational costs due to inefficient resource use. Additionally, inadequate recycling practices may increase landfill contributions, undermining Marco Polo's sustainability goals and damaging its reputation among environmentally conscious stakeholders.	Marco Polo addresses waste management challenges with a clear, structured approach that supports its sustainability goals. The Company has established a waste management policy that outlines specific principles and procedures for minimising waste and environmental impact. Additionally, Marco Polo follows strict guidelines on the discharge of oily water from vessels, ensuring regulatory compliance and protecting marine ecosystems.	GRI 306-1 to 306-5	
Climate change	With rising global temperatures, extreme weather events have become more frequent, directly affecting maritime operations and increasing the risk of disruptions, damage to assets, and supply chain delays. Additionally, regulatory pressures on emissions reduction and sustainability are intensifying, requiring businesses to adapt quickly to avoid penalties and maintain market position.	Marco Polo is proactively addressing climate-related challenges by seizing opportunities to integrate new technologies that support environmental protection and efficient resource management. The Company plans to adopt the Task Force on Climate-related Financial Disclosures (TCFD) framework, creating a dedicated sustainability governance structure to oversee all climate-related and sustainability issues. This structure will enable Marco Polo to conduct comprehensive assessments of potential climate risks and identify strategic opportunities, ensuring resilience and alignment with best practices as it navigates an increasingly climate-conscious business environment.	GRI 201-2 GRI-300 series	

Material Topic	Impact	Mitigation	GRI Standard	SDG Linkages
<b>SOCIAL</b>				
Talent attraction & development	A lack of talented personnel stifles innovation and adaptability, limiting Marco Polo's ability to respond to industry advancements and evolving regulatory standards. Further, without a workforce equipped with up-to-date skills, Marco Polo risks inefficiencies, lower productivity, and compromised service quality, which could lead to customer dissatisfaction and lost business opportunities.	Marco Polo prioritises merit-based recruitment, ensuring that the best candidates are selected to contribute to the Company's success. The organisation is dedicated to providing diverse training opportunities that not only advance employees' skills but also encourage professional growth and development. By promote an environment of equal opportunity, Marco Polo empowers its workforce to innovate and excel, enhancing overall performance and operational efficiency.	GRI 401-1, 401-2 GRI 404-1, 404-2	 
Occupational health & safety & security at sea	Unsafe work environment poses significant immediate risks, including a surge in accidents and injuries. These accidents not only endanger lives but also create a pervasive culture of fear and anxiety among the workforces. Furthermore, the financial impact is significant, with rising insurance premiums, regulatory fines, and potential legal liabilities imposing substantial costs. Repeated safety incidents can tarnish Marco Polo's reputation, eroding stakeholder trust and jeopardising customer relationships.	Marco Polo conducts thorough risk assessments to identify potential hazards and implement targeted safety measures to address them. By prioritising safety at every level of the organisation, Marco Polo aims to safeguard its workforce while enhancing operational efficiency and long-term success.	GRI 403-1 to 403-8	 
Employee welfare	Neglecting employee welfare can significantly compromise Marco Polo's overall effectiveness and success. When the well-being of employees is overlooked, it can lead to a decline in job satisfaction and morale, which often results in decreased productivity and increased absenteeism.	Marco Polo ensures the well-being of its employees by maintaining close partnerships with trade unions in Singapore, Indonesia, and Taiwan, safeguarding their benefits and welfare. The Company aims to enhance employee satisfaction and retention, contributing to a more engaged and productive workforce.	GRI 401 GRI 405 GRI 406	 



FY2024 MATERIALITY MATRIX



# Chapter 2 - Governing with Integrity: Corporate Governance and Ethics

At Marco Polo, a commitment to responsible and ethical practices shapes the Group's approach to business and engagement. The Group views this enduring commitment as essential for the success of both customers and the organisation as a whole.

By implementing strong governance practices which prioritise transparency and safeguard the interests of stakeholders, Marco Polo has cultivated a culture of accountability and transparency. The Group is committed to further enhancing this culture, aiming to strengthen the trust it has built with clients, partners, and the communities it serves. By ensuring that its operations align with core values and contribute positively to society, Marco Polo is dedicated to maintaining a strong corporate governance framework. This focused approach not only equips the organisation to navigate the evolving business and regulatory landscape, but also reinforces its commitment to delivering reliable and consistent service, enabling the Group to smoothly ride the tides of change.

## Corporate Governance Structure

A robust corporate governance structure is essential for any organisation, serving as the backbone of effective management and accountability. While good governance builds trust and enhances the organisation's reputation, it also plays a major role in improving its attractiveness to investors and customers. In essence, a strong corporate governance framework not only protects the interests of all stakeholders but also cultivates a culture of transparency and ethical conduct. This environment encourages better decision-making and enhances risk management practices. As a result, the organisation is better positioned for long-term sustainability and growth, ultimately leading to a more resilient and successful future.

By establishing a strong corporate governance structure, Marco Polo ensures that the interests of all stakeholders—shareholders, employees, customers, and the community—are balanced and safeguarded. Recognising the critical role of governance in risk mitigation and compliance with legal and regulatory standards, Marco Polo is committed to continually strengthening its governance framework, essential for long-term sustainability.

Marco Polo has developed a robust corporate governance framework, supported by its Board of Directors and its Board Committees. The Board currently comprises eight members, including four independent directors, two non-executive directors, and two executive directors. Working collaboratively with its three Committees, the Board plays a pivotal role in guiding the Group's strategic direction and ensuring effective oversight.

## Marco Polo's Board and Board Committees

*Leadership and Oversight*

### Composition of Marco Polo's Board of Directors

Marco Polo's Board of Directors	
<b>Tan Hai Peng Micheal</b> <i>(Non-Executive Chairman and Independent Director)</i>	<b>Sean Lee Yun Feng</b> <i>(Executive Director and CEO)</i>
<b>Lie Ly</b> <i>(Non-Executive Director)</i>	<b>Lee Kiam Hwee Kelvin</b> <i>(Independent Director)</i>
<b>Leong Kah Wah</b> <i>(Independent Director)</i>	<b>Koh Chun Yuan</b> <i>(Independent Director)</i>
<b>Teo Junxiang, Darren</b> <i>(Non-Executive Director)</i>	<b>Jeffrey Hing Yih Pier</b> <i>(Non-Executive Director)</i>

\* As of 31 December 2024

Marco Polo's Board of Directors includes four independent directors, ensuring that one-third of its members are independent. This composition reflects the Group's commitment to maintaining a significant representation of independent voices within its leadership.

To support the Board of Directors, the Group has established three Board Committees – namely Audit, Nomination and Remuneration.

### Composition of Marco Polo's Board Committees

Audit Committee	Nomination Committee	Remuneration Committee
Lee Kiam Hwee Kelvin <i>(Chairman)</i>	Leong Kah Wah <i>(Chairman)</i>	Lee Kiam Hwee Kelvin <i>(Chairman)</i>
Tan Hai Peng Micheal	Lee Kiam Hwee Kelvin	Tan Hai Peng Micheal
Leong Kah Wah	Sean Lee Yun Feng	Teo Junxiang, Darren
Koh Chun Yuan	Koh Chun Yuan	

\* As of 31 December 2024

## **Role of Marco Polo's Board Committees:**

### **Audit Committee:**

Marco Polo's Audit Committee plays a crucial role, serving as a key component of the Group's governance structure. Composed of independent directors, this Committee is responsible for overseeing the financial reporting process, ensuring the integrity of financial statements, and monitoring compliance with legal and regulatory requirements.

By reviewing internal controls and risk management practices, the Audit Committee safeguard the Group's assets and enhances the reliability of financial reporting. Additionally, it liaises with external auditors, facilitating communication and ensuring that audits are conducted effectively. Through these responsibilities, the Audit Committee not only promotes transparency and accountability but also contributes to building stakeholder confidence in the organisation's financial health and operational integrity.

### **Nomination Committee:**

The Nomination Committee plays a crucial role in ensuring effective governance by overseeing the selection and appointment of board members and key executives. Mainly consisting independent directors, this Committee is responsible for identifying qualified candidates who align with the organisation's strategic objectives and values.

The Committee evaluates the skills, experience, and diversity of potential nominees, ensuring that the Board is well-equipped to address the challenges and opportunities facing the Group. Additionally, the Nomination Committee is responsible for assessing the performance of existing board members and making recommendations for re-appointments or succession planning. Through its diligent work, the Committee not only enhances the overall effectiveness of the Board but also reinforces Marco Polo's commitment to strong leadership and accountability.

### **Remuneration Committee:**

The Remuneration Committee plays a vital role in shaping its approach to compensation and benefits. It is responsible for establishing and reviewing the remuneration policies for the Group's executives and key personnel.

By ensuring that compensation packages are competitive and aligned with industry standards, the Committee aims to attract and retain top talent while also promoting a performance-driven culture. Additionally, the remuneration committee evaluates the effectiveness of incentive programs, ensuring they align with the Group's strategic objectives and long-term goals.

**Group Sustainability Committee:**

In 2024, recognising the pertinence of effective governance structure required for ESG matters, the Group took a significant step forward by establishing a Group Sustainability Committee, complete with a Terms of Reference (TOR) to guide its efforts. The Committee is responsible for setting clear objectives and key performance indicators (KPIs) related to sustainability. This structured framework allows the organisation to track progress, identify areas for improvement, and celebrate successes. By regularly reporting on these metrics, the Committee enhances transparency and builds trust with stakeholders, including customers.

In its essence, a Sustainability Committee plays a crucial role in guiding any organisation toward achieving its environmental, social, and governance (ESG) goals. By bringing together diverse perspectives from various departments, the Committee ensures that sustainability is not just an afterthought but a fundamental aspect of decision-making. Beyond internal benefits, a Sustainability Committee facilitates organisational alignment with global standards and frameworks, such as the United Nations Sustainable Development Goals (SDGs) and the Task Force on Climate-related Financial Disclosures (TCFD). This alignment not only demonstrates a commitment to responsible business practices but also positions the organisation favourably in a marketplace that increasingly values sustainability.

The Group Sustainability Committee comprises representatives from all levels of the organisation, ensuring the effective execution of sustainability strategies and the implementation of impactful initiatives. The roles and responsibilities of the Group Sustainability Committee are as follows:

<p><b>Board of Directors</b></p>	<ul style="list-style-type: none"> <li>• Responsible for the direction and overall sustainability strategy.</li> <li>• Oversees the implementation of sustainability strategy and related matters.</li> </ul>
<p><b>Sustainability Board Representatives</b></p>	<ul style="list-style-type: none"> <li>• Updates and communicates recommendations, findings, as well as significant issues and concerns relevant to sustainability to the Board of Directors.</li> </ul>
<p><b>Sustainability Management Committee</b></p>	<ul style="list-style-type: none"> <li>• Engages leadership across business units and function, and provides further oversight and strategic guidance.</li> <li>• Formulates the sustainability objectives, targets, priorities, policies and goals.</li> <li>• Monitors and tracks the sustainability performance.</li> <li>• Evaluates sustainability risks and opportunities within the Group.</li> </ul>
<p><b>Sustainability Working Committee</b></p>	<ul style="list-style-type: none"> <li>• Coordinate and implement Group-wide sustainability activities.</li> <li>• Executes the implementation of approved sustainability strategy and related matters.</li> <li>• Supports Sustainability Management Committee in monitoring and tracking sustainability performance.</li> </ul>

## Ethical Practices

### Guiding Principles for Conduct

#### Global Offices

At Marco Polo, consistent efforts are made to uphold the Group's strong corporate governance practices, that protect shareholder interests and enhance long-term value. By adhering to the Code of Corporate Governance 2018, Marco Polo ensures that its operations align with ethical standards and best practices. The Group remains vigilant in keeping up with any updates to the Code, promptly adopting recommended practices to maintain its governance integrity. To assess its performance, Marco Polo actively seeks feedback from various stakeholders, including the Singapore Exchange and its shareholders, demonstrating a commitment to transparency and accountability.

Additionally, Marco Polo follows a comprehensive Code of Conduct handbook and conducts periodical reviews of its corporate governance policies. These efforts underscore the Group's proactive approach to incorporating ethical practices into its business model, ensuring that it operates responsibly and sustainably in the marketplace.

Our Jakarta office (PTBBR) adheres to standard corporate governance practices grounded in the principles of Good Corporate Governance (GCG), which emphasise transparency, accountability, responsibility, independence, fairness, and equality. To ensure compliance, PTBBR implements governance guidelines in line with the Financial Services Regulation (POJK).

PTBBR's ethical framework is based on its Code of Conduct, established by the Board of Directors. This code outlines fundamental principles that align with the Group's broader ethical values, guiding all business activities. It addresses various aspects of employee relations, including ethics among colleagues, rules governing employee behaviour, and PTBBR's ethical stance in its interactions with customers, suppliers, shareholders, and the community. Additionally, the Code includes policies on confidentiality and outlines sanctions for violations.

#### Policies implemented at Marco Polo

##### Marco Polo Marine

###### Anti-Corruption Guidelines and Policy

Based on Singapore's statutory Prevention of Corruption Act, this policy covers commitments against corrupt practices and commitments to ethical standards. It provides guidance to its officers and employees to conduct business legally, ethically and with integrity.

###### Whistleblowing Guidelines and Policy

This policy intends to help employees who have major concerns over any wrongdoing relating to unlawful conduct, financial malpractice, or dangers to the public or environment to ensure that there is transparency, and the highest standards of ethics are being maintained.

##### MP Offshore

###### Code of Ethics Policy

This policy emphasises the importance of personal and professional integrity among employees, requiring compliance with all applicable laws and regulations. It promotes honest and ethical conduct, mandates full and fair disclosure of information, and establishes accountability for reporting violations. Additionally, it underscores the need to protect confidential company information and outlines the consequences for failing to adhere to these ethical standards

###### Anti-Bribery Policy

The policy emphasises ethical conduct, requiring all business partners to uphold high standards, avoid gifts that could influence business decisions, and maintain a transparent environment where employees can report violations without fear of retaliation.

## Accountability, Transparency and Integrity

At Marco Polo, accountability, transparency, and integrity are essential values that shape the way the Group conducts its business. Accountability ensures that every employee takes responsibility for their actions, contributing to a culture where individuals are encouraged to uphold high standards and ethical behaviour. This commitment not only enhances performance but also builds a sense of ownership among employees, motivating them to align their decisions with Marco Polo's core values. When everyone is accountable, it creates a cohesive environment that drives the organisation toward its goals.

Transparency is equally important, as it builds trust with stakeholders by openly sharing information about business practices and performance. This openness cultivates strong relationships with employees, clients, and partners, reinforcing Marco Polo's reputation in the marketplace. When coupled with a strong commitment to integrity, which emphasises ethical conduct in all interactions, these principles effectively mitigate the risks associated with unethical behaviour. By prioritising accountability, transparency, and integrity, Marco Polo not only complies with legal standards but also establishes itself as a leader in ethical business practices, fostering long-term sustainability and success.

### Anti-Corruption

The Group is dedicated to ensuring that its operations remain free from unethical and corrupt practices. To reinforce this commitment, employees receive regular updates about the Group's position on corruption and bribery.

**All new employees receive a comprehensive briefing on corporate ethical conduct, as well as anti-corruption policy during their induction sessions, with signed acknowledgments obtained to confirm their understanding of these policies. Additionally, the Employee Handbook, which details these guidelines, has been distributed to all staff via email and is readily accessible for reference at any time. Similarly, PKRO has ensured that clear communication about the Group's commitment to anti-corruption measures has been conveyed to all employees, from senior leadership to frontline staff.**

In FY2024, the Group maintained a strong compliance record with no reported incidents of corruption.

### Complying with Relevant Regulations

Marco Polo recognises the critical importance of adhering to relevant regulatory laws and policies to maintain its integrity and reputation. The Group is proud to announce that much like the previous year, it has maintained a perfect record with no instances of non-compliance (either monetary or non-monetary sanctions). This also extends to adherence to human rights mandates, with zero violations in this area. This achievement reflects the Marco Polo's commitment to ethical practices and diligent oversight in all its operations.

For Offshore operations, the Group prioritises careful monitoring of operating permits, ensuring that requisite follow ups are conducted on or extended as due date approaches. This process is guided by the standards and regulations set forth by the Ministry of Transportation and Maritime Affairs. The operations department plays a crucial role in maintaining regulatory compliance by actively overseeing all permit status.

Marco Polo remains committed in its adherence to Singaporean laws, including the Work Safety and Health (WSH) Act, to ensure a safe and compliant working environment.

### Enhancing Transparency

Marco Polo has always highly valued transparency. The Group has been publishing annual reports that include comprehensive corporate governance disclosures on a regular basis.

Demonstrating its commitment to ESG transparency, Marco Polo has been publishing annual sustainability reports since 2018, recognising its role as a responsible corporate citizen.

The Group is currently in the process of developing a Sustainability Reporting Standard Operating Procedure (SOP) to enhance its reporting practices. As an organisation, it has also committed to supporting the United Nations Sustainable Development Goals (SDGs) and is actively organising internal training sessions focused on sustainability. In line with this commitment, Marco Polo is disclosing climate-related information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which includes an assessment of climate risks and opportunities.

As Marco Polo aims to deliver exemplary quality products and services, all Group's businesses comply with strict industry management system standards, which include ISO 9001, ISO 14001, ISO 45001, and ISO 30000.

Below is a list of the Group's quality certifications as of 30 September 2024.

### List of Marco Polo's Certifications

Operation Division	Certification	Description
MP Shipyard	ISO 9001:2015*	Quality Management System
	ISO 14001:2015	Environmental Management System
	ISO 45001:2018	Occupational Health and Safety Management System
	ISO 30000:2009	Ship Recycling Management System
MP Offshore PTBBR	ISO 9001:2015	Quality Management System
	ISO 14001:2015	Environmental Management System
PKRO	ISO 9001:2015	Quality Management System
	ISO 14001:2015	Environmental Management System
	ISO 45001:2018	Occupational Health and Safety Management System

\* The Shipyard ISO 9001:2015 certification has expired on 14 September 2024 and is currently undergoing renewal.



### Political contributions

In the realm of political contributions, both direct and indirect donations carry the potential for corruption, as they can be leveraged to exert undue influence on the political landscape. Recognising the importance of accountability, transparency, and integrity, Marco Polo has made a conscious decision to abstain from any political contributions this year. This decision reflects their commitment to maintaining ethical standards in their operations.

### Substantiated customer complaints regarding privacy

Marco Polo prioritises customer privacy, recognising its critical importance for maintaining integrity. The Group is committed to implementing robust measures to prevent data breaches and takes pride in its commitment to ethical behaviour and transparency. The organisation is pleased to announce that, due to its ongoing efforts to protect customer data, it has not received any verified complaints related to privacy breaches. This commitment underpins Marco Polo's focus on protecting the integrity of customer information.

## Enterprise Risk Management

### *Safeguarding against Uncertainty*

Recognising the importance of an effective Enterprise Risk Management process, Marco Polo established its Enterprise Risk Management (ERM) framework in 2019. This initiative aims to establish a resilient corporate governance structure that safeguards the interests of stakeholders. The risk management framework identifies and assesses key risks, including those related to corruption, that the Group faces while pursuing its strategic objectives. By implementing the ERM process, Marco Polo is better equipped to navigate uncertainties and seize opportunities, ultimately enhancing its ability to create value.

The ERM framework is aligned with the Committee of Sponsoring Organisations (COSO) framework, an internationally recognised standard for ERM. This alignment ensures compliance in the design, implementation, and monitoring of both the ERM and internal control systems. Through this structured approach, Marco Polo has developed effective risk management procedures to address identified key risks, which are continuously monitored throughout the financial year to evaluate the effectiveness of internal controls. These are reviewed annually to ensure they remain relevant considering evolving external and internal factors.

The Enterprise Risk Management Policy is key to Marco Polo's ERM framework. This policy sets out the overarching philosophy, principles, requirements and responsibilities for a sound approach of risk oversight, management and ongoing internal control assurance required within the Group.

### Marco Polo's risk management framework

1. Strategic Planning and Risk Appetite
2. Risk Profiling and Identification
3. Risk Analysis
4. Risk Evaluation
5. Risk Identification
6. Monitoring and Review
7. Stakeholder Engagement and Communication

## Board's Roles and Responsibility for Climate Related Risks and Opportunities

The Board of Marco Polo assumes a critical role in addressing the multifaceted challenges and opportunities presented by climate-related risks. Acknowledging the growing importance of climate change within the corporate strategy, the Board is responsible for embedding these considerations into the Group's governance framework. This entails a proactive identification of potential risks, including regulatory changes, environmental impacts, and shifts in market dynamics, while simultaneously capitalising on opportunities for innovation and sustainable practices.

To effectively tackle these issues, the Board collaborates closely with Marco Polo's management, establishing a culture of sustainability that permeates the organisation. This partnership is vital for formulating strategies that not only mitigate risks but also enhance the Group's resilience and competitive advantage in an increasingly dynamic market.

Furthermore, Marco Polo's Board of Directors oversees the execution of climate initiatives, ensuring that the organisation meets its sustainability objectives. By promoting transparency and accountability, they cultivate trust among stakeholders, including investors, customers, and the broader community. This commitment to resilient climate governance not only aligns with Marco Polo's values but also positions the Group as a frontrunner in responsible business practices, ultimately contributing to a more sustainable future.

In conclusion, Marco Polo's steadfast dedication to effective corporate governance stands as a fundamental pillar for its organisational stability and sustainability. By emphasising transparency, accountability, and strategic foresight, the Group adeptly navigates the complexities of the contemporary business environment while positioning itself for enduring success. This proactive stance cultivates a resilient corporate culture that embraces innovation and ethical practices, ensuring Marco Polo's leadership within its industry. As the organisation continues to evolve, its commitment to sound governance will undoubtedly lay the groundwork for a sustainable future, yielding benefits not only for its stakeholders but also for the broader community and environment.

# Chapter 3 - Cultivating Prosperity: Economic Sustainability

## Economic Performance

### *Delivering Value and Growth*

Marco Polo places great importance on sustained financial growth. As this year's sustainability report theme suggests, building confidence and reliability through excellent service is a key priority for the Group. By focusing on economic sustainability, Marco Polo ensures long-term viability, supports innovation, and creates value for all relevant stakeholders. Marco Polo's ever-improving service and financial performance has paved the way for significant investments in eco-friendly technologies, improved waste management, and enhanced energy efficiency. This financial strength enables the Group to invest in its workforce and communities through comprehensive training programs, safe working conditions, and various social initiatives. Furthermore, it fosters a culture of transparency, accountability, and ethical decision-making, thereby maintaining the trust of all stakeholders. Marco Polo's commitment to economic sustainability allows it to lead in environmental stewardship, social responsibility, and governance excellence, meeting today's needs and safeguarding future generations.

### Direct economic value generated

Metric	UOM	FY2022	FY2023	FY2024
<b>Total Revenue Generated</b>	<b>SGD '000</b>	<b>86,095</b>	<b>127,126</b>	<b>123,530</b>
<b>Economic Value Distributed:</b>				
Operating costs	SGD '000	58,617	81,385	75,015
Employee wages	SGD '000	11,121	9,372	13,429
Employee benefits	SGD '000	612	752	175
Payment to the provider of capital	SGD '000	112	85	2,040
Payment to government	SGD '000	125	257	1,507
Community investments	SGD '000	1	22	7
<b>Economic Value Retained</b>	<b>SGD '000</b>	<b>15,507</b>	<b>35,253</b>	<b>31,358</b>

Based on the data above, it is important to highlight that, from the total revenue generated, the entity allocated some amount towards employee compensation and benefits. This allocation encompassed salaries and bonuses, contributions to the Central Provident Fund (CPF), staff training initiatives, annual leave, medical benefits, skills development programs, and staff insurance.

Marco Polo believes that investing in employee compensation and benefits significantly enhances the economic performance of the Group in several ways. By allocating a percentage of total revenue to salaries, bonuses, and various employee support initiatives, the organisation not only ensured that its workforce felt valued but also promote higher levels of job satisfaction. This led to increased employee engagement and productivity, ultimately driving operational efficiency and enhancing overall performance.

In addition to its commitment to employee well-being, Marco Polo has been diligently working to diversify its portfolio. Recognising the growing importance of renewable energy, the Group has expanded its service offerings to include offshore vessel chartering services for the operation and maintenance of offshore wind farm projects. This strategic move leverages the Group's existing expertise in offshore operations while entering a high-growth and sustainable sector.

By providing essential support services to the offshore wind farm industry, the Group contributes to the development of renewable energy sources that supports the global transition to a low-carbon future. This dual focus on employee investment and portfolio diversification underscores Marco Polo's commitment to both its workforce and the environment, paving the way for a resilient and forward-thinking organisation.

### Focusing on product and service quality and customer satisfaction

For Marco Polo, establishing a virtuous cycle of growth and profitability that reinforces the Group's sustainable business practices is essential. The organisation is cognisant of the fact that consistently delivering high-quality products is crucial for shaping its reputation and enhancing customer loyalty, which in turn contributes to financial stability. When customers are satisfied with the products they receive, they are more likely to make repeat purchases and recommend these offerings to others. This not only boosts sales but also expands the Group's market share. Moreover, high-quality products often justify premium pricing, thereby improving profit margins.

As the Group ventures into the renewable energy sector, prioritising customer satisfaction and maintaining high product quality standards has become paramount. This year Marco Polo's Shipyard division constructed its own Commissioning Service Operation Vessel (CSOV). The SOV, specifically designed to support offshore operations, is particularly relevant in this context, especially for offshore wind farms. Complementing this, the CSOV serves as a specialised variant of the SOV, focusing on the commissioning, maintenance, and repair of these wind farms. By ensuring exceptional product quality in these product categories, the Group aims to broaden its customer base within the renewable energy market, thereby advancing its sustainability strategy.

Much like product quality, Marco Polo focuses greatly on providing exceptional service quality to its customers and maintaining relevant standards. To effectively assess service quality within the Shipyard division, Marco Polo has implemented specific criteria grounded in five key dimensions: Tangibility, Reliability, Responsiveness, Assurance, and Empathy. These elements form the foundation for evaluating customer satisfaction and feedback, as detailed in the Customer Feedback Form (Document QP-12).

Tangibility pertains to the physical aspects of the service, including facilities and equipment, which significantly influence the overall customer experience. Reliability underscores the importance of consistently delivering promised services with accuracy. Responsiveness reflects Marco Polo's commitment to promptly addressing customer inquiries and concerns. Assurance encompasses the knowledge and courtesy of staff, instilling confidence in customers regarding the services provided. Finally, Empathy illustrates the organisation's ability to understand and cater to individual customer needs. By concentrating on these criteria, Marco Polo aims to enhance service quality and ensure high levels of customer satisfaction.

In the Offshore division, there is a system for incorporating a customer satisfaction processing component that plays a vital role in gathering feedback upon project completion. Once a project is finalised, Marco Polo receives insights from the charter, enabling the organisation to identify and maintain the positive aspects of its service while addressing any noted areas for improvement. This approach ensures that the Group continuously enhances its offerings and effectively meets customer expectations.

Additionally, the Group's Shipyard and Offshore divisions comply with ISO 9001:2015 (Quality Management) standards and uphold Health, Safety, Security, Environment, and Quality (HSSEQ) policies. At Marco Polo, these are regarded as strategic imperatives that not only ensure quality and safety but also enhance customer satisfaction. The Group understands that satisfied customers are more likely to recommend the organisation to others, leading to increased word-of-mouth referrals and a broader customer base.

As a result of these initiatives, there have been zero incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of ships and services within the reporting period. Meanwhile, through its strong focus on product and service quality, the Group received a customer satisfaction score of 86%.

This showcases Marco Polo's resolution to consistently meeting customer expectations through its reliable and consistent service. By actively listening to customer feedback and continuously improving its products and services, Marco Polo remains ahead of its competitors and adeptly adapts to changing market demands. This customer-centric approach not only drives revenue growth but also builds a strong brand reputation, ultimately contributing to long-term financial success.

## Promoting ethical and local procurement

### *Strengthening Local Economies*

Ethical procurement is essential for modern businesses, ensuring a stable supply chain, reducing the risk of legal issues and disruptions, which can lead to long-term cost savings. Additionally, ethical suppliers often embrace innovative practices, contributing to the development of new products and services that provide a competitive edge.

Marco Polo has undertaken environmental and social assessments for its suppliers to ensure responsible practices throughout its supply chain. The Group conducts site visits to verify the information provided by suppliers and assess their on-ground practices in relation to environmental and social standards.

In FY2024, the Offshore division has assessed six suppliers, considering both environmental and social impacts. These assessments have no reveal any significant negative impacts.

In the Group's Offshore division, the environmental and social criteria for evaluating new suppliers include the following:

#### Environmental criteria

- The supplier must possess ISO 14001 certification or have a relevant environmental policy in place.
- They should implement procedures that promote green practices in packaging, handling, and warehousing, such as using sustainable materials, certified biodegradable consumables, and minimising waste generation

#### Social criteria

- The supplier must possess ISO 45001 certification or have a relevant safety policy and procedures in place.
- They should adhere to any labour right policies which set out clear commitments that cover discrimination, child and forced labour in its workforce, and support freedom of association and the right for collective bargaining in its operation.

At Marco Polo, "local" is defined as procurement made within the key areas of operations. The Group furthers its sustainability efforts by procuring from local suppliers. By doing so, Marco Polo is able to support the local economy and reduce environmental impacts from transportation.

With offshore operation in Singapore, Indonesia, and Taiwan, as well as a shipyard operation in Batam, Indonesia, the percentage of local spending across these locations is as follows:

### Marco Polo's Proportion of Local Spending

Shipyards Division	Offshore Division	*PKR Offshore
<b>Local definition</b>	<b>Local definition</b>	<b>Local definition</b>
Singapore and Indonesia	Singapore and Indonesia	Taiwan
<b>Local spending</b>	<b>Local spending</b>	<b>Local spending</b>
100%	79%	85%

*\*Note: The local spending data for PKRO Taiwan has been reported separately from the Offshore division, as its primary operating location differs from the other offshore subsidiaries, which are based in Singapore and Indonesia.*

Local procurement aids easier and more frequent interaction with suppliers, strengthening relationships with local vendors, allowing for a more flexible and responsive supply chain management. This agility is crucial in today's dynamic business environment, enabling the Group to adapt quickly to changes and build resilience.

Through its ongoing efforts to enhance economic sustainability, Marco Polo seeks to enhance the overall economic performance of the Group. It aspires to set benchmarks not only within the marine industry but also across various sectors. By achieving strong financial results, Marco Polo aims to further its sustainability initiatives, demonstrating that economic success and environmental and social responsibility can go hand in hand.



# Chapter 4 - Nurturing Our Planet: Environmental Sustainability

As the global community grapples with the intensifying effects of climate change, Marco Polo remains resolute in advancing its environmental stewardship. In 2023, at the 28th Conference of the Parties (COP28), world leaders once again emphasised on the need for collective action and raised the stakes for businesses to drive transformative climate solutions. Marco Polo recognises the crucial role the maritime sector must play in this transition and has taken bold steps to elevate its sustainability efforts.

This year, the Group conducted an in-depth Climate Risk and Opportunity Assessment alongside a comprehensive Scenario Analysis, positioning itself at the forefront of climate resilience in the industry. These strategic initiatives are designed to not only mitigate climate-related risks but also seize emerging opportunities within an increasingly regulated and climate-conscious market. The results of these assessments provide Marco Polo with the analytical foundation to navigate future uncertainties and shape long-term strategies that are both adaptable and sustainable.

Building on its previous achievements, the Group continues its diligent monitoring of Scope 1 and Scope 2 greenhouse gas emissions while preparing to expand these efforts into Scope 3 categories. Furthermore, the Company is committed to aligning with international frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) to enhance transparency and accountability in its environmental governance. These measures will be encapsulated in the Group's upcoming climate roadmap, which will articulate clear climate goals and the pathway to achieving them.

Amidst rising global sea levels, extreme weather events, and the call for urgent decarbonisation, Marco Polo remains dedicated to implementing a future-proof sustainability strategy that not only addresses today's environmental challenges but also sets the course for a greener, more resilient future.

The Group has recognised and acknowledged various gaps in the environmental data collected during the previous year. As a result, in FY2024, the Group has expanded its data collection coverage and provided more comprehensive information on its environmental resource consumption, particularly in the areas of material, emissions, electricity, fuel and water usage. The Group has adopted a more precise methodology for calculating and analysing its data, leading to revisions in several previously published environmental performance.

## Key Highlights of the Company's Performance on Environmental Footprint

<b>Emission</b> Scope 1 emissions: 11,006 tCO <sub>2</sub> e Scope 2 emission: 6,113 tCO <sub>2</sub> e	<b>Fuel consumption</b> Diesel: 429,696 Gallons MGO: 354,652 Gallons
<b>Material consumption</b> Steel and copper: 22,066.61 tonnes	<b>Electricity consumption</b> 7,822 MWh
<b>Water intake</b> 38,045 m <sup>3</sup>	<b>Total Energy Consumption</b> 135,574 GJ
<b>Waste generation</b> Shipyard: 13,284.51 tonnes Offshore: 794.09 m <sup>3</sup> Global offices: 209.09 kg	<b>Environmental Compliance</b> Zero non-compliances

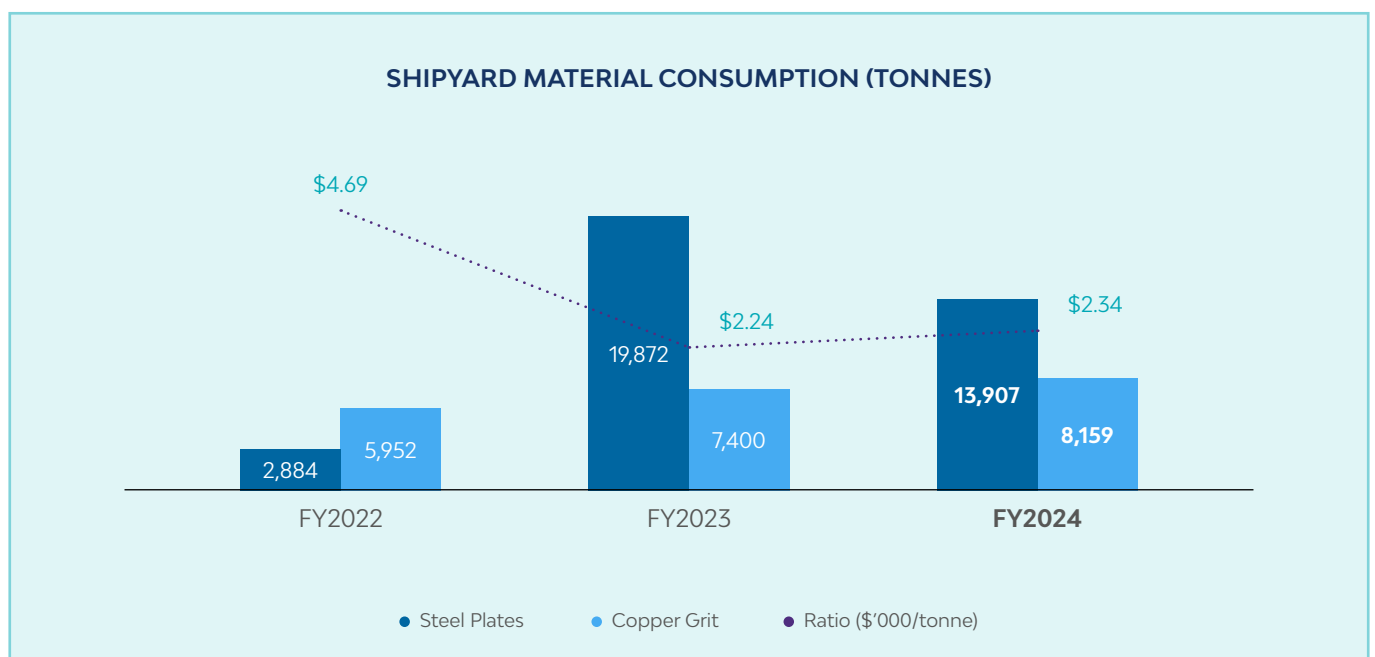
## Material Management

### Efficient Resource Utilisation

Marco Polo approaches resource utilisation with a strategic focus on sustainability, aiming to integrate economic and environmental considerations into every aspect of material management. Materials management adds economic value through operational efficiency, cost reduction, and supply chain optimisation while also supporting environmental goals by conserving resources and minimising waste. Conversely, inadequate materials management can lead to economic vulnerabilities, resource depletion and pollution.

The Group's commitment to responsible materials management is reflected in its adherence to established environmental management standards and quality certifications. Organisational resources, including sustainability committees and dedicated teams, have been allocated to oversee and guide these practices.

The majority of non-renewable materials used in the shipbuilding and ship-repair operations primarily include steel plates and copper blasting grit, sourced from major suppliers for steel and copper.



Steel plate consumption has seen a meagre decrease over the past year while copper grit usage has experienced a modest rise. To address these trends and enhance operational efficiency, Marco Polo is committed to optimising material usage through innovative practices. One key initiative involves the recycling of scrap materials, which will be sold to third parties for reuse. This not only reduces disposal waste but also contributes to resource conservation, aligning with the Group's sustainability goals and promoting a circular economy within the operations. By continually improving material management strategies, Marco Polo aims to minimise environmental impact while maintaining high standards of quality and performance in its services.

The absolute ratio of material consumption slightly increased from \$2.24 per tonne in FY 2023 to \$2.34 per tonne in FY 2024, reflecting stable operational resource consumption. This highlights the importance of the Company's ongoing efforts to optimize resource efficiency and manage costs effectively.



### Commitment to a Circular Economy

The Sustainable Singapore Blueprint (SSB) 2015 outlines the nation's aspiration to become a Zero Waste Nation through the reduction of material consumption and the encouragement of resource reuse and recycling. In alignment with this vision, the Group actively collects and weighs metal scrap materials, which are then sold to mills for recycling whenever feasible. The Group remains dedicated to minimising its environmental footprint by continually evaluating and improving its recycling initiatives.

In addition, Marco Polo has made notable advancements in environmental sustainability through its Green Ship Recycling initiatives at Batam. The Company has been granted permission by local authorities in Indonesia to undertake ship recycling operations, distinguishing itself as the first Shipyard in the country to obtain the ISO 30000:2009 certification. This accreditation from ABS QE assures shipowners that their vessels will be recycled in facilities that uphold stringent safety and environmental standards, reinforcing the Group's commitment to sustainable practices in the shipping industry.

## Effluent and Waste

### *Minimising Waste Impact*

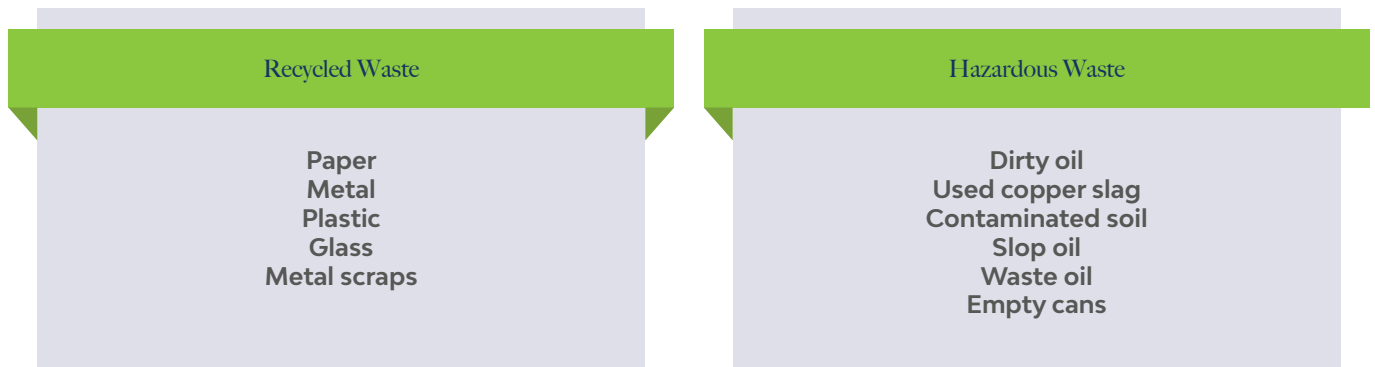
#### Waste Management

Waste management is a critical concern for Marco Polo due to its significant environmental and operational implications. Improper disposal of waste, especially hazardous materials, can lead to pollution and contamination, negatively affecting local ecosystems and communities. This issue spans the group's Shipyard, offshore, and office operations, where various types of waste are generated. Implementing effective waste management practices not only reduces these risks but also enhances operational efficiency and ensures compliance with regulatory standards.

To tackle these challenges, Marco Polo has adopted comprehensive waste management practices across all operations. A notable initiative is the use of hydro-jetting technology at Shipyard operation, which has considerably decreased copper slag waste during ship maintenance activities. This approach minimises the volume of hazardous waste produced compared to traditional methods, thus lessening the environmental impact. Generated waste is securely stored in designated facilities and transferred to licensed third-party processors for proper disposal, ensuring adherence to legal and environmental standards.

Offshore waste management strategy is guided by internal policies that align with local and international regulations. These policies dictate the handling of hazardous and non-hazardous waste, focusing on waste volume reduction, recycling, and pollution prevention. Each business unit complies with these policies to maintain consistent practices. Key performance indicators (KPIs) are established to monitor progress on waste reduction, recycling rates, and hazardous material management.

In office environment, waste generation and recycling are actively monitored through daily measurements to establish baselines for future targets. Comprehensive office waste management guidelines have been effectively communicated to all staff through Office Environmental Policy, encouraging recycling by separating waste into categories such as paper, plastic, metal, glass, and general waste. This initiative aims to minimise waste sent for disposal while fostering a culture of sustainability within the organisation.



### Waste Generation

FY2024	*Global Offices (kg)	Shipyard (tonnes)	Offshore (m <sup>3</sup> )
Recycled Non-hazardous Waste	29.71	1,929.94	326.01
Disposable Hazardous Waste	N/A	9,433.50	184.40
Disposable Non-hazardous Waste	179.38	1,921.07	283.68
Total Waste Generation	209.09 kg	13,284.51 tonnes	794.09 m <sup>3</sup>

\* Note: Since the Singapore headquarters relocated to new office in April 2024, office waste records for FY2024 have been recorded starting from May 2024.

## Management of Water Discharge-related Impacts

Marine pollution arises from the discharge, washing, or blowing of chemicals and waste into the ocean, causing significant harm to the environment, the health of marine and terrestrial organisms, and economic systems globally. To support the preservation of marine ecosystems, Offshore vessels have implemented Ballast Water Management (BWM) systems in compliance with the requirements approved by the Singapore Flag.

**To date, 12 offshore vessels have implemented the Closed Loop Ballast System to comply with at least the D-1 standard. These standard mandates that vessels exchange ballast water in open seas, at least 200 nautical miles from land and in waters no less than 200 meters deep. Additionally, all new vessels are required to adhere to the D-2 standard, which defines the maximum allowable number of viable organisms in discharged ballast water, including specific harmful indicator microbes that pose risks to human health. By adhering to these standards, fewer organisms survive, reducing the likelihood of introducing potentially harmful species when ballast water is released.**

Furthermore, Marco Polo continues to enhance its effluent management practices by implementing a stringent policy governing the planned discharge of oily water from its vessels:

 <p>Enhancing Effluent Management Practices</p>	<p>Marco Polo prioritises responsible effluent management, particularly in the discharge of oily water from its vessels. To align with MARPOL regulations*, the company enforces strict protocols for the discharge of oil or oily mixtures into the sea, ensuring that the oil content remains below 15 parts per million (ppm). This policy includes a firm prohibition on discharging oily waters in designated special areas to protect sensitive marine ecosystems.</p>
 <p>Oily Water Treatment Process</p>	<p>The Oily Water Separator (OWS) is a critical component of Marco Polo's waste management strategy. This technology effectively processes water collected from Engine Room bilges, ensuring that the oil content meets regulatory standards before discharge. Each discharge is carefully measured, and details—including volume, location, and quality—are documented in the Oil Record Book (ORB). The Chief Engineer validates these records by signing them, underscoring the Company's commitment to transparency and accountability.</p>
 <p>Regulatory Compliance and Inspections</p>	<p>Upon docking, vessels are randomly selected for compliance inspections conducted by the Maritime and Port Authority of Singapore (MPA). These inspections confirm that the oily water discharged, and any residual waste are accurately reflected in the ORB, further reinforcing Marco Polo's dedication to legal compliance and environmental responsibility. Through these comprehensive measures, the Company not only adheres to industry regulations but also plays a vital role in safeguarding marine environment.</p>

\* Note: The International Convention for the Prevention of Pollution from Ships (MARPOL) is the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes.

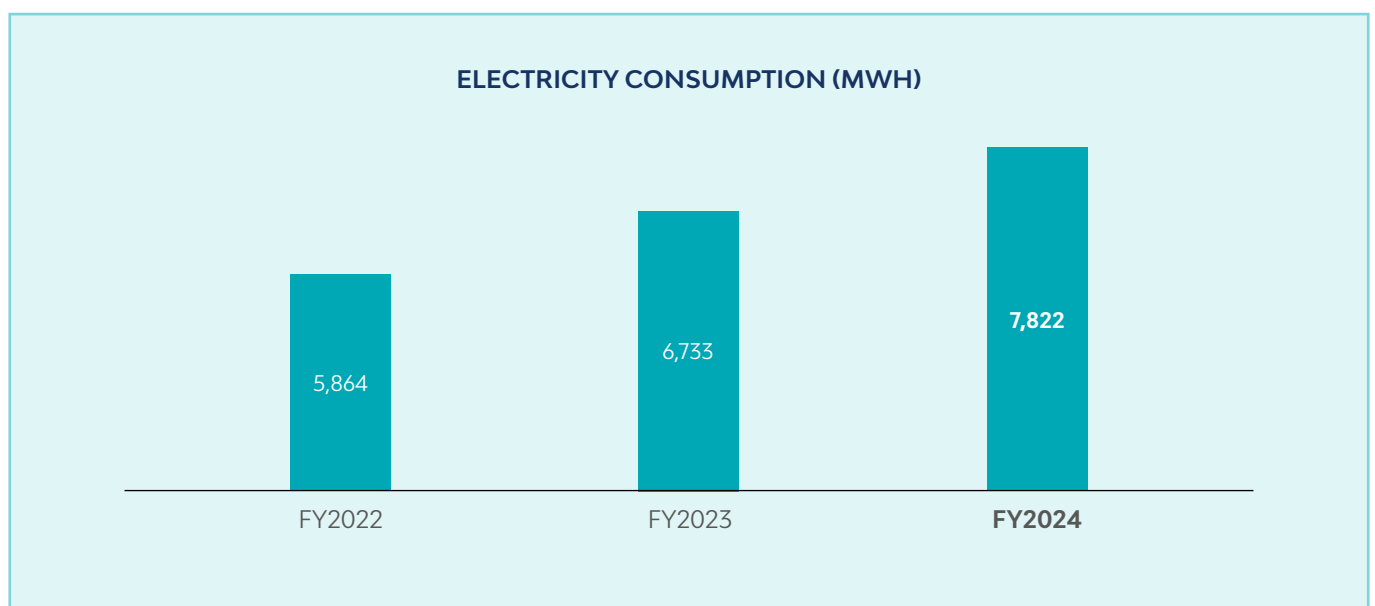
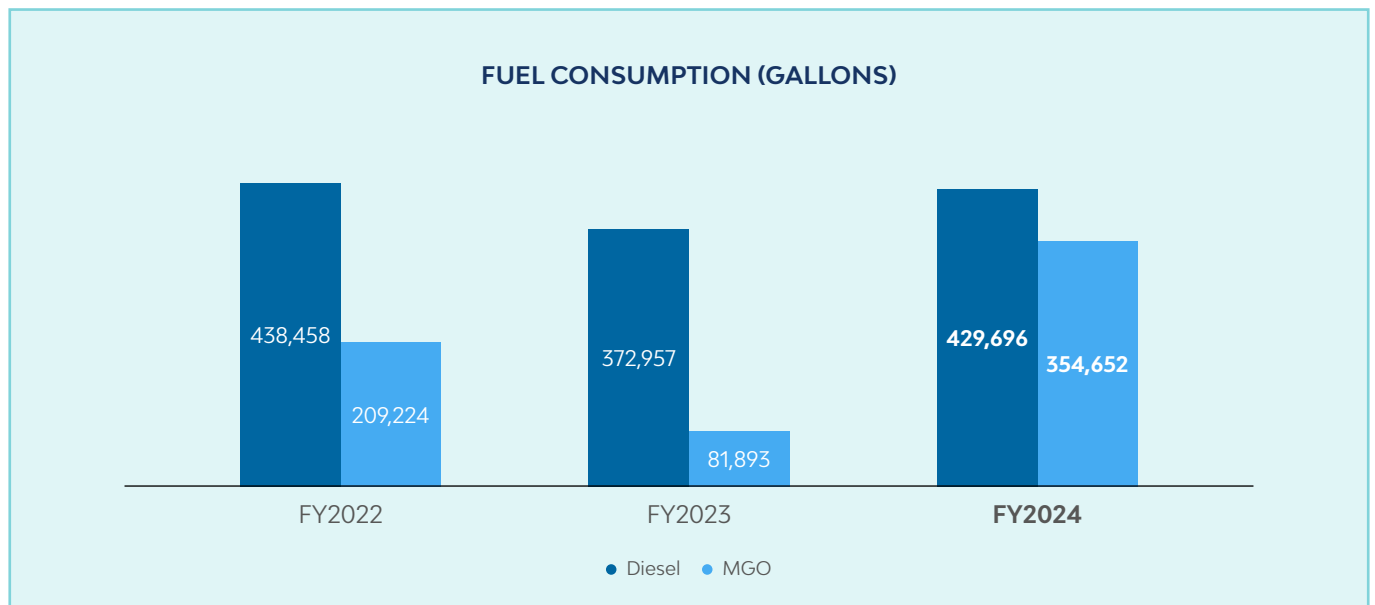
During the fiscal year 2023-24, the total volume of water/ effluent discharged into the ocean from the offshore section reached 6,493.11 m<sup>3</sup>. Notably, the Group has successfully maintained its record from the previous year, reporting no instances of oil leakage during this period.

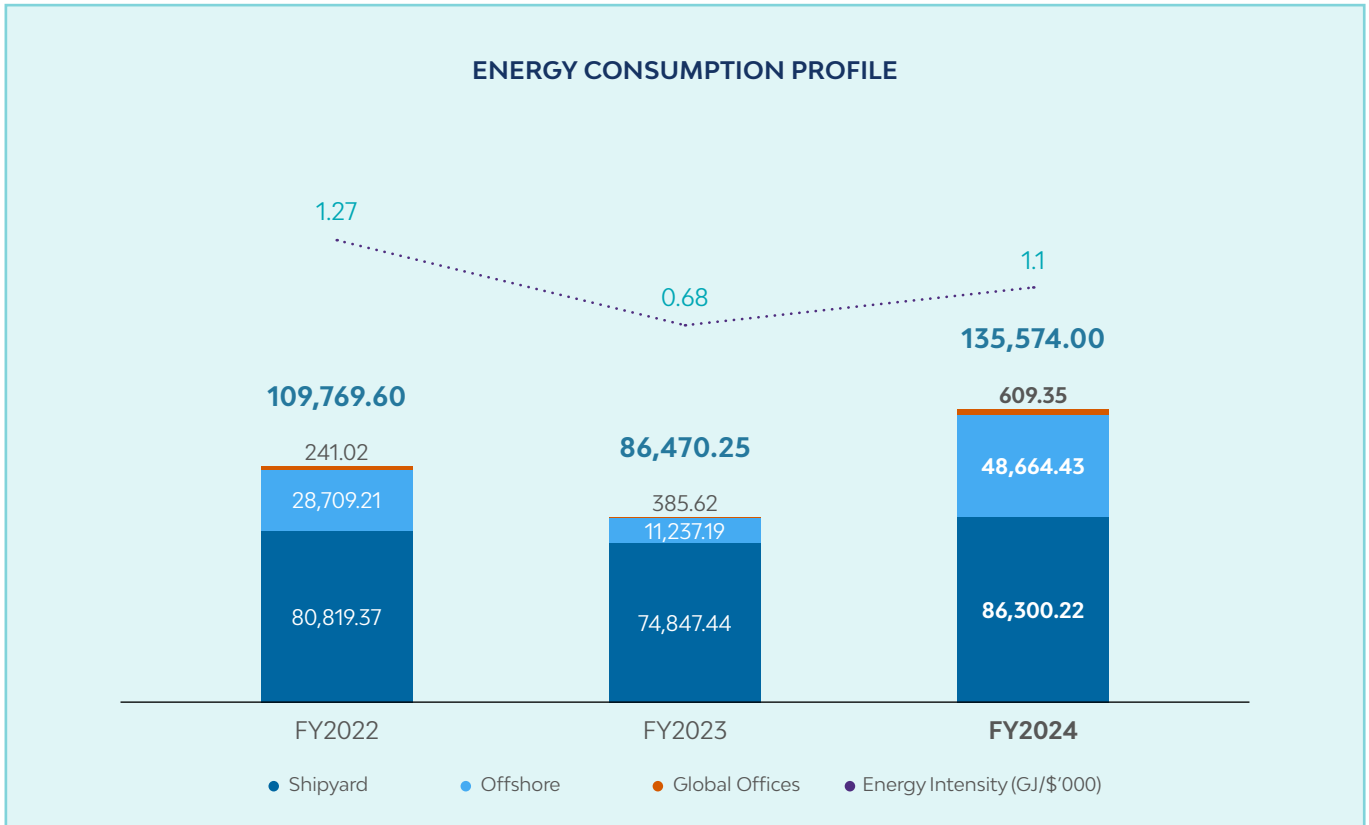
## Energy Consumption

### Optimising Energy Use

Recognising the pivotal role of energy management, the Group strives to enhance operational efficiency while minimising environmental impacts. By focusing on effective energy consumption strategies, Marco Polo aims to address the dual challenges of rising operational costs and climate change. Through careful identification of energy inefficiencies and the implementation of targeted energy-saving measures, the Group continuously monitors consumption patterns to achieve optimal performance.

This commitment is underscored by the establishment of environmental policies that align with international energy efficiency standards. Key performance indicators (KPIs) have been defined to monitor energy use, including metrics for electricity and fuel consumption, in line with frameworks such as ISO 14001. The Sustainability Committee is instrumental in guiding initiatives that foster energy efficiency and the integration of renewable energy sources.





In FY 2024, the Group's energy consumption surged to 135,574 GJ, representing a significant increase from FY 2023. This rise in energy use can be attributed to heightened operational demands and expanded activities during the year, as well as more comprehensive and accurate data collection from all subsidiaries.

As a result, the energy intensity also saw a significant increase, reaching 1.1 GJ per \$'000 in FY 2024, which marks a significant rise from FY 2023. The reduction in revenue, which fell from \$127,126 (\$'000) in FY 2023 to \$123,530 (\$'000) in FY 2024, further impacted the energy intensity, indicating that the increase in energy consumption outpaced revenue generation.



In April 2024, Marco Polo Singapore Headquarters successfully relocated to a new commercial building certified with the BCA Green Mark Platinum. The office renovation prioritised eco-friendly materials, featuring green-certified furniture, low-VOC wall paint, sustainable vinyl flooring, carpets, and energy-efficient LED lighting. Since the move, the Singapore team has actively engaged in energy, water, and waste reduction practices, aiming to achieve Eco Office certification from the Singapore Environmental Council next year.

In addition to these efforts, Marco Polo Singapore introduced an indoor plant campaign, inviting staff to select and nurture their own plants. This initiative not only enhances the biophilic design of the workplace but also promotes a healthier and more vibrant environment, contributing to increased productivity and employee well-being.

To promote energy efficiency, the Group employs a variety of strategies, including the adoption of energy-efficient appliances, the implementation of a Ship Energy Efficiency Management Plan (SEEMP) for the fleet, and systematic tracking of energy performance indicators. By leveraging consumption data, the Group is able to pinpoint improvement opportunities and further reduce emissions.

Through these comprehensive initiatives, Marco Polo is committed to promote a culture of sustainability that not only yields cost savings but also supports broader environmental objectives, reinforcing its reputation as a responsible leader in energy management.

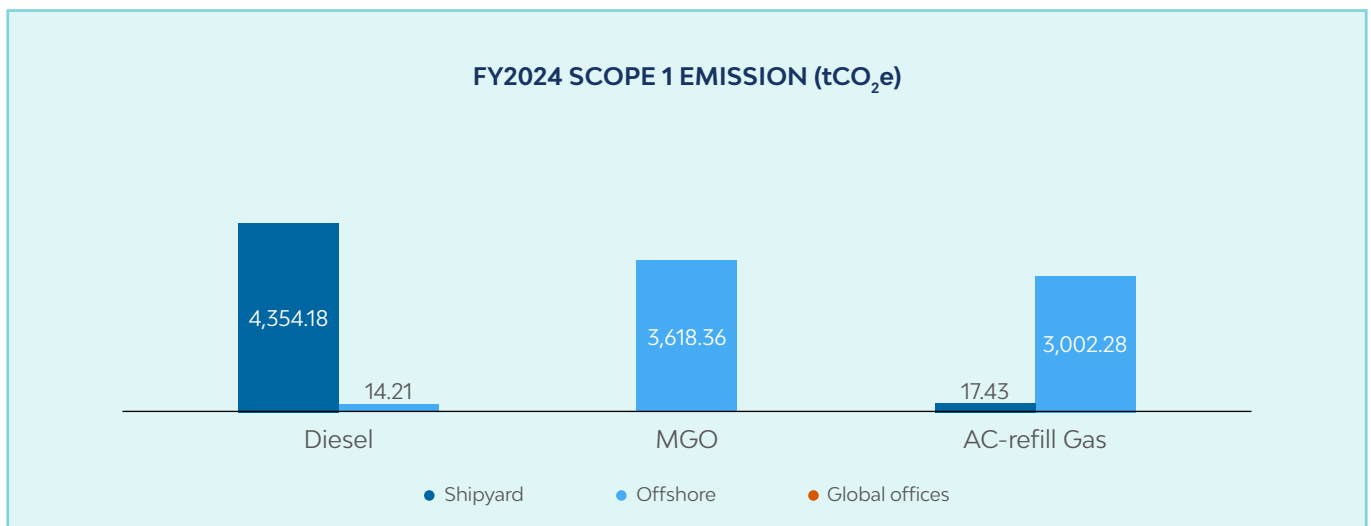
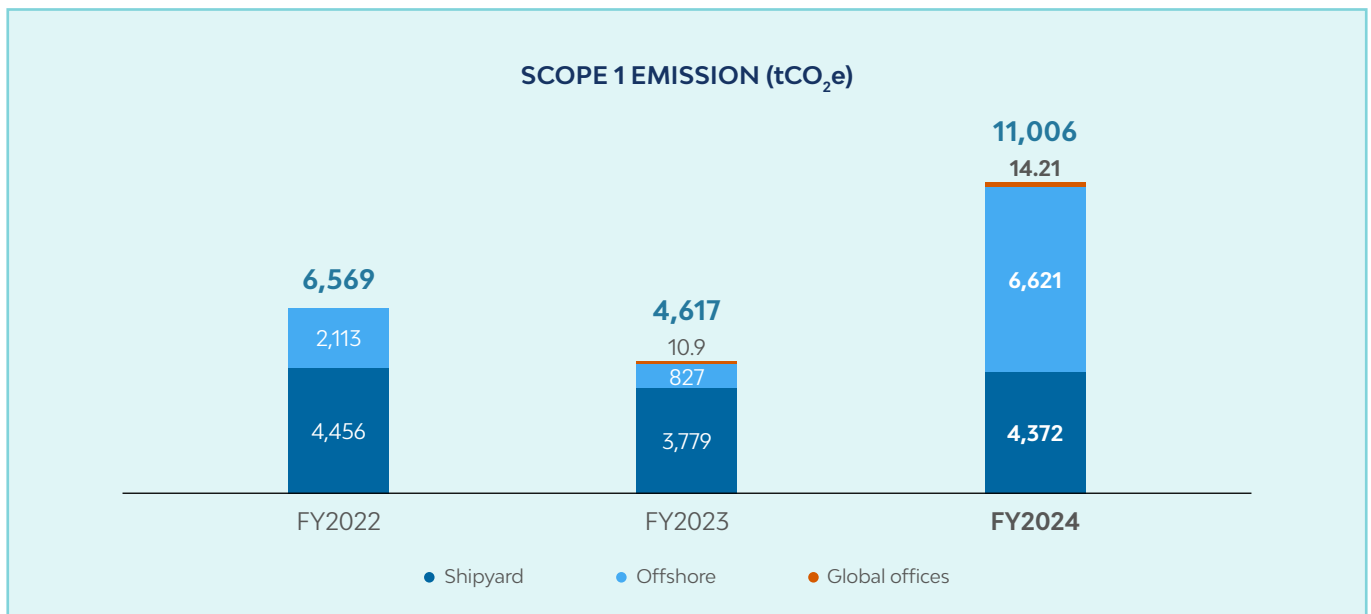
## Emission Profile

### Reducing Carbon Footprint

The Group acknowledges the pressing issue of climate change and its associated risks, which have the potential to impact the business model and operational efficacy. To bolster resilience against these climate-related challenges, Marco Polo has conducted thorough climate scenario analyses that will guide strategic planning and response measures.

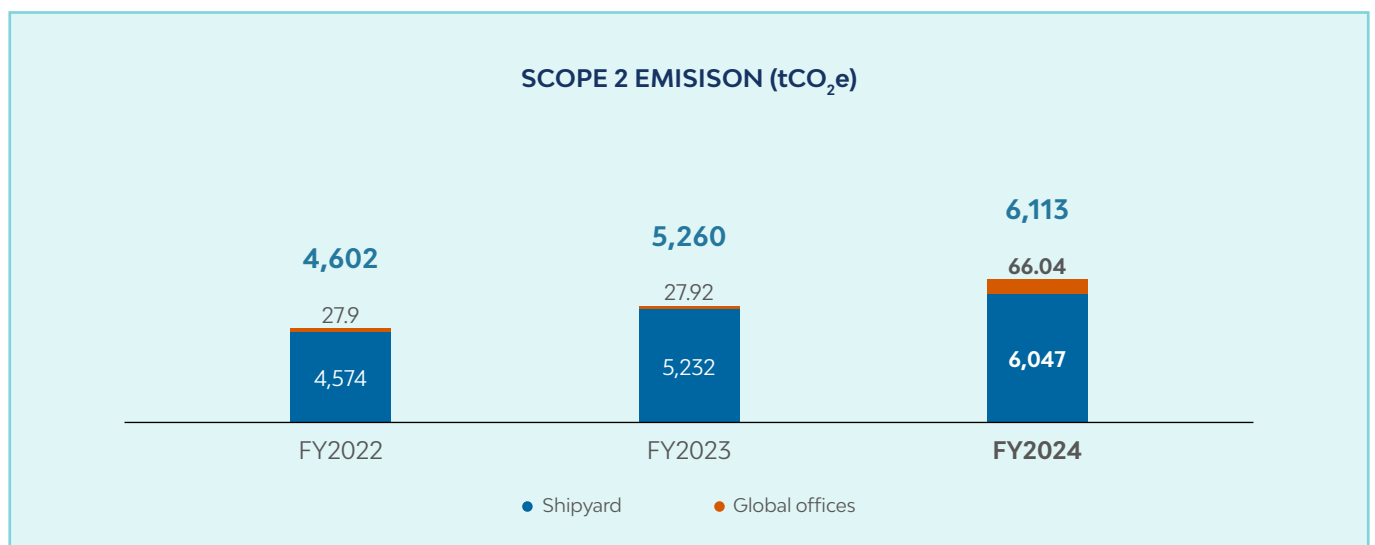
In light of the significant environmental impact stemming from various activities, the Company is proactively implementing measures to mitigate emissions. This includes investing in advanced filtration technologies for machinery, ensuring that all equipment emitting emissions is fitted with systems designed to enhance air quality and reduce the overall environmental footprint.

The Group is currently tracking its Scope 1 and 2 emissions and is in the process of establishing key performance indicators (KPIs) and targets for emissions reduction. Through these initiatives, the Group is dedicated to creating a sustainable operational framework that complies with environmental regulations while contributing to the global effort to combat climate change.



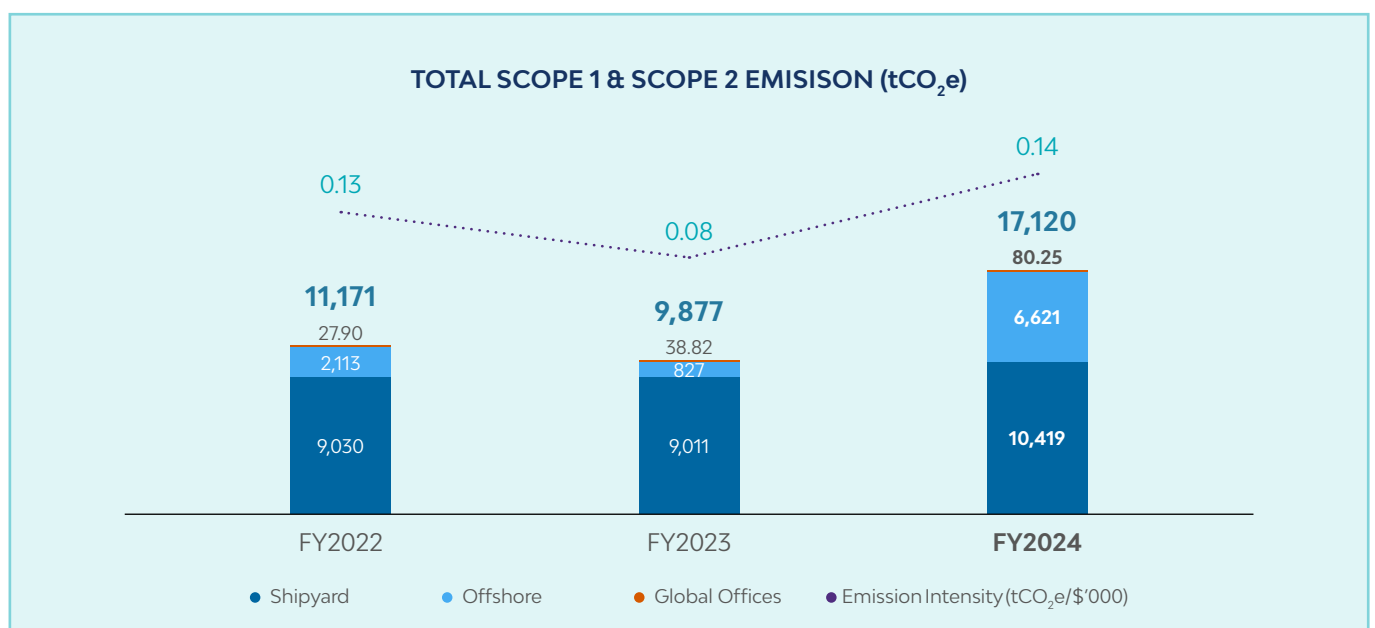
Over the past three fiscal years, the Group has consistently tracked its Scope 1 and Scope 2 emissions, using the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"). The global warming potential ("GWP") values for all greenhouse gases are consistent with the Intergovernmental Panel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

While FY 2023 saw a reduction in emissions, FY 2024 witnessed an increase, reflecting changes in operational demands. Scope 1 emissions initially decreased from 6,569 tCO<sub>2</sub>e in FY 2022 to 4,617.10 tCO<sub>2</sub>e in FY 2023, marking a reduction driven by efficiency improvements. However, in FY 2024, Scope 1 emissions show significantly to 11,006.46 tCO<sub>2</sub>e, mainly due to the added Scope 1 GHG emission sources – AC filled freon gas, which has occupied around 27% of the total Scope 1 emissions; as well as the increased fuel consumption related to operational expansion. MPM will consistently monitor the Scope 1 emissions sources – diesel, MGO and AC filled freon gas going forward.



Scope 2 emissions have shown a gradual increase over the period, moving from 4,602.10 tCO<sub>2</sub>e in FY 2022 to 5,259.50 tCO<sub>2</sub>e in FY 2023, and further to 6,113.23 tCO<sub>2</sub>e in FY 2024. This rise is attributed to increased electricity usage across facilities, and the more accurate accounting from the global offices.

In FY 2024, the emission intensity rose to 0.14 tCO<sub>2</sub>e/\$'000, largely reflecting the increase in absolute emissions alongside a slight decrease in revenue. This underscores the need for further efficiency measures as the Group scales its operations.





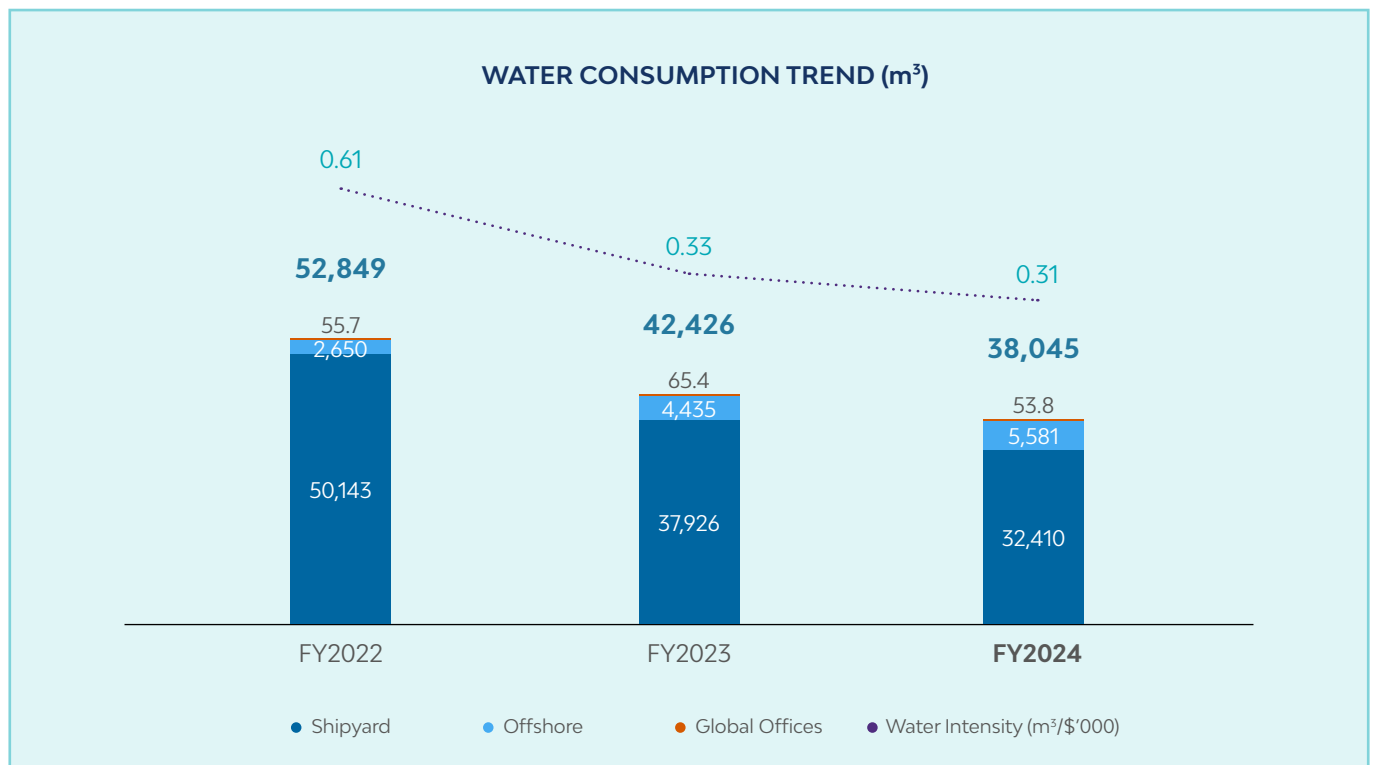
## Water Consumption

### *Cultivating Sustainable Water Practices*

The Group primarily utilises municipal water supplies across its operational locations, with a strong emphasis on conserving this invaluable and limited resource. There is minimal interaction with water resources across the value chain, underscoring efforts to reduce environmental impact in this area.

At its Batam facility, the Group has established a rainwater catchment pond with an approximate capacity of 3,500 m<sup>3</sup>, which serves as a source of water for ship hull cleaning. This initiative reduces the dependency on municipal supplies and minimise unnecessary water usage.

The total water consumption for the reporting period, based on monthly utility bills and excluding rainwater collected in the catchment pond, is presented below.



The Shipyard section remains the highest contributor to water consumption as last year. Over the past three fiscal years, the Company has made significant strides in reducing water consumption and improving water efficiency. In FY 2024, water consumption dropped to 38,045 m<sup>3</sup>, recording a reduction of 10.3% compared to FY 2023. Water intensity also saw a notable improvement, reaching 0.31 m<sup>3</sup> per \$'000, which is a 6% enhancement in efficiency from the previous year.

## Biodiversity

### *Sustaining Life On Planet*

With a profound respect for the ocean's role in sustaining life, the Company recognises that safeguarding marine biodiversity is essential to preserving the health of global ecosystems. As a key player in maritime operations, Marco Polo embraces its responsibility to protect marine environment and uphold the importance of oceans.

Reflecting this commitment, the Company introduced a No Shark Corporate Policy to eliminate support for shark-related products, underscoring a firm stance against practices that threaten endangered species. This policy, actively enforced by management, aims to eliminate the purchase or consumption of any shark-derived products within the Company facilities, reinforcing the dedication to sustainable and humane practices. Marco Polo is aware of the urgent need to protect dwindling shark populations and is resolved to address this challenge by committing to alternative, sustainable practices.

In FY2024, the Group implemented nature conservation initiatives across its global offices, including beach clean-ups, tree planting, and wetland conservation activities. For further details, please refer to the Corporate Social Responsibility section.

In addition, the Company is preparing to design to raise awareness of the importance of marine biodiversity and inspire collective action. Through these steps, the Company aims to strengthen its role in ecological stewardship, protecting vital marine resources for generations to come.

## Air Quality

Air pollution remains one of the most significant environmental threats to global health, contributing to around seven million premature deaths annually, according to the World Health Organisation (WHO). Addressing air pollution can complement climate change mitigation efforts, as reducing harmful emissions directly enhances air quality.

Marco Polo recognises the importance of minimising sulphur dioxide emissions from its vessels. Although responsibility for supplying fuel rests with the charterers, the Group actively ensures that fuel used in its vessels is compliant with global and regional regulations to protect both human health and the environment. The offshore division provides time and bareboat charters, and the Company had implemented strict measures to minimise sulphur emissions, particularly by ensuring the use of marine gas oil (MGO) with a lower sulphur content.

In line with international maritime fuel standards, the Group's Charter Party Agreement (CPA) stipulates that charterers must use fuel oil with sulphur content not exceeding the maximum limit set by ISO 8127:2017, which aligns with the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI. These standards are crucial to reducing air pollution from ships and preventing adverse health impacts.

In addition, the Singapore government, as part of the Green Ship Program, has set ambitious guidelines to reduce shipping emissions. It is encouraging the use of alternative low-sulphur and bio-based fuels and advocating for digital solutions to monitor and reduce the carbon footprint of vessels. The Singapore Maritime and Port Authority (MPA) is also exploring incentives for companies transitioning to greener vessels, including the use of LNG and biofuels, to reduce their environmental impact. These regulations reflect the increasing global consensus on the need for sustainable fuel solutions in maritime transport.

Marco Polo is aligned with these standards and has implemented a fuel strategy that includes using MGO with a 35% Fatty Acid Methyl Ester (FAME) content, as mandated by Indonesian regulations to reduce carbon emissions. This biofuel blend not only reduces sulphur emissions but also contributes to broader environmental goals by lowering carbon intensity in maritime operations.

To ensure continuous compliance, Marco Polo monitors fuel quality by requiring charterers to provide certification during bunkering. Additionally, fuel samples are retained and analysed by an independent laboratory to ensure that the fuel meets the required standards. This thorough process ensures that our vessels comply with the latest global and regional recommendations and regulations, including those established by IMO (International Maritime Organisation), the MPA (Maritime and Port Authority of Singapore), and the Indonesian government.

In the future, Marco Polo will continue to prioritise sustainable practices, ensuring that the vessels operate in full compliance with evolving emissions regulations to safeguard public health and contribute to global environmental goals.

## Environmental Compliance

*Committing to Regulatory Excellence*

All Marco Polo's operations, including Shipyard and Offshore division are aligned with ISO 14001 standards, providing a structured approach to strengthening environmental management practices. The Company undergoes annual recertification to ensure adherence to regulatory standards and to reinforce its commitment to continuous improvement. In addition, Marco Polo complies fully with MARPOL regulations, upholding responsible and sustainable operational practices. No instances of non-compliance with environmental laws were identified during the year, reflecting the Company's dedication to advancing environmental awareness across the Group and among key stakeholders.

### Approach to Climate Change related Risk and Opportunity

Marco Polo has taken significant steps in all four core elements of the TCFD framework towards managing climate change risks to its business. An overview of the Company's risk management is presented below:

#### Risk Management

Marco Polo recognises the critical importance of a robust risk management framework to navigate the complexities of climate-related risks. This approach is designed to proactively identify, assess, and mitigate risks while leveraging opportunities to enhance resilience and sustainability. The Board of Directors plays a pivotal role in overseeing and guiding risk management strategies, ensuring alignment with long-term objectives and stakeholder expectations.

The strategy begins with comprehensive risk mapping to identify potential climate-related risks across all operational areas, including acute and chronic physical risks, technology risks, reputation risks, market risks, and regulatory risks. Scenario analysis evaluates the potential impacts of different climate scenarios (1.5°C and 4°C) on operations, enabling preparation for various contingencies.

The Company, through its Board and executives, manages its risks and opportunities through its adoption of the Code of Corporate Governance 2018. Recognising risk management as a collective effort, the Group fosters a proactive approach that begins at the individual subsidiary and business units levels, followed by the operating segments and ultimately the Management and the Board, working as a team.

A self-assessment process, conducted regularly by the Management, was introduced to ensure that the Group's risk management controls are effective. Market trends and regulatory developments are closely monitored to ensure compliance and capitalise on emerging opportunities, diversifying service offerings and exploring new markets aligned with a low-carbon future. Monitoring systems track climate-related risks and the effectiveness of mitigation strategies, including regular audits and performance reviews.

Transparent reporting to stakeholders is maintained through regular disclosures on climate risk management practices and progress, fostering trust and accountability. Continuous improvement is embedded in risk management practices, with feedback loops integrating lessons learned from past experiences and stakeholder feedback into strategies. A culture of innovation and adaptability is encouraged, ensuring that risk management practices evolve with changing climate conditions and technological advancements.

By embedding these practices into operations, Marco Polo aims to enhance resilience, ensure regulatory compliance, and maintain a positive reputation while contributing to a sustainable future. The active involvement of the Board and dedicated risk committees underscores the commitment to robust and effective climate risk management.

#### Time Horizons

Marco Polo has established short, medium, and long-term timeframes to identify climate risks and opportunities. In this process, the lifespan of the assets is considered, including ships and other land-based infrastructures, and the effects of climate-related issues over both the medium and long term.

The operational aspects of port facilities have also been considered, ensuring that the risk management strategies encompass the entire supply chain. By integrating these timeframes into the risk management process, Marco Polo will be able to anticipate and mitigate potential disruptions, ensuring the resilience and sustainability of the operations.

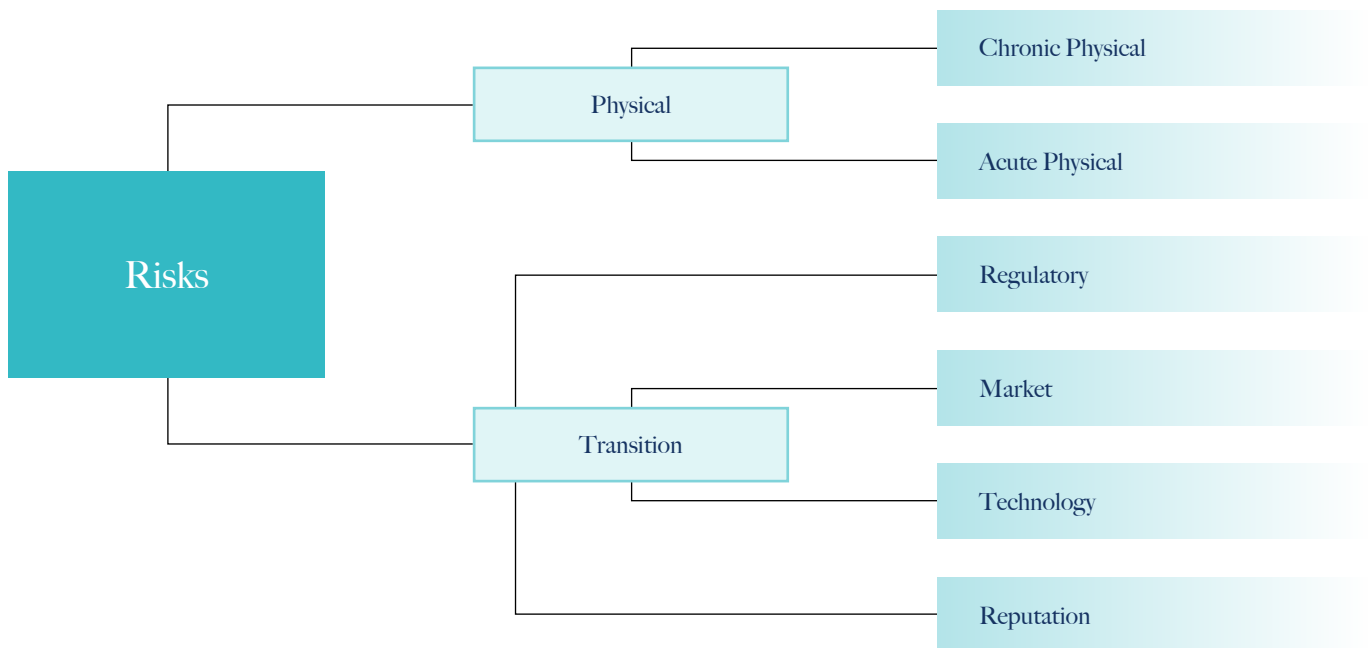
Time Frame	Time Span
Short Term	Within next 5 years
Medium Term	Current year till 2035
Long Term	2035 till 2050

## Identification of Climate - Related Risks and Opportunities

Climate risk assessment is a systematic process used to identify, evaluate, and manage the potential impacts of climate change on the Company. By conducting this process, Marco Polo can effectively identify and assess climate-related risks, that could impact its operations, financial performance, and strategic goals. This risk assessment enables the Company to develop strategies to mitigate negative impacts and leverage opportunities associated with a transitioning to low-carbon economy.

Similarly, opportunity assessment due to climate change is a strategic process that identifies and evaluates the potential benefits that climate change and related trends might offer. While climate change poses significant risks, it also presents opportunities for companies to innovate, adapt, and thrive in a changing environment. For Marco Polo, recognising and leveraging these opportunities is crucial for achieving sustainable growth, enhancing competitiveness, and meeting stakeholder expectations.

To identify climate-related risks and opportunities, the Company undertook a peer analysis. Peers were selected based on their operational similarities, geographic presence, sustainability focus, and their size and influence within the marine transport industry. These peers face analogous climate risks and opportunities, including regulatory changes, market dynamics, transitioning to lower emissions technologies, and physical risks from extreme weather events. By benchmarking against these peers, Marco Polo gained valuable insights into industry trends, best practices, and strategic approaches for mitigating climate risks and capitalising on opportunities.



Climate-related Risks identified for Marco Polo

Risk Type	Risk Components	Description	Likelihood
<b>PHYSICAL RISK</b>			
Acute Physical	As per IPCC, in a 4 °C world, acute weather events like cyclones, typhoons, and hurricane etc. will be more drastic and frequent than as compared to 1.5°C world.	Climate change-induced physical hazards, such as cyclones, typhoons, and hurricanes, pose significant risks to our fleet and infrastructure.  These events result in increased direct costs due to delays and disruptions. Additionally, the number of affected individuals rises, leading to higher injury rates and fatalities.  Furthermore, disruptions in port operations and supply chain functions leading to delay/failure in project completion pose a reputational risk as well.	Certain
Chronic Physical	With an increased trajectory in temperature, long term irreversible impacts like coastal erosion, sea level rise and changing temperature.  According to the IPCC, in a 4 °C world, there will be severe changes in overarching climate patterns, including an average rise in sea level of 11.81 inches by 2030 and a reduction in worldwide productivity and GDP growth.	Extreme weather conditions, either too hot or too cold, endanger the personal safety of crew members and cause instability in their emotional and psychological state. This leads to an increased turnover rate among employees, which in turn results in higher labour costs.  Increasing sea level poses a significant risk where delays in transportation and re-routing can lead to higher default costs and higher operating costs.	Certain
<b>TRANSITION RISK</b>			
Technology	Global climate policies and commitments have significantly accelerated the advancement of low-carbon technologies. Staying abreast of these innovations necessitates substantial resources for research and development, as well as comprehensive training to equip our team with the necessary expertise and skills to effectively manage these new technologies.	In case the Company would not continuously improve the emission performance of its fleet and invest significantly in new vessels that run on low-carbon fuels, this could cause most environmentally sensitive customers to change to other service providers. As a result, this would impact the revenue adversely.  Implementation of new technologies may cause an increase requirement for capital and operating costs, additionally, there may be an increased cost of upskilling existing workforce and employing new workforce.  An underlying risk against the backdrop of climate change is technological uncertainty, which happens when a technology doesn't perform as expected and is inefficient to provide solutions to combat climate change.	Likely

Risk Type	Risk Components	Description	Likelihood
Reputation	With the devastating impacts of climate changes drawing global attention, there is a plausible impact on the public perception and company reputation.	<p>Acute impact- Shipping as an industry is perceived to be high emitting and polluting as compared to other industries in general. There is a reputational risk involved to not meeting future environmental regulations. Several marine related incidences in recent years also indicated that shipping companies are faced with reputational risk upon the occurrence of pollution. With increased physical extreme events, there is a higher risk for these incidents.</p> <p>Chronic impact- Poor carbon intensity performance will result in bad reputation and might lead to loss of credibility among investors. Also, it might make it hard to attract capital as well as talent when needed.</p>	Certain
Market	The shift in customer expectations towards a low-carbon economy is accelerating the transition to alternative fuels and renewable energy sources, resulting in fuel price fluctuations.	<p>Marine fuel accounts for a considerable proportion of container liner industry using costs. International oil prices are vulnerable and affected by climate change, global situation, oil-producing country policies, and exchange rate fluctuations.</p> <p>With the market moving towards greener economies, change in the sentiments of capital providers towards financing the business-as-usual projects.</p>	Likely
Regulatory	The implementation of carbon-related policies and regulations and mandated on existing products and services such as the European Union Emissions Trading System (EU ETS) and the FuelEU Maritime Regulation.	<p>Both the EU and the IMO have clear ambitions to reduce GHG (greenhouse gas) emissions from ships. The EU announced in 2021 that it is going to include shipping into its ETS within the next couple of years. IMO has also reached consensus this year on putting a global price on carbon at IMO level, however level timing is still not defined.</p> <p>Inclusion of shipping into the EU ETS from 2023 or 2024 means a compliance cost to be paid for the CO<sub>2</sub> emissions which fall under the EU monitoring, reporting and verification system (EU-MRV).</p> <p>The revised IMO GHG Strategy outlines an enhanced common goal to achieve net-zero GHG emissions from international shipping by around 2050. Although the current Strategy does not include coastal vessels, several governments are already pursuing efforts to decarbonise their coastal maritime GHG emissions. In 2023, Singapore's Maritime and Port Authority (MPA) issued an expression of interest (EOI) seeking proposals for the design and promotion of fully electric harbour craft. This initiative aligns with the Singapore Ministry of Transport's requirement that, from 2030 onwards, all harbour craft operating in the Port of Singapore must be fully electric, run on B100 biofuel, or be compatible with net-zero fuels such as hydrogen.</p>	Certain

Climate-related Opportunities identified for Marco Polo

Opportunity Type	Opportunity Components	Description	Likelihood
Resource Efficiency	<p>There is increasing evidence and numerous examples of organisations that have successfully reduced operating costs by enhancing efficiency across their production and distribution processes, buildings, machinery, and transportation. These improvements are particularly notable in energy efficiency, as well as in the management of materials, water, and waste.</p>	<p>Adopting efficient transport modes can reduce fuel consumption, lower emissions, and cut operational costs, enhancing resource efficiency and supply chain resilience. Optimising cargo loading, using advanced hull coatings, streamlining logistics, and employing predictive maintenance further boost efficiency. Implemented EFMS (Electronic fuel monitoring system) to monitor real time usage of MGO onboard vessel.</p> <p>Reducing water usage with water-saving technologies and optimised practices cuts costs and enhances our environmental reputation. Energy-efficient technologies and renewable energy sources lower costs and increase resilience to resource shortages.</p> <p><b>Key impacts:</b></p> <ul style="list-style-type: none"> <li>• Annual cost savings from reduced fuel and electricity consumption.</li> <li>• Opportunities for cost-sharing and investments in low-carbon solutions with customers.</li> <li>• Leading the market in adopting new low-carbon technologies.</li> </ul> <p>These strategies drive cost savings, operational efficiency, and sustainability leadership.</p>	Likely



Opportunity Type	Opportunity Components	Description	Likelihood
Energy Source	The International Energy Agency (IEA) indicates that achieving global emission-reduction targets will require countries to significantly shift their energy generation towards low-emission alternatives, including wind, solar, wave, tidal, hydro, geothermal, nuclear, biofuels, and carbon capture and storage.	<p>The journey towards net zero emissions can be accelerated by adopting lower-emission, energy sources and alternative fuels across its fleet. By setting clear, near-term goals for reducing emissions in operations and terminals, the company can enhance sustainability, meet customer demand for eco-friendly transport and strengthen its competitive edge in the market.</p> <p>Along with the adoption, identification of policy incentives, such as tax breaks and subsidies for renewable energy adoption can open new opportunities for the Company while transitioning to clean energy sources. Such incentives can reduce operational costs and accelerate the company's shift towards sustainable energy solutions.</p>	Certain
Markets	Unlocking opportunities in new markets can diversify activities and better position for the transition to a lower-carbon economy.	<p>As global demand for a low-carbon economy increases, Marco Polo has proactively embraced new business opportunities within the renewable energy sector. This includes Marco Polo's strategic venture into offshore renewable projects.</p> <p>Entering these new markets not only positions us as a leader in low-carbon technology but also enhances our possibility for preferential rates on sustainability-linked loans and green financing from capital providers.</p>	Certain
Resilience	This entails developing adaptive capacities to respond to climate change, thereby better managing associated risks and capitalising on opportunities. This includes the ability to address both transition and physical risks. Opportunities encompass enhancing efficiency, designing innovative production processes, and creating new products.	<p>Participation in renewable energy programs and energy-efficient measures can lower operational costs, reduce carbon emissions, and enhance Marco Polo's reputation. This can attract eco-conscious clients and investors while improving overall operational efficiency. Building reputational capital, attract environmentally conscious clients, and enhance stakeholder relationships. This positive reputation can lead to increased market share, competitive advantage, and better talent attraction and retention.</p>	Likely

## Climate Scenario Analysis

Climate scenario analysis enables Marco Polo to gain insights into how physical and transition risks and opportunities from climate change might affect its business and operations over time. Although it does not predict the future, this analysis allows the Company to explore potential outcomes, the underlying assumptions, and the actions or events that could lead to these outcomes.

A key unknown within the context of the global climate transition is the degree of orderliness and the timing under which the transition will unfold. Marco Polo modelled the impact of several pathways and assumptions on its business using two GHG scenarios:

### RCP 2.6:

A low emissions scenario in line with limiting global temperature rise to 1.5°C.

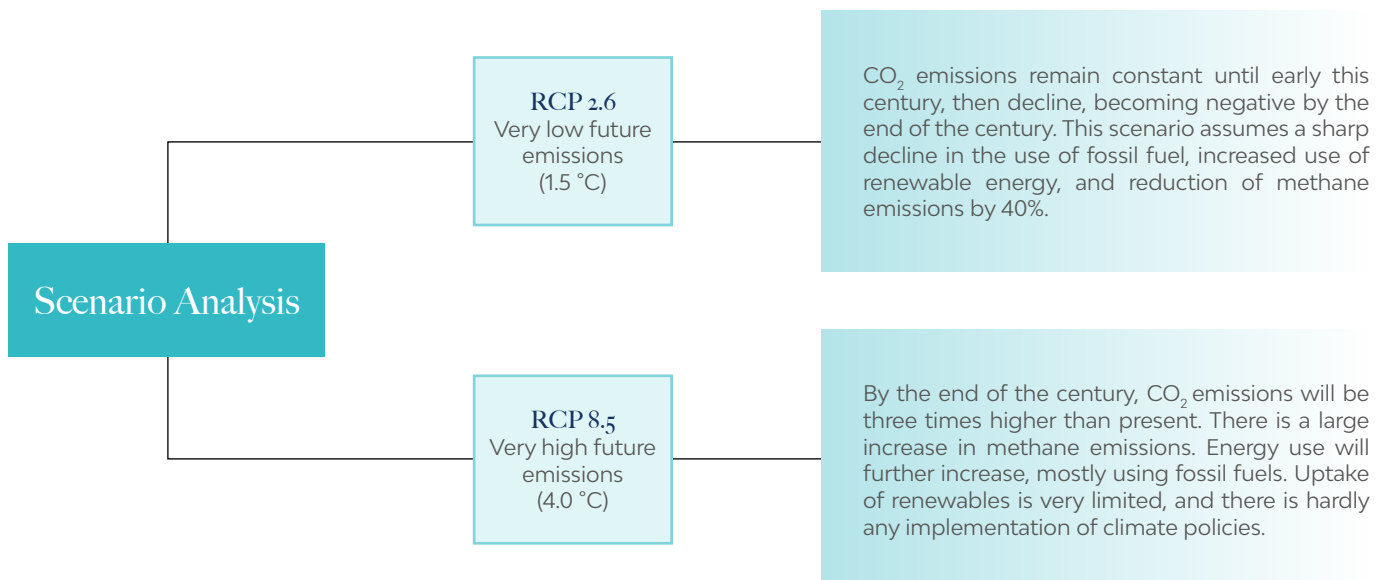
### RCP 8.5:

A high emissions scenario where temperatures rise by 4°C from pre-industrial levels.

The scenario modelling assumptions were sourced from Representative Concentration Pathways (RCP 2.6 and RCP 8.5). RCP scenarios are a set of scenarios created by the IPCC assuming the different outcomes of climate change depending on the performance of greenhouse gas emissions policies. It refers to the degree of influence force that changes the energy balance of greenhouse gases, etc.

### RCP Scenario - Projection Per Scenario

Scenario analysis (°C)	Scenario	CO <sub>2</sub> concentration in 2100	Projection of temperature rise from 2081 to 2100		Projection of sea-level rise from 2081 to 2100	
			Average	Range	Average	Range
1.5	RCP 2.6	421ppm	1.6°C	0.9~2.3 °C	0.49m	0.35~0.69m
4.0	RCP 8.5	936ppm	4.3°C	3.2~5.4 °C	0.89m	0.54~1.13m



To understand and connect the political, business, and social responses to climate change, as well as global carbon budgets, emissions pathways, and expected physical climate-related impacts, the climate analysis and scenarios were derived based on the following driving forces:

### Climate Scenario Analysis

Driving Forces	Low Emissions Scenario (In line with a 1.5 °C world)	High Emissions Scenario (In line with a 4.0 °C world)
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Sea level rise already occurring.</li> <li>• Changes in sea wave patterns</li> <li>• Extreme weather effects on infrastructure and communities</li> </ul>	<ul style="list-style-type: none"> <li>• Sea level rise worsening</li> <li>• Greater risks in absence of mitigation measures</li> <li>• Unpredictable sea wave patterns</li> <li>• Greater frequency and impacts of extreme weather</li> </ul>
<b>Political &amp; Legal</b>	<ul style="list-style-type: none"> <li>• International collaboration</li> <li>• Policies to support 'Net-Zero' transition.</li> <li>• Government incentives and collaboration on:               <ul style="list-style-type: none"> <li>- Carbon pricing</li> <li>- GHG legal frameworks and acts</li> <li>- Industry environmental standard</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Carbon pricing not broadly adopted or at a lower price.</li> <li>• Large differences across regions and countries on environmental standards and requirements</li> </ul>
<b>Technological</b>	<ul style="list-style-type: none"> <li>• Renewable and carbon-neutral fuel developments</li> <li>• Collaborations and investments increasing on CCUS (Carbon Capture, Utilisation and Storage) technologies and cross-sector CCUS adoption</li> </ul>	<ul style="list-style-type: none"> <li>• Process efficiency focus and slower shift towards best performing technologies.</li> <li>• Lack of collaboration</li> <li>• Increased costs of energy transition</li> <li>• Lack of funding to deploy CCUS on a large scale</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• GDP growth: between 1.5%-2.5% annually</li> <li>• Rapid transformation towards renewables and as a large part of energy systems</li> <li>• National energy transition plans in place</li> </ul>	<ul style="list-style-type: none"> <li>• GDP growth: between 1.3% - 2.3% annually</li> <li>• Slower transformation towards renewable</li> </ul>
<b>Reputation &amp; Social</b>	<ul style="list-style-type: none"> <li>• Stakeholder pressure for climate risk management</li> <li>• Trends in working age populations and customers concerned on company ESG performance</li> </ul>	<ul style="list-style-type: none"> <li>• Increased pressure and urgency placed on companies for action</li> <li>• Heightened working age populations and customers concerned on company ESG performance</li> </ul>

Outcome of Marco Polo Group's Climate Scenario Analysis

Risk Type	Description	Time Horizons	Low Emissions Scenario (1.5 °C)	High Emissions Scenario (4.0 °C)
<b>Acute Physical*</b>	Acute physical events like hazards, cyclones etc.	Medium to Long-term	Moderate impact as assets has resilience towards some hazards (learning from past experiences). With lower number of physical events as compared to a high emission scenario, the effect on chartering duration of vessels in affected regions will be moderate.	Increased operating expenses to maintain the port services and maintenance of assets due to extreme weather conditions.  Increased cost as higher physical events will affect the duration of vessels in affected regions.
<b>Chronic Physical*</b>	Coastal erosion, sea level rise and changing temperature.	Medium to Long-term	Moderate increase in port maintenance costs as well as site office operating cost if the locations are in close proximity to sea.  Changing temperature results in weather changes which affect the charter duration of vessels.	Heightened increase in operating costs like maintenance, and relocation. (especially for sites which are in close proximity).  Added burden of cost of adaption and increase in expenses as the charter duration of vessels increases in case of a high emission scenario.
<b>Technology**</b>	Transitioning to lower emissions technology and upskilling of human resources for new technology	Short to Medium-term	Surging capital costs to imbibe transitioning to lower emissions. Added operating costs of new operating procedures, upskilling/reskilling of human sources.  An underlying risk is capital investment risk, which happens if a technology doesn't perform as expected and thus pose a risk to invested capital.	Increased expenditure in new technologies gradual with no pressure to curb/contain emissions.  No requirements of new operating procedures and upskilling/reskilling follows the natural progression curve.
<b>Reputation***</b>	Increased stakeholder concern or negative stakeholder feedback	Short to Medium-term	Increased cost in aligning company operations with stakeholder expectations like lowering emissions, switching towards cleaner fuel etc.  A moderate impact on revenue as failing to transition to low emission would mean inhibiting from participation in market tenders.	The stakeholder concern largely centres on the profit aspects not that much on planet and people. Thus, moderate increase in cost of capital and operations. To remain competitive in the market, shipbuilding must adapt to B40 engines, as the government will mandate their use in the future.
	Public perception and company reputation	Medium to Long-term	Investments required in innovation and aligning public sentiment with the transition trajectory towards cleaner fuels.	Public perception largely defined by the operational efficiencies and return. But in a high emission scenario, with heightened climate hazards, increased operational cost as well as more probability of oceanic accidents.

Risk Type	Description	Time Horizons	Low Emissions Scenario (1.5 °C)	High Emissions Scenario (4.0 °C)
<b>Market**</b>	Changing customer and other stakeholder preferences like capital providers etc	Medium to Long-term	<p>Evolved customer/stakeholder preferences towards cleaner future and surge in fuel prices as subsidies to fossil fuel will go away thus a higher cost of operation.</p> <p>Because of supply chain disruptions there would be more lead time in securing parts and machinery thus causing delays.</p>	Moderate change in customer/stakeholder preference thus fossil fuel will be subsidised by state governments.
<b>Regulatory**</b>	Increasing environmental regulations and policies	Short to Medium-term	<p>Considerable increment in compliance cost with the new stringent environmental regulations and policies.</p>	Moderate increase in compliance with policy as usual scenario.

\* Time Horizons are considered from impacts realised in IPCC Assessment Report

\*\* Time Horizons are considered pertaining to the regional and geographical technological adoption

\*\*\* Time Horizons are considered pertaining to IMO time frame from a reputation risk perspective

**Legend**

- Minor impact to Marco Polo's current business activities
- Moderate impact to Marco Polo's current business activities
- Major impact to Marco Polo's current business activities

## RCP 2.6 (1.5°C Scenario)

This scenario aligns with the Paris Agreement's goals to keep global warming well below 2°C and strive to limit the temperature rise to 1.5°C. In this scenario, global governments collaborate on carbon regulations and policies, leading to higher GDP growth and a significant transition to renewable energy sources, alongside continued growth in energy demand. Various stakeholder groups show increased interest and make demands regarding climate change. There is extensive research and development in alternative energy, renewables, carbon removal, and rapid technological advancements in emissions reductions. Additionally, there is a growing adoption and awareness of evolving environmental regulations on carbon pricing and other legal frameworks, supported by climate action across industries.

### Climate-Related Risks under the 1.5°C Scenario

Marco Polo has undertaken a thorough scenario analysis to evaluate potential climate-related risks and impacts under the 1.5°C scenario, also known as the Low Emission Scenario. This scenario anticipates substantial global efforts to limit the rise in global temperatures to 1.5°C above pre-industrial levels. The analysis identifies various risks, categorised by type, with detailed descriptions, time horizons, and anticipated impacts.

#### Acute Physical Risks:

In the medium to long term, acute physical events such as hazards and cyclones are projected to have a moderate impact. While our assets have demonstrated resilience to some hazards due to past experiences, the expanding scale of our operations may increase vulnerability over time.

#### Chronic Physical Risks:

Chronic physical risks, including coastal erosion, sea level rise, and changing temperatures, are expected to moderately escalate port maintenance and relocation costs. These impacts will be particularly pronounced in the event of sea level rise and coastal erosion, especially for offices which are close proximity to sea. Changing temperature results in weather changes which affect the charter duration of vessels.

Singapore, being a low-lying island city-state, is especially vulnerable to sea level rise, with projections indicating a rise of up to 1 meter by 2100<sup>1</sup>. This could significantly affect coastal infrastructure and necessitate substantial investments in coastal protection measures.

#### Technology Risks:

The transition to lower emissions technology and the upskilling of human resources presents significant challenges in the short to medium term. This transition will result in heightened capital expenditures and operating costs due to new procedures and the necessity for upskilling or reskilling our workforce. An underlying risk is capital investment risk, which happens if a technology doesn't perform as expected and thus pose a risk to invested capital.

#### Reputation Risks:

In the short to medium term, we anticipate increased stakeholder concern and potential negative feedback. Aligning our operations with stakeholder expectations, such as reducing emissions and transitioning to cleaner fuels, will incur additional costs. Moderate investments will be required to manage stakeholder expectations regarding our commitment to Planet-People-Profits. Furthermore, in the medium to long term, investments in innovation and aligning public sentiment with our transition towards cleaner fuels will be essential to maintaining a positive public perception and company reputation. Singapore's active participation in international climate agreements, such as the Paris Agreement, underscores the importance of maintaining a strong environmental reputation.

1 <https://www.nccs.gov.sg/singapores-climate-action/impact-of-climate-change-in-singapore>

**Market Risks:**

In the medium to long term, evolving customer, and stakeholder preferences, including those of capital providers, will shift towards a cleaner future. This shift may result in reduced funding or increased interest rates for conventional business models.

**Regulatory Risks:**

Increasing environmental regulations and policies will lead to a significant rise in compliance costs in the short to medium term as we adapt to new stringent environmental standards. Singapore's commitment to reducing emissions includes implementing a carbon tax, which will increase from S\$5 per tonne of CO<sub>2</sub>e to S\$25 per tonne in 2024 and 2025, and further to S\$45 per tonne by 2026 and 2027<sup>2</sup>.

Operating coastal assets in Singapore is likely to be faced with more regulatory challenges as the Ministry of Transport and the MPA are taking decisive steps to develop various net-zero fuel<sup>3</sup> pathways in the Port of Singapore. MPA aims for the domestic harbour craft sector to achieve net-zero emissions by 2050 and will mandate that, from 2030 onwards, all new harbour craft operating in the port waters must be fully electric, capable of using B100 biofuels, or compatible with net-zero fuels. As a major bunkering hub, Singapore is also strengthening the ammonia, hydrogen, and methanol value chains to safely offer a range of fuel solutions for the international shipping industry.

**RCP 8.5 (4.0°C Scenario)**

Global climate action institutions are fragmented, with most countries not supporting the transition to net-zero. Increased competition for scarce resources drives inequality and slows the growth of renewables. The lack of concerted action delays technological progress towards effective solutions. New technologies to reduce greenhouse gases (GHG) and mitigate climate change effects are adopted at a slower pace. Additionally, there is a lack of information about future risks, with carbon prices increasing less rapidly and legal frameworks remaining unclear. Sea level rise worsens, accompanied by unpredictable wave patterns and more frequent extreme weather events.

**Climate-Related Risks under the 4°C Scenario**

Marco Polo have evaluated potential climate-related risks under the 4°C scenario, also known as the High Emission Scenario. This scenario anticipates minimal global efforts to limit the rise in global temperatures, resulting in a significant increase in climate-related impacts. The analysis identifies various risks, categorised by type, with detailed descriptions, time horizons, and anticipated impacts.

**Acute Physical Risks:**

In the medium to long term, acute physical events such as hazards and cyclones are expected to markedly increase operating expenses for maintaining port services and asset upkeep due to extreme weather conditions. Additionally, there will be heightened capital costs to deploy newer, more resilient, and robust assets. The intensification of extreme weather events, including more frequent and severe storms, heavy rainfall, and flash floods, will significantly impact infrastructure and operations, especially in Singapore and neighbouring countries<sup>4</sup>.

**Chronic Physical Risks:**

Chronic physical risks, including coastal erosion, sea level rise, and changing temperatures, are projected to substantially escalate operating costs related to maintenance and relocation. There will also be an added burden of adaptation costs and increased expenses due to rising labour costs and decreasing efficiencies caused by extreme climatic conditions. Singapore, being a low-lying island city-state, faces severe risks from sea level rise, which could reach up to 2 meters by 2,150 under high emission scenarios<sup>5</sup>. This would necessitate extensive investments in coastal defences and adaptation measures.

2 <https://www.mse.gov.sg/policies/climate-change>

3 <https://www.mot.gov.sg/what-we-do/green-transport/maritime-environment-responsibility>

4 <https://www.nccs.gov.sg/singapores-climate-action/impact-of-climate-change-in-singapore>

5 <https://www.nccs.gov.sg/singapores-climate-action/impact-of-climate-change-in-singapore>

**Technology Risks:**

In the short to medium term, transitioning to lower emissions technology and upskilling human resources will lead to increased expenditures on new technologies, albeit gradually, with no immediate pressure to curb emissions. The need for new operating procedures and upskilling or reskilling will follow a natural progression curve.

**Reputation Risks:**

In the short to medium term, stakeholder concerns will primarily focus on profit aspects rather than environmental and social impacts. This will result in a moderate increase in the cost of capital and operations to enhance service offerings or increase market share. In the medium to long term, public perception will be largely defined by operational efficiencies and returns. However, in a high emission scenario, heightened climate hazards will lead to increased operational costs and a higher probability of oceanic accidents, impacting the company’s reputation.

**Market Risks:**

In the medium to long term, under a high emission scenario, evolving customer, and stakeholder preferences, including those of capital providers, will drive a moderate increase in interest rates for conventional business models.

**Regulatory Risks:**

Increasing environmental regulations and policies will result in a moderate rise in compliance costs in the short to medium term, following a policy-as-usual scenario.

By understanding these risks, Marco Polo aims to develop robust strategies to mitigate the impacts and ensure sustainable operations in the face of climate change. This proactive approach will safeguard the assets and operations while enhancing the Company’s reputation as a responsible and forward-thinking marine freight Company.

## Key Metrics and Targets

As Marco Polo strengthens its commitment to sustainability, setting ESG targets and KPIs becomes critical in addressing a broader spectrum of environmental, social, and economic impacts. Such forward-thinking commitment solidifies Marco Polo’s reputation as a sustainability pioneer, attracting talent, clients, and strategic partners who prioritise responsible business operations. This enhances Marco Polo’s influence within the global maritime industry.

<p>Proactive Environmental Risk Management</p>	<p>KPIs can equip the Company to address critical environmental risks pertaining to resource availability and regulatory compliance.</p> <p>By establishing clear targets, the Company can anticipate challenges and align itself with evolving global sustainability standards.</p>
<p>Strengthened Social Commitment</p>	<p>By setting social KPIs, the Company can enhance workforce well-being, promote diversity, and engage with local communities. This will foster a culture of responsibility and build trust with employees, partners, and stakeholders, while ensuring accountability and continuous improvement.</p>
<p>Economic Competitiveness and Value Creation</p>	<p>Setting targets will enhance the Company’s operational efficiency, reducing costs through better resource management. This approach positions the Company as a sustainability leader, boosting its competitive advantage in the market. Moreover, it creates longterm value by attracting investors and partners who prioritise responsible and ethical business practices, strengthening sustainable growth and new business opportunities.</p>





### Driving Economic Value through Strategic KPIs

Marco Polo recognises that economic performance is a key pillar of sustainable business success. Beyond profitability, the Company is committed to enhancing customer satisfaction and promoting local economic development.

Enhance customer satisfaction	Support local economies
Tracking customer satisfaction enables the Company to continuously improve its services and build lasting relationships with clients.	Increasing the percentage of local spending contributes to regional economic development, strengthening Marco Polo's social impact.

### Economic Sustainability-KPIs and Targets

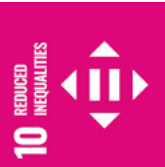

Material Topic	Priority	KPI	FY2024	Target (2030)	Initiatives to achieve target	Rationale for setting target
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE  Customer satisfaction	High	Customer satisfaction	86% (Average customer satisfaction score)	90%	<ul style="list-style-type: none"> <li>Implement a regular feedback mechanism to address customer concerns promptly.</li> <li>Strengthen strategic partnerships through proactive communication and support.</li> <li>Improve digital platforms to facilitate seamless interactions and offer clients more efficient solutions.</li> </ul>	A 4% increase is a moderate goal that reflects steady improvement. The initiatives focus on improving service quality, responsiveness and building stronger customer relationships, which directly contribute to satisfaction growth.
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION  Procurement practices	Medium	Percentage of local spending	Shipyard (100%) Offshore (79%) PKRO (85%)	>85% of local spending	<ul style="list-style-type: none"> <li>Expand supplier base in Indonesia and other regions.</li> <li>Evaluate supplier capacity.</li> <li>Develop volume-based contracts.</li> </ul>	Targeting >85% of local spending promotes balanced regional spending and strengthens Marco Polo's resilience through a more adaptable and resourceful procurement strategy.

### Enhancing Social Impact through Strategic KPIs

Marco Polo believes that strategic KPIs are essential for ensuring accountability and transparency. These indicators not only guarantee that social impact efforts are well-intentioned but also ensure they are effective and sustainable. The Company is committed to driving sustainable progress by setting and achieving targets in key areas such as gender ratio, turnover rate, training and volunteering hours, and maintaining zero fatalities and lost time injuries (LTI).



Enhance gender ratio	Decrease turnover rate	Increase training hours	Improve volunteering hours	Zero fatalities and LTI
<p>Marco Polo stands to gain immensely from a higher gender ratio. It makes room for diversity, driving innovation and improving employee satisfaction and retention. This also ensures compliance with legal requirements, contributing to a more equitable and successful organisation.</p>	<p>A low turnover rate as a KPI benefits Marco Polo by cutting recruitment expenses, retaining skilled employees, and ensuring organisational stability and productivity.</p>	<p>By setting high training hour targets, Marco Polo ensures consistent skill development, boosting productivity. Continuous improvement fosters high-quality standards and adaptability to new technologies, keeping the Company competitive and employees engaged.</p>	<p>As Marco Polo sets volunteering hour targets for employees, it not only enhances its corporate social responsibility profile but also strengthens community relations and improves the Company level reputation. This also enables employees to derive a sense of satisfaction from their contribution to social work, contributing to the enhancement of their overall well-being.</p>	<p>Setting Zero fatalities and Zero Lost Time Incidents (LTI) as KPIs significantly benefits Marco Polo. It improves employee morale and retention, as workers feel valued and safe, simultaneously reducing downtime. This is also crucial to cutting down on associated costs from workplace accidents</p>

Social Sustainability-KPIs and Targets



Material Topic	Priority	KPI	FY 2024	Target (2030)	Initiatives to achieve target	Rationale for setting target
 <b>10</b> REDUCED INEQUALITIES	Medium	Gender ratio: Permanent Employees (Female to Male)	Corporate (Singapore HQ + PKRO Office + PTBBR Office) 1:1	1:1	<ul style="list-style-type: none"> <li>Focus on introducing female friendly policies such as those pertaining to flexible work and menstrual leaves.</li> <li>Follow a targeted approach to inducting more females into the workforce, especially those with gap years due to childbirth.</li> </ul>	Maintaining a balanced gender ratio is crucial in today's corporate environment. In 2024, Marco Polo Marine's Corporate offices (including Singapore headquarters, PKRO and PTBBR offices) achieved a favourable female to male ratio of 1:1. Given this progress, maintaining a 1:1 gender ratio by 2030 would align with current trends and nurture inclusivity.
			Operations (Shipyard) 1:10	1:7	In the Shipyard division, enhancing the female workforce is a global challenge. To address this, Marco Polo can aim for a gender ratio of 1:7, a realistic target that reflects the organisation's commitment to gradually increasing female representation.	
 <b>8</b> DECENT WORK AND ECONOMIC GROWTH	Medium	Turnover rate <sup>6</sup>	21.66%	Annual turnover rate of <10%	<ul style="list-style-type: none"> <li>Improve employee engagement through Employee Resource Groups.</li> <li>Conduct a survey to understand employee expectations and introduce benefits/employee well-being programmes based on these.</li> </ul>	Marco Polo's turnover rate has seen fluctuations, ranging from 10% to 34%. However, post achieving a turnover rate of 9.6% in 2023, it should be feasible for Marco Polo to aim for a consistent yearly target of <10% through to 2030. Additionally, according to the Society for Human Resource Management (SHRM), it is ideal for companies to maintain a turnover rate of <10% <sup>7</sup> .

<sup>6</sup> Turnover rate calculated by dividing the number of resignations for each year by the total number of permanent employees for that year\*100. Temporary crew has been excluded as per this line in the SR 2023 - 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.

<sup>7</sup> <https://www.shrm.org/topics-tools/news/employee-relations/attrition-definition-types-causes-mitigation-tips>

Material Topic	Priority	KPI	FY 2024	Target (2030)	Initiatives to achieve target	Rationale for setting target
 <p><b>4</b> QUALITY EDUCATION</p> <p>Talent Attraction and Development Employee Welfare</p>	Medium	Training hours (Average hours per Permanent Employee)	5.40	15 average training hours per employee	<ul style="list-style-type: none"> <li>Offer incentives such as certificates, bonuses, or public recognition for employees who actively participate in training programs to boost morale.</li> <li>Collaborate with universities and educational institutes offering professional courses and incentivise such trainings through benefits such as sabbaticals.</li> </ul>	<p>Given the significant increase in average training hours per employee over the years, it is evident that Marco Polo is prioritising human capital development. We have also considered the training hours reported by peer companies in their 2023 reports, ranging from 14 hours to 78 hours per employee/person.</p> <p>This data suggests that Marco Polo is aligning well with its peers in prioritising training and development initiatives.</p> <p>For 2030, the Group can set a target of 15 hours per employee. This target is both realistic and aligned with industry and Marco Polo's growth trends, ensuring it is not overly ambitious while still promoting employee development.</p>
 <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Talent Attraction and Development Employee Welfare</p>	Medium	Volunteering hours (Average hours per Volunteered Employee)	5.82	10 volunteering hours per employee	<ul style="list-style-type: none"> <li>Conduct a poll or survey to identify employee interest areas and use the results to diversify initiatives to match these interests.</li> <li>Enhance the benefits of employee volunteering by providing incentives, such as paid time off for a certain number of volunteer hours dedicated.</li> </ul>	<p>The data from the National Giving Study published in 2023 by National Volunteer and Philanthropy Centre (NVPC) suggests that the median hours volunteered for Singapore is 9.43 per person<sup>8</sup>.</p> <p>Keeping this in mind, Marco Polo can aim to achieve 10 volunteering hours per employee by 2030. This is an achievable target and should not overburden employees.</p>

8 <https://nvpc.org.sg/wp-content/uploads/2024/06/NVPC-National-Giving-Study-2023.pdf>



Material Topic	Priority	KPI	FY 2024	Target (2030)	Initiatives to achieve target	Rationale for setting target
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p> <p>Occupational Health and Safety &amp; Security at Sea</p>	High	Fatalities	0	Zero Fatalities	<ul style="list-style-type: none"> <li>Conduct regular risk assessments to identify potential hazards and mitigate them proactively.</li> <li>Conduct regular and surprise safety audits to ensure compliance with safety requirements and protocols and verify that proper equipment is in place.</li> <li>Provide 24/7 medical services to employees and workers to ensure immediate care for any on-site injuries</li> </ul>	Marco Polo has achieved an impressive record of zero fatalities for three consecutive years. Given this track record, maintaining a yearly target of zero fatalities up to 2030 should be achievable for the Company, as it has consistently demonstrated its commitment to safety over the past three years.
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p> <p>Occupational Health and Safety &amp; Security at Sea</p>	High	Lost Time Incidents (LTI)	0	Zero LTIR	<ul style="list-style-type: none"> <li>Timely review of equipment being used to ensure safety at the workplace.</li> <li>Conduct regular risk assessments to identify potential hazards and mitigate them proactively.</li> <li>Regular and mandatory safety training to all employees to ensure awareness on best practices and emergency procedures.</li> </ul>	<p>Given that Marco Polo has successfully maintained systems and processes ensuring zero fatalities for the past three years and achieved an LTIR of 0 for 2024 maintaining zero LTIR should be quite manageable.</p> <p>The established safety protocols and commitment to a safe work environment provide a strong foundation for continuing this success with LTIR.</p>



### Advancing Sustainability through Environmental KPIs

For Marco Polo, environmental stewardship is not only essential for the well-being of the planet but also integral to its long-term operational success. Establishing precise environmental KPIs for energy efficiency, water conservation, recycling efforts, and regulatory compliance allows the Company to track progress, optimise performance, and actively contribute to a sustainable maritime industry. These efforts align with global environmental standards and reinforce Marco Polo’s leadership in responsible shipping.

Optimise energy efficiency	Conserve water resources	Increase recycling efforts	Ensure compliance and avoid fines
<p>Establishing KPIs for energy efficiency will enable Marco Polo to reduce energy consumption, lower costs, and decrease greenhouse gas emissions. By getting energy efficient, the Company aims to decarbonise operations, support sustainability goals, and enhance resilience against energy cost fluctuations.</p>	<p>Water conservation KPIs will guide the Company in using water more responsibly. Investments in water-saving technologies will minimise freshwater usage and reduce impact on local supplies, ensuring long-term water security and operational continuity.</p>	<p>Ambitious recycling KPIs will drive Marco Polo’s effort to maximise waste diversion. By enhancing recycling programs and collaborating with suppliers, the Company will support resource circularity, reduce environmental impact, and lessen dependency on raw materials, mitigating supply chain risks.</p>	<p>Compliance with environmental regulations is crucial for Marco Polo. KPIs to minimise fines, highlight proactive compliance and continuous monitoring. By adopting strict environmental management systems and regular audits, the Company aims to reduce legal risks, enhance its reputation, and avoid costly penalties.</p>

Advancing Sustainability through Environmental KPIs

Material Topic	Priority	KPI	FY 2024	Target (2030)	Initiatives to achieve target	Rationale for setting target
 <p>Energy management and emissions</p>	High	Energy Consumption (GJ) Intensity in GJ/\$'000)	135,574 (1.1)	<p>Fleet Operations: 10% mix of renewable energy sources</p>	<ul style="list-style-type: none"> <li>Integrate solar panels and explore partnerships with renewable energy providers.</li> <li>Improve operational energy efficiency.</li> <li>Implement energy monitoring systems.</li> </ul>	<p>Maintaining current energy consumption while increasing the renewable mix strengthens sustainability efforts with reduced carbon intensity.</p> <p>For that, fleet operations could align with IMO recommendations of 10% mix of renewable energy sources by 2030 to reduce GHG emissions and support sustainable shipping practices.</p> <p>Electricity is the primary energy source for corporate offices, and it is recommended to achieve a 20% reduction in electricity consumption by 2030.</p>
				<p>Corporate offices: 20% reduction in electricity consumption</p>		
 <p>Water and effluent</p>	Medium	Water (m <sup>3</sup> )	38,045	<p>26,632 m<sup>3</sup> by 2030 (5% annual reduction)</p>	<ul style="list-style-type: none"> <li>Implement advanced water recycling systems for ship maintenance and operations.</li> <li>Rainwater harvesting at operational sites.</li> <li>Install water-efficient equipment.</li> <li>Leak detection and repair programs.</li> <li>Employee engagement on water conservation</li> </ul>	<p>While water consumption decreased by 20% and 27% during FY 2022 and FY 2023, maintaining this pace to 2030 may not be feasible. High initial reductions are achievable with a higher baseline, but efficiency gains tend to slow over time. Hence a 5% annual reduction is a balanced, sustainable target that allows for steady improvement and gradual adoption of advanced water saving measures.</p>

Material Topic	Priority	KPI	FY 2024	Target (2030)	Initiatives to achieve target	Rationale for setting target
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Waste</p>	Medium	Recycling rate (%)	Shipyard: 15% Offshore: 40%	45% recycling rate	<ul style="list-style-type: none"> <li>Partner with local recycling companies to ensure efficient collection and processing of recyclable materials.</li> <li>Implement systems to return used materials to suppliers for recycling.</li> </ul>	Target considers the overall recycling rate in Singapore as of 2023 which excludes construction and demolition waste <sup>9</sup> .
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Environmental compliance</p>	Medium	Environmental fines and penalties	Zero	Maintaining zero non-compliance	<ul style="list-style-type: none"> <li>Regular audits and inspections to ensure adherence to environmental regulations.</li> <li>Continuous employee training on regulatory compliance and best practices.</li> <li>Proactive risk management and early identification of potential compliance issues.</li> <li>Implementing a digital tracking system for compliance requirements and deadlines.</li> <li>Collaboration with regulatory bodies for updates on evolving laws</li> </ul>	Maintaining a zero non-compliance record builds on Marco Polo's strong history of regulatory adherence. The target reflects the Company's ongoing commitment to operational excellence, risk management, and industry leadership.



# Chapter 5 - Empowering Communities: Social Sustainability

At Marco Polo, social sustainability is a key priority for operations. The well-being of employees, communities, and stakeholders has always been a moral imperative for the Group and there is a continuous endeavour to embed these values in every activity that is undertaken. This commitment aids Marco Polo in building a strong foundation for long-term success. By adhering to ethical practices, fair treatment, and active community engagement, the Group has cultivated a positive reputation that resonates with all its stakeholders. The Groups proactive efforts, such as equitable labour practices, community development initiatives, and transparent communication, further reinforce this trust. This way Marco Polo is able to steer its way with comfort and ease in the tides of change, building on the trust gained through reliable and consistent service.

By consistently delivering high-quality service and reliability, Marco Polo not only meets but exceeds stakeholder expectations. This dedication has earned the Group a loyal customer base and established it as a dependable partner in the marine industry. The tireless commitment to quality and reliability ensures that customers receive the best possible experience, making way for long-term relationships and positive word-of-mouth.

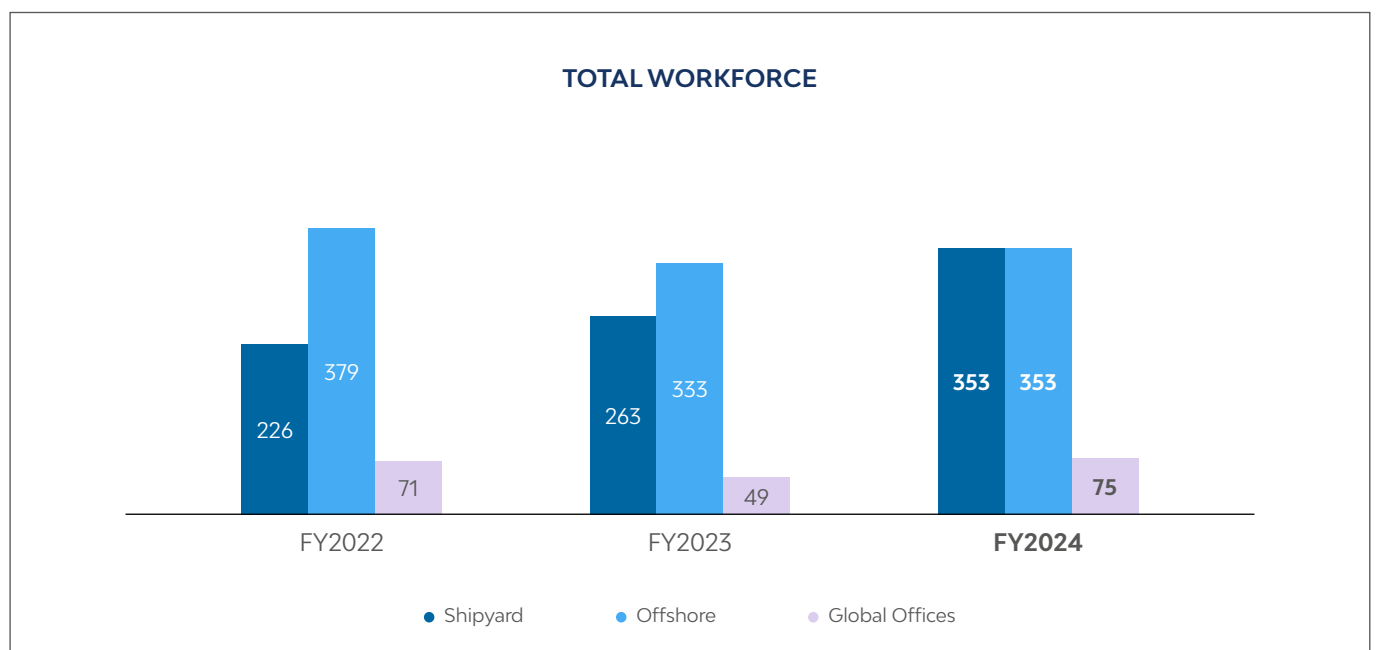
## Employment

### *Creating Meaningful Job Opportunities*

As a key player in the marine sector, Marco Polo has a significant opportunity to enhance meaningful job creation through strategic investments in areas like shipbuilding, maintenance, and repair services.

The Group's workforce currently consists of 781 individuals (2023: 645, 2022: 676), categorised by their respective functions. This includes the shipbuilding team at Marco Polo's Shipyard, the crew from offshore vessels, and the support staff based at Singapore Headquarters. As the organisation expands, its requirement for a diverse range of skilled professionals, including engineers, technicians, administrative staff, and logistics coordinators also increases.

The Group's workforce consists entirely of full-time employees, divided into those with permanent and temporary contracts. Employees at Singapore headquarters and within Marco Polo's Shipyard division hold permanent contracts. In contrast, the offshore division crew members have temporary contracts due to the nature of their work. These crew members are hired on six-month contracts as needed for specific projects.



### Bifurcation of Total Workforce into Permanent and Temporary Categories

Metric	FY2022	FY2023	FY2024
Permanent	221	177	180
Temporary/ Contract	455	468	601

In FY2024, crew members, also referred to as seafarers, accounted for approximately 45% of the total workforce, with employment structured on contractual terms to meet the specific demands of their roles.

### Seafarer Details

Gender	Age	Employment Category	
Male <b>351</b>	<30 <b>34</b>	Master <b>33</b>	Deck Rating <b>114</b>
Female <b>2</b>	30-50 <b>268</b>	Officer <b>54</b>	Deck Engine <b>43</b>
	>50 <b>51</b>	Engineer <b>89</b>	Others <b>20</b>
<b>Total Seafarers: 353</b>			

The seafarer workforce includes 34 individuals under the age of 30, while the largest segment falls within the 30 to 50 age range, comprising 268 workers. Additionally, there are 51 employees aged over 50, highlighting the Group's dedication to cultivating an inclusive environment that values contributions from all age demographics.

The shipyard is another operation characterised by a high reliance on contract-based staff, primarily hired on a project-by-project basis. In FY2024, approximately 1,625 subcontractors were engaged in shipyard operations, playing a critical role in supporting the successful execution of various projects. Their contributions have been integral to meeting project timelines, maintaining operational efficiency, and addressing the dynamic demands of shipbuilding and maintenance activities.

Recognising its pivotal role in the local economy as well, Marco Polo is committed to creating job opportunities that benefit the communities in which it operates. By actively engaging with local stakeholders and understanding regional needs, the organisation aims to tailor its workforce development initiatives. This includes not only hiring locally but also investing in training programs and apprenticeships that equip people with the necessary skills for these roles.

Through these efforts, Marco Polo not only drives its own growth but also contributes to the economic vitality of the region, fostering a sustainable future for both the Group and the community. By prioritising local talent and building a skilled workforce, Marco Polo is dedicated to making a lasting impact on job creation and economic development.

## A Diverse Workforce

### Embracing Inclusivity

Marco Polo's commitment to inclusive hiring practices has been instrumental in driving its success in the marine sector. By embracing diversity and ensuring equal opportunities for all, the Group has built a dynamic and innovative workforce. This inclusive approach has promoted a culture of collaboration and creativity, enabling it to tackle complex challenges with fresh perspectives. As a result, Marco Polo has not only enhanced its operational efficiency but also strengthened its reputation as a forward-thinking and socially responsible organisation. This dedication to inclusivity has allowed the Group to scale new heights, attracting top talent and enabling long-term growth and sustainability.

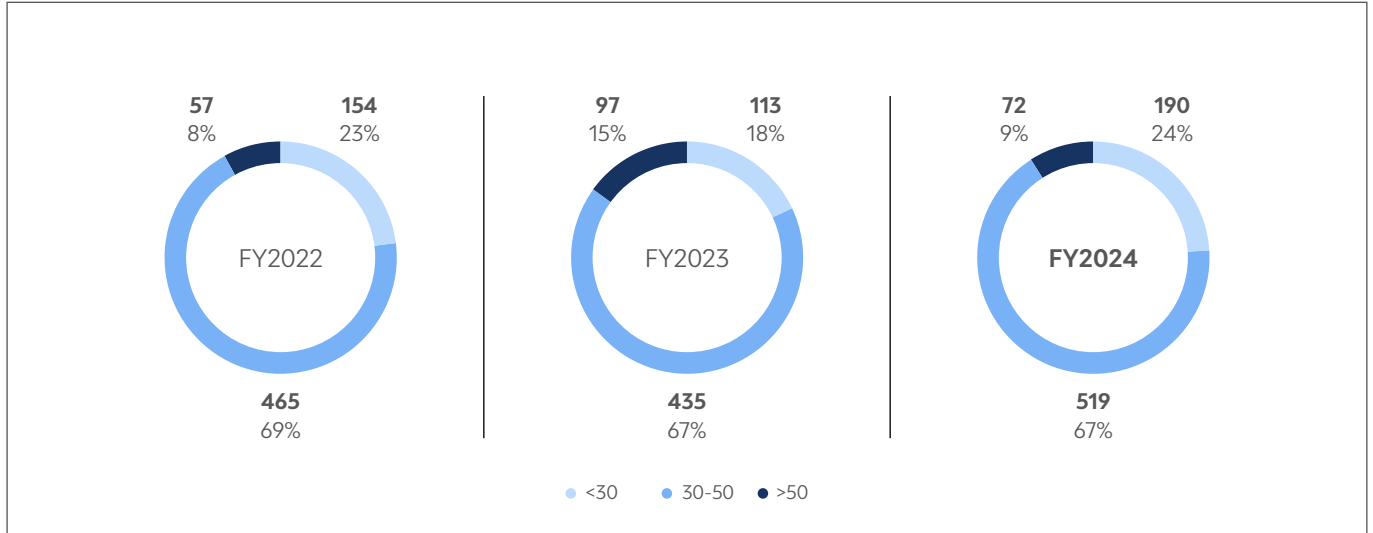
### Gender Diversity at Marco Polo



The gender gap observed is primarily attributed to the nature and requirements of certain roles, which typically demand a higher proportion of male employees, particularly in shipyard and offshore operational segments. To ensure transparency and fairness, the gender ratio has been analysed separately for corporate offices and operational roles and calculated exclusively based on permanent employees.

The Group's corporate offices demonstrate a balanced gender ratio, while operational roles in the shipyard remain predominantly male. Marco Polo is committed to fostering workplace gender diversity and actively working to enhance representation across various diversity groups.

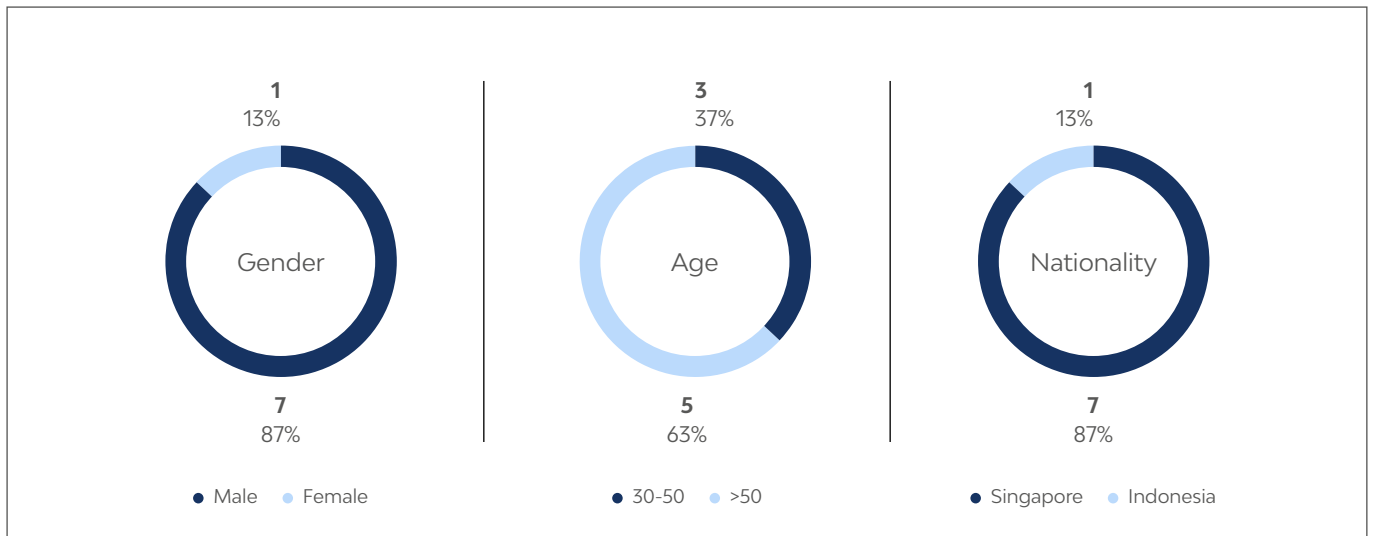
**Age Diversity at Marco Polo**



The majority of the Group’s employees fall within the 30 to 50 age range, reflecting the nature and demands of roles such as crew members and shipyard personnel, which often require a combination of physical endurance and technical expertise.

In FY2024, there has been a slight demographic shift, with an increased proportion of younger employees under the age of 30 joining the workforce, compared to FY2023. This trend highlights the Group’s efforts to attract and integrate younger talent, ensuring a sustainable pipeline of skilled professionals to meet the evolving needs of the industry.

**Board Diversity as per Gender and Age**



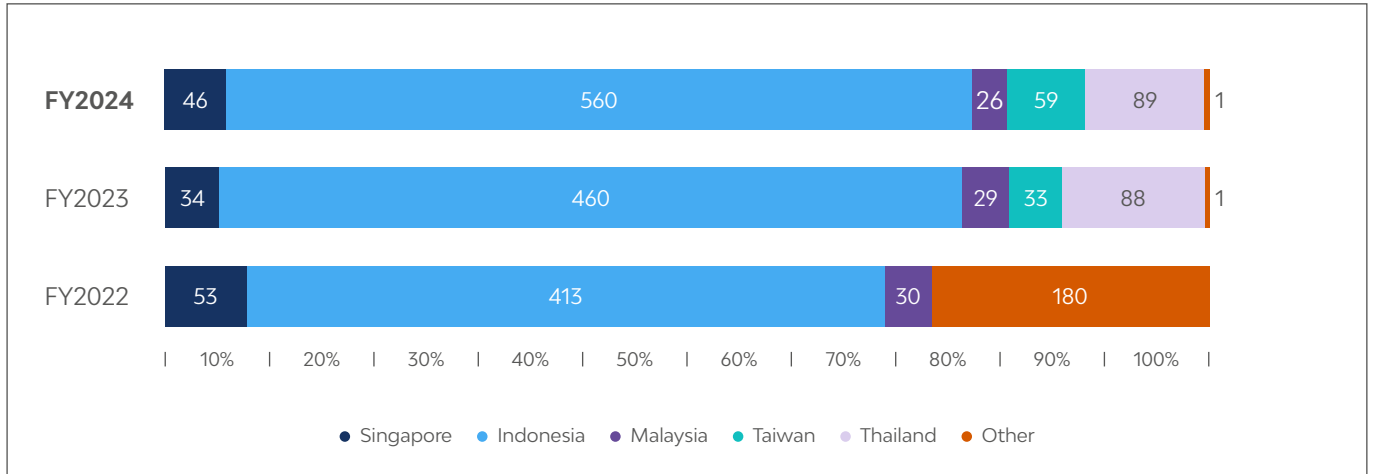
\* As of 31 December 2024

To ensure diversity within senior management, Marco Polo has implemented a Board Diversity policy. This initiative brings a wide range of perspectives and experiences, leading to more innovative and comprehensive decision-making processes. Additionally, Marco Polo recognises that diverse boards are better positioned to understand and address the needs of a global customer base, thereby enhancing the Group’s market reach and competitiveness. Consequently, the Group is committed to maintaining its Board diversity.

**Employee Diversity Metrics by Employee Category**

<b>FY2024</b>	<b>Global Offices</b>	<b>Shipyards</b>
<b>Total Workforce</b>	75	353
<b>Breakdown by employee category:</b>		
<b>(1) Directors</b>		
Male Employees	4	2
Female Employees	1	0
Employees aged < 30	0	0
Employees aged 30 - 50	4	0
Employees aged > 50	1	2
<b>(2) Senior Managerial Staff</b>		
Male Employees	8	1
Female Employees	2	0
Employees aged < 30	0	0
Employees aged 30 - 50	6	0
Employees aged > 50	4	1
<b>(3) Managerial Staff</b>		
Male Employees	20	21
Female Employees	9	2
Employees aged < 30	0	1
Employees aged 30 - 50	24	20
Employees aged > 50	5	2
<b>(4) Non-managerial Staff</b>		
Male Employees	10	306
Female Employees	21	21
Employees aged < 30	7	148
Employees aged 30 - 50	20	177
Employees aged > 50	4	2

**Employee Diversity as per Nationality**

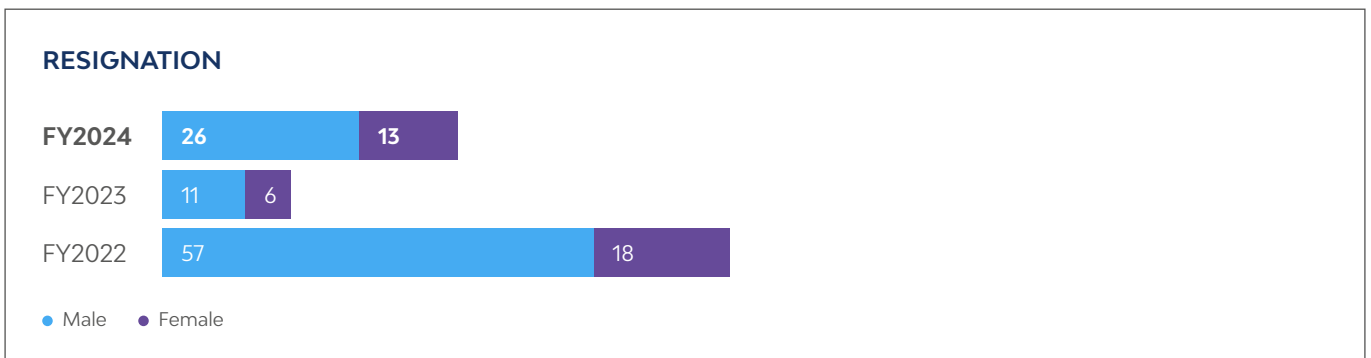
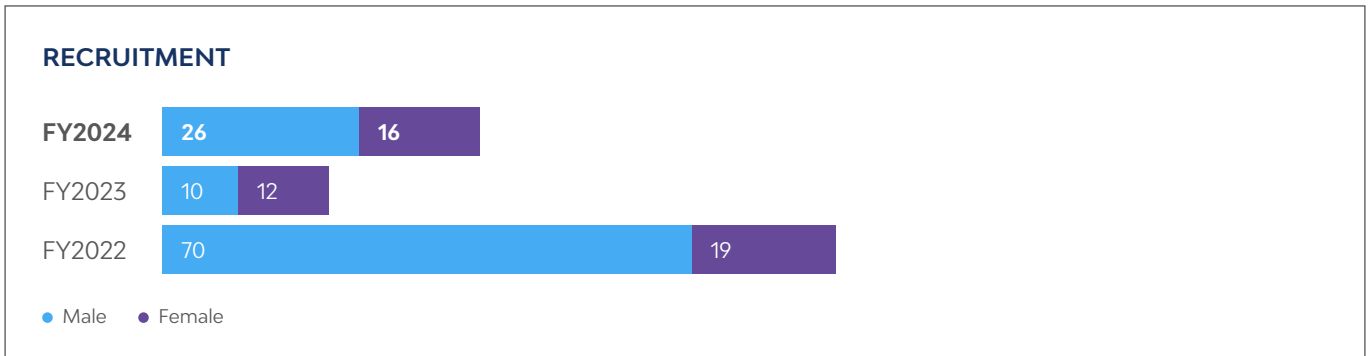


Marco Polo places a strong emphasis on diversity not only among its employees but also among its seafarers and workmen. The Group recognises that inclusivity is vital across all levels of its operations. A prime example of this commitment can be seen in the offshore business, which showcases a rich tapestry of regional diversity.

Marco Polo is committed to enhancing diversity not only in terms of gender but also across age and nationalities as well. The Group firmly believes that it is through a capable workforce that any organisation can progress and flourish and become resilient in the long run. A diverse and inclusive workforce forms the very basis of such an organisation. By tracking these figures regularly, Marco Polo is able to continue building a diverse, inclusive and multicultural environment.

As Marco Polo monitors its current employee diversity trends, it also places a strong emphasis on tracking hiring trends with a focus on diversity. This is crucial for the Group as it provides valuable insights into the effectiveness of its diversity and inclusion initiatives. By analysing these trends, Marco Polo is able to assess whether its recruitment strategies are attracting a diverse pool of candidates and identify any gaps that may exist in representation across different demographic groups.

In FY2024, Marco Polo's Singapore headquarters welcomed 19 new employees, consisting of 12 men and 7 women. Notably, 15 of these new hires were aged between 30 and 50, while 4 were over 50. In the Group's offshore business at PKRO, 5 new employees joined, including 2 men and 3 women, with 3 of them aged between 30 and 50 and the other 2 over 50. Meanwhile, the Shipyard business welcomed 18 new employees, reflecting a diverse mix of ages and genders.



\* For permanent employees only. Excluded the temporary crew in the calculation of new hires and turnover as they are hired for a short-term employment period and significant turnover of the temporary crew is expected every three months.

In addition to these hiring metrics, monitoring turnover rates is also key for cultivating an inclusive workplace. By analysing turnover data, Marco Polo can identify trends and potential disparities in employee retention among different demographic groups. This understanding allows the Group to implement targeted strategies aimed at enhancing job satisfaction and retention, ensuring that all employees feel valued and supported, regardless of their background. Such practices ultimately contribute to a more diverse, dynamic, and resilient workforce.

In FY2024, the turnover rate for the Group was approximately 21.66%. While the Singapore headquarters experienced 15 separations and the offshore business has 3, the Shipyard business reported a notable 21 separations, highlighting the need for focused attention on retention strategies to maintain a stable and inclusive work environment.

Through these efforts, Marco Polo not only enhances its operational effectiveness but also cultivates a workplace culture that celebrates diversity and inclusivity at every level.

## Fair Employment Practices

### *Nurturing Equity*

Marco Polo is committed to fair employment practices, ensuring equal treatment for all employees while adhering to local labour regulations, including minimum wage laws. In 2024, entry-level employees at the Group's Batam Shipyard received the local minimum wage of IDR4.69 million, ensuring equitable compensation for all, irrespective of gender. This commitment forms the basis of the Group's dedication to fair labour practices and compliance with local regulations.

Marco Polo is committed to respecting all employees' rights to freely associate and engage in collective bargaining, ensuring that their voices are heard and valued within the organisation. In FY2024, the Group signed a Memorandum of Understanding (MOU) with the Shipbuilding and Marine Engineering Employees' Union (SMEEU). This partnership not only provide effective grievance handling support but also establish a Company Training Committee (CTC) to address industry transformation. The CTC will identify roles affected by disruption, introduce new opportunities, and design targeted training programs to equip employees with the skills needed to adapt and thrive in a changing industry landscape.

The Group also maintains strong partnerships with trade unions in Batam, holding annual meetings to discuss wages, benefits, and working conditions.

To support the Group staff's understanding of policies, Marco Polo also provides a comprehensive Staff Handbook, available for download on the Group internal portal. This resource offers detailed insights into relevant policies and expectations, promoting transparency and clarity within the organisation.

## Developing Employees

### *Fostering Growth and Development*

At Marco Polo, the belief in holistic employee development is deeply ingrained in the Group's ethos. Training and development are central to the employee experience at Marco Polo, empowering individuals to excel in their roles and progress in their careers. With this understanding, Marco Polo prioritises continuous learning and professional development, providing a variety of training programs and career advancement opportunities.

The Group has established an annual training system where department heads identify the specific training needs of their teams. This tailored approach ensures that each employee receives the support necessary for both career growth and skill enhancement. By fostering a culture of continuous improvement and professional advancement, Marco Polo is committed to nurturing its talent and driving the organisation forward.

The Group's Human Resources (HR) Director and HR Manager lead all training and development programmes, while the HR team drives the entire process. To ascertain employee training requirements, a training request form is circulated. Employees can apply for their preferred training by filling out a training request form. Once the form is completed, it is submitted to the HR department for approval and implementation. Furthermore, to assess the effectiveness of the training and development initiatives, evaluation forms are made available to employees.

### Training Data for 3 years

Metric	FY2022	FY2023	FY2024
Number of total hours trained	748	2,439	972
Number of courses	58	65	45
Average Training Hours Per Employee	1.11	3.78	5.40



All employees receive on-the-job training as part of their roles. This not only equips junior employees with the necessary skills but also enhances the leadership abilities of senior employees and managers. All directors are required to complete sustainability training certified by the Singapore Institute of Directors to enhance their understanding of sustainability issues.

Training for the crew is organised as needed, following the requirements set by the ship's charter. These sessions cover essential courses such as Rigging & Slings, Basic Offshore Safety Induction and Emergency Training. To reinforce these trainings, senior officers also conduct regular drills on board the vessels, ensuring that the crew stays well-versed in safety procedures.

This year, Marco Polo has organised a diverse array of training courses for both employees and workers. Leading the initiative, the Singapore headquarters conducted 30 training courses for its staff. Following suit, PKRO offered 3 courses, while PTBBR provided 9 courses for their personnel. The Shipyard business also contributed by hosting 5 training courses for employees.

This comprehensive approach underscores the Group's commitment to enhancing skills and knowledge across all levels of the organisation.

### Employee Engagement and Well-being

Besides training and development, looking after the well-being of employees is crucial to their development. By creating a supportive and inclusive work environment, Marco Polo aids collaboration and innovation. This year, a Recreational Committee has been established at Singapore Headquarter office with representatives from each internal department to organise various engagement events. These events are designed to strengthen staff relationships and promote team bonding. Additionally, Zumba and Yoga classes have been introduced to promote health and well-being among employees.

#### Zumba/ Yoga class photo



The Group's Singapore headquarters conducted a range of employee engagement activities this year to further employee engagement on an organisational level. These initiatives included celebrations such as the Chinese New Year Celebration and TGIF Celebration, as well as enriching experiences like the Company Trip to Vietnam, Hiking at Labrador Park, and a Bowling Tournament. These activities not only contributed to building a sense of community but also encouraged teamwork and relaxation among employees.

Company trip



Bowling tournament



CNY Celebration



**TGIF**



At PTBBR, the Group continued to invest in employee engagement to enhance employee engagement. One of the notable activities was a Company outing, which spanned three days and two nights. This event provided employees with an opportunity to unwind, bond, and build stronger relationships outside of the office setting.

**BBR Outing**



Incrementally, Marco Polo places significant emphasis on enhancing employee satisfaction and engagement across various locations.

By investing in the physical, mental, and emotional well-being of its workforce, the organisation ensures that employees are motivated, engaged, and well-prepared to contribute effectively to the organisational goals. This all-encompassing approach not only boosts individual performance but also strengthens the overall resilience and competitiveness of Marco Polo.

**Steps taken by Marco Polo to ensure holistic development of employees:**

- **Defined Responsibilities**  
Marco Polo allocates responsibility for implementing commitments across different levels by defining job descriptions at each level.
- **Integrated Commitment**  
The organisation integrates and implements commitments through team meetings, operational meetings, and management meetings.
- **Periodic Training**  
Employees receive periodic training to ensure the effective implementation of these commitments.

At Marco Polo, employee benefits extend to offering adequate parental leave. Recognising parenthood as a very special time for employees, parental leave provides them with the necessary time to bond with their new-born or newly adopted child without the stress of work obligations. This period is crucial for the physical and emotional well-being of both the parent and the child.

For employees, access to parental leave allows them to fully engage in the early stages of their child's life, cultivating a strong family bond and ensuring a smoother transition into parenthood. This support can significantly reduce stress and anxiety, leading to better mental health and overall job satisfaction upon their return to work.

From an organisational perspective, offering parental leave demonstrates a commitment to employee well-being and work-life balance. A supportive work environment is crucial for attracting and retaining top talent. By fostering a culture that values family, Marco Polo enhances employee loyalty and productivity, as employees who feel supported are more likely to be engaged and motivated.

By working towards a family-friendly work environment, Marco Polo builds a positive reputation, which is significant to achieving competitive advantage in today's job market. Overall, parental leave is a critical component of a comprehensive benefits package that supports both employees and the long-term success of Marco Polo Group.

### Employee Parental Leave Data

FY2024	Global Offices	MP Shipyard
Employees Entitled for Parental Leave:	75	353
Male	42	332
Female	33	21
Employees who took paternity leave:	2	0
Employees who took maternity leave:	2	0
Male: Return to Work Rate (Return to work after parental leave period)	100%	N/A
Female: Return to Work Rate (Return to work after parental leave period)	100%	N/A

The Group also offers employee benefits in the form of life and health insurance, disability and invalidity coverage, compassionate leave, retirement provision, stock ownership and pension coverage.

At Marco Polo, it is recognised that the benefits of a healthy workforce extend beyond the individual to the entire organisation. Reduced absenteeism, lower healthcare costs, and improved employee morale all contribute to a more resilient and sustainable business. The Group's investment in employee well-being is not just a cost but a strategic investment that yields significant returns in terms of performance, profitability, and long-term success.

Building a healthy, supportive, and engaging work environment is the foundation to Marco Polo's organisational strategy. By prioritising the well-being of the employees, Marco Polo not only enhances the lives of its employees but also drives its own success in the competitive business landscape.

Volunteering is critical to meaningfully engaging with the Group's employees. It provides them with an opportunity to step away from their regular work routine, develop personal skills, and contribute to the community. This not only brings about a sense of satisfaction but also boosts their morale. Marco Polo encourages all its employees to engage in volunteering activities by offering each staff member two days of volunteering leave per year. This allows employees the opportunity to participate in any volunteering activity of their choice, nurturing a culture of community involvement and social responsibility. This year, the Group recorded an average of 5.82 volunteering hours per participating employee. This participation accounted for approximately 40% of Marco Polo's permanent workforce, demonstrating Marco Polo's commitment to community service and enhancing employee engagement.

### Employee Volunteering Data

FY2024	Global Offices
Number of volunteering hours	419
Number of employees who volunteered	72

## Performance Appraisal and Career Development

### *Enhancing Employee Careers*

Performance appraisals are the heartbeat of organisational success and the lifeblood of employee career development. For Marco Polo, these appraisals are a beacon, illuminating strengths and areas that require improvement. They harmonise individual aspirations with the Group's vision, creating an atmosphere of unified effort. The insights gleaned from appraisals are invaluable, guiding decisions on promotions, compensation, and training with precision. Marco Polo strongly believes that by celebrating achievements and providing constructive feedback, appraisals elevate employee morale and engagement to new heights.

In the realm of career development, regular performance appraisals are pertinent since they provide a platform for employees to discuss their career aspirations with their respective managers. This open dialogue facilitates the alignment of employee personal goals with Marco Polo's objectives, creating a clear path for career progression. Moreover, by receiving structured feedback, employees are provided with a roadmap that guides their efforts to professional development. Targeted trainings based on employee skill assessments boost employee confidence, equipping them with new competencies that are crucial for their respective roles. Regular feedback and recognition act as a powerful motivator, inspiring Marco Polo's employees to strive for excellence. Similarly, clear expectations set through appraisals reduce ambiguity, nurturing job satisfaction and a sense of purpose.

At Marco Polo, all permanent employees undergo an annual performance review to evaluate their job performance and discuss their career aspirations. In contrast, the offshore crew, who are on contract, are assessed upon the completion of their employment contracts. The Group remains committed to continuously reviewing its performance appraisal and career development processes to determine if any additional initiatives or policies need to be introduced. This ongoing evaluation ensures that the organisation supports its employees effectively in their professional growth.

By weaving performance appraisals into the fabric of its management practices, Marco Polo not only enhances the Group's overall operational efficiency but also cultivates a sustainable and flourishing workplace.

## Community Engagement

*Nurturing a Culture of Community Well-being*

At Marco Polo, it is a belief that just as the tree depends on the nutrients and support from the soil to grow, an organisation thrives by engaging with the community it serves. It demonstrates that, as an organisation, Marco Polo is not just here to do business, but to be an integral part of the community's fabric. This mutual relationship cultivates goodwill, which further translates into customer loyalty, advocacy, and brand resilience. When the Group invests time, resources, and genuine effort into community initiatives, it nurtures a sense of shared purpose and collective growth. It is in this regard that community engagement forms an important aspect of Marco Polo's business conduct.

For FY2024, the organisation demonstrated a strong commitment to community engagement across various locations, ensuring that efforts in this direction were both impactful and far-reaching. At the Singapore headquarters, an investment was made in community-focused initiatives and these contributions benefitted approximately 150 individuals through activities such as beach cleaning, Volunteer Vietnam, and the Willing Heart Volunteer program.

### Beach cleaning



On January 22, 2024, approximately 37 volunteers from the Singapore Headquarters participated in a beach cleaning activity at Changi Beach, where collected around 150 kilograms of trash. The waste included microplastics, fragmented Styrofoam, ropes, and fishing nets washed ashore, often intertwined with natural debris. These pollutants pose significant risks to the ecosystem and the aesthetic quality of the coastal environment.

While this initiative represents a single day of efforts to maintain the cleanliness of the coast, it serves as a catalyst for fostering greater ecological responsibility within the maritime sector, emphasizing the importance of collective action in environmental preservation.

### Volunteer Vietnam



On July 4, 2024, Marco Polo Group partnered with Volunteer Vietnam to participate in a volunteer initiative at the Social Support Centre during a retreat in Da Nang, Vietnam. Approximately 47 volunteers took part in this meaningful effort, engaging in activities designed to bring joy to children and provide companionship to elderly residents. The volunteers also contributed by assisting with physiotherapy sessions and offering comfort and support to individuals within the disabled community. The experience had a profound impact on Marco Polo Group employees, leaving them deeply humbled by the opportunity to connect meaningfully with the local community in Da Nang.

### Willing Heart Volunteer



On June 13, 2024, seven volunteers demonstrated their dedication to serving the local community by utilizing their volunteer leave to participate in a meaningful initiative at Willing Hearts Singapore. The volunteers contributed to meal preparation for those in need, undertaking tasks such as preparing raw ingredients, cooking, and packaging. The streamlined process, supported by the volunteers, enabled the efficient production of large quantities of meals. On that day alone, approximately 1,000 meals were prepared and promptly delivered to beneficiaries.



At PKRO, the Group's dedicated efforts culminated in an investment and this amount was channelled into various environmental sustainability initiatives such as tree planting and wetland protection.

### PKRO Tree Planting and Wetland Conservation



On May 27, 2024, in collaboration with the Taiwan Environmental Information Association (TEIA), the PKR Offshore team collectively travelled from their Taipei and Taichung offices to participate in a tree-planting initiative in Budai, Chiayi. Trading laptops for spades and shovels, the team undertook this meaningful activity with enthusiasm and dedication. Despite the relatively cool weather, the team successfully planted all 40 trees, achieving a shared sense of accomplishment. Beyond meeting the day's targets, the experience deepened the team's appreciation for ecological conservation and underscored the importance of protecting global biodiversity.

In a similar manner, PTBBR saw an investment directly benefiting around 60 individuals. Activities here included the distribution of school supplies, sports equipment, and handicrafts, as well as beach cleaning and afforestation efforts.

### PTBBR School Supplies Distribution for Those in Need and Tree Planting Initiative



These efforts emphasise Marco Polo's dedication to not only contributing financially but also actively participating in the betterment of the communities it operates in. By focusing on both environmental and social initiatives, the Group aims to bring about positive change and promote sustainability within these communities.

## Occupational Health and Safety

### *Prioritising Well-being*

Marco Polo, as a forward-thinking organisation, believes that when employees feel valued and supported, they are more likely to go above and beyond in their roles, contributing to higher levels of innovation and efficiency. This positive work environment builds trust and collaboration, where employees feel empowered to share ideas and work together towards common goals.

By prioritising occupational health, Marco Polo reduces the risk of workplace injuries and illnesses, which can lead to costly downtime and decreased productivity. Proactive health and safety measures, such as ergonomic assessments, mental health support, and wellness programs, are crucial to mitigate workplace risks and ensure that employees can perform at their best. A safe workplace for all employees results in reduced absenteeism, lower healthcare costs, and improved employee morale, all contributing to a more resilient and sustainable business. Marco Polo's investment in employee well-being is not just a cost but a strategic investment that yields significant returns in terms of performance, profitability, and long-term success. It is for this reason that several health and safety policies have been implemented at the Group level to ensure health and well-being of all employees.

At Marco Polo's Singapore headquarters, employees are required to participate in biannual fire drills conducted by the building management. These drills ensure that everyone is familiar with emergency exit procedures and prepared for potential fire incidents. This practice is crucial for employee well-being, as it enhances their safety awareness and readiness, providing peace of mind in the workplace.

In the Group's Shipyard division, a monthly Safety Statistics Report Summary is prepared to record the total number of injuries. Adhering to government guidelines in both Singapore and Batam, this practice underscores Marco Polo's commitment to maintaining a safe working environment. Regular monitoring and reporting of safety statistics are vital for identifying risks and implementing preventive measures, thereby safeguarding the health and well-being of employees.

Marco Polo's Shipyard and PKRO undergo rigorous annual recertification process for the Occupational Health and Safety Management System (ISO 45001:2018). By adhering to these standards, the Group is able to identify and manage health and safety risks effectively, significantly reducing the likelihood of accidents. This commitment not only ensures a safer working environment but also enhances Marco Polo's overall performance in health and safety.

For Marco Polo's offshore operations, all shipping crew members undergo a "Pre-Joining Briefing," an induction program that covers safety policies as per the International Safety Management (ISM) Code, safe working environment protocols, and near-miss and incident reporting procedures. Compliance with the Maritime Labour Convention (MLC) ensures that the Group provides an open channel for feedback and complaints, promoting a peaceful and prompt resolution of issues. This compliance certifies that the Group meets the requirements of maritime labour conventions and national regulations, ensuring proper working and living conditions for Marco Polo's crew. Additionally, before each voyage, crew members participate in a mandatory Shipboard Familiarisation Tour, which covers the locations of safety equipment and escape routes. These measures are essential for the well-being of Marco Polo's employees, as they ensure a safe and supportive working environment, promoting a culture of safety and preparedness.

## Health and Safety Policies at Marco Polo Offshore Division

<p>Health, Safety, Security, Environment Protection &amp; Quality (HSSEQ) Policy</p>	<p>This policy aims to eliminate work-related injuries and illnesses and to achieve high standards of security and environmental protection. It aims to achieve zero incident of harm to people, damage to the environment, damage to the equipment and security incidents besides ascertaining satisfaction of client requirements.</p>
<p>Drug Alcohol and Substance Abuse Policy</p>	<p>This policy demonstrates the commitment to maintaining a safe workplace for all by implementing a system of zero tolerance for drugs, alcohol or any kind of substance misuse. Any employee or person on board Marco Polo's vessel is unauthorised from consuming, possessing, distributing, purchasing or selling any substance of misuse. The policy also states that unannounced testing or searches for drugs and alcohol on organisation-operated vehicles can also be conducted.</p>
<p>Journey Management Policy</p>	<p>This policy is aimed at enhancing occupational health and safety to achieve reduction in the number of incidents and injuries, reduction in the exposure to road hazards, ensuring driver competency and asset integrity.</p>
<p>Personal Protective Equipment Policy</p>	<p>This policy is in line with the HSSEQ Policy and aims to enhance overall safety at the workplace through the provision of proper protective equipment.</p>
<p>Stop Work Policy</p>	<p>In order to promote a safe environment, Marco Polo has implemented a policy mandating all employees, including contractor staff, to stop work immediately in case there is potential danger to the health and safety of employees and/or members of the public.</p>

At Marco Polo, the commitment to employee well-being goes beyond just meeting occupational health and safety standards. While the Group actively promotes physical health and safety, it equally values the mental health and overall well-being of its employees. To promote a supportive environment, Marco Polo makes efforts to create a culture that prioritises employee needs. This dedication not only enhances the workplace experience but also positions Marco Polo as an employer of choice, attracting top-tier professionals who resonate with the Group's mission and values.

## Safety Risk Assessment

### *Mitigating Workplace Hazards*

A safety risk assessment is essential to identify, manage, and control potential hazards, ensuring they remain within tolerable or negligible levels. Conducting regular safety risk assessments is pertinent to building a proactive safety culture within the organisation. By continuously identifying and mitigating potential hazards, Marco Polo's crew can anticipate and address risks before they escalate into serious incidents. This ongoing vigilance not only protects the crew and the vessel but also ensures compliance with international safety standards and regulations. Ultimately, a strong risk assessment process contributes to the overall efficiency and reliability of ship operations, promoting a safer and more productive working environment.

At Marco Polo, the process of conducting risk assessments is a crucial step taken before embarking on any new or non-routine tasks. These assessments not only identify potential hazards but also mandate crew training to ensure safe operations. This thorough approach extends to routine tasks as well, with regular reviews to keep safety measures up to date. All findings from these assessments are meticulously documented in the Risk Assessment Review Record. By enhancing the safety management skills of shipboard personnel through these assessments, Marco Polo works toward a safer working environment in its ship operations.

## OHS Performance

### *Measuring Safety Outcomes*

At Marco Polo, the guiding principle is to cultivate trust through dependable service, as also resonated in this year's report's theme. The Group is dedicated to upholding the highest standards of health and safety for all employees, employing a variety of mechanisms to ensure their well-being.

Marco Polo's overall Occupational Health and Safety (OHS) performance reflects the comprehensive measures that are implemented, the thorough assessments conducted, and the concerted efforts that are invested in maintaining a safe and healthy work environment. Work related injuries have reduced dramatically in comparison to 2023. Furthermore, there have been 0 high-consequence work-related injuries, reinforcing Marco Polo's dedication to ensuring a safe working environment for all employees.

**OHS Performance**

<b>FY2024</b>	<b>Shipyard</b>	<b>Offshore</b>
Total manhours	4,766,471	1,596,954
Recordable work-related injuries:		
(a) Fatalities	0	0
(b) Days away from work cases	0	0
(c) Medical treatment cases	1	0
(d) Restricted work cases	0	0
Recordable work-related injuries rate	0	0
Fatalities rate	0	0
High-consequence work-related injuries <i>(excluding fatalities)</i>	0	0
First aid cases	6	0
Near miss report	4	16
Fire incidents	0	1
Security incidents	0	1
Lost time incident rate (LTIR) <i>(Lost time incident / total man hours worked x 1,000,000)</i>	0	0

In the realm of near-miss reporting, which is a crucial aspect of the Group’s safety protocols, Marco Polo recorded 20 near-misses this year, a decrease from the previous year. At the Group’s Shipyard division, 6 first-aid cases have been recorded, however, the lost time incident rate and fatality rate (including those pertaining to work-related injuries) remained zero, reflecting the effectiveness of the safety measures in place. This data underscores the Group’s commitment to maintaining a safe working environment.

Overall, the Group’s social performance highlights its commitment to social metrics within the wide umbrella of sustainability. Marco Polo continues to advance and explore new areas in its social initiatives. Through consistent efforts, the Group aims to achieve even greater results and enhance its overall sustainability outcomes. By prioritising social responsibility, Marco Polo aims to not only benefit its employees and communities but also sets a benchmark for industry standards.

# Annexure I - GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	Chapter 1 – About Us; Sustainable Operations across Marine and Shipyard Value Chain
	2-2 Entities included in the organisation’s sustainability reporting	Chapter 1 – Reporting Boundary
	2-3 Reporting period, frequency and contact point	Chapter 1 – A Comprehensive Overview of the Report
	2-4 Restatements of information	Restatement of Information is disclosed at relevant sections where applicable
	2-5 External assurance	Chapter 1 – About Us; Sustainable Operations across Marine and Shipyard Value Chain
	2-6 Activities, value chain and other business relationships	Chapter 1 – About Us; Moving Responsibly towards a Greener Tomorrow, Sustainable Operations across Marine and Shipyard Value Chain
	2-7 Employees	Chapter 5 – Employment – Creating Meaningful Job Opportunities; A Diverse Workforce: Embracing Inclusivity
	2-8 Workers who are not employees	Chapter 5 – Employment – Creating Meaningful Job Opportunities
	2-9 Governance structure and composition	Chapter 2 – Corporate Governance Structure; Marco Polo’s Board and Board Committees – Leadership and Oversight
	2-10 Nomination and selection of the highest governance body	Chapter 2 – Marco Polo’s Board and Board Committees – Leadership and Oversight
	2-11 Chair of the highest governance body	Chapter 2 – Marco Polo’s Board and Board Committees – Leadership and Oversight
	2-12 Role of the highest governance body in overseeing the management of impacts	Chapter 2 – Board’s Roles and Responsibility for Climate Related Risks and Opportunities
	2-13 Delegation of responsibility for managing impacts	Chapter 2 – Board’s Roles and Responsibility for Climate Related Risks and Opportunities
	2-14 Role of the highest governance body in sustainability reporting	Chapter 2 – Board’s Roles and Responsibility for Climate Related Risks and Opportunities
	2-15 Conflicts of interest	Annual Report
	2-16 Communication of critical concerns	Chapter 1: Materiality Assessment
	2-17 Collective knowledge of the highest governance body	Annual Report
	2-18 Evaluation of the performance of the highest governance body	Annual Report
	2-19 Remuneration policies	Annual Report
	2-20 Process to determine remuneration	Annual Report
	2-21 Annual total compensation ratio	Confidentiality Constraints
	2-22 Statement on sustainable development strategy	CEO’s Message
	2-23 Policy commitments	Chapter 2: Ethical Practices – Guiding Principles for Conduct;
	2-24 Embedding policy commitments	Chapter 2: Enterprise Risk Management; Chapter 5: Developing Employees – Fostering Growth and Development

GRI STANDARD	DISCLOSURE	LOCATION
	2-25 Processes to remediate negative impacts	Chapter 2: Ethical Practices – Guiding Principles for Conduct; Chapter 3: Economic Performance – Delivering Value and Growth; Chapter 5: Occupational Health and Safety – Prioritising Well-being
	2-26 Mechanisms for seeking advice and raising concerns	Chapter 2: Ethical Practices – Guiding Principles for Conduct; Chapter 3: Economic Performance – Delivering Value and Growth; Chapter 5: Occupational Health and Safety – Prioritising Well-being
	2-27 Compliance with laws and regulations	Chapter 2: Accountability, Transparency and Integrity
	2-28 Membership associations	Marco Polo is a member of Singapore Shipping Association (SSA) since 2010 and Association of Singapore Marine and Offshore Energy Industries (ASMI) member since 2022.
	2-29 Approach to stakeholder engagement	Chapter 1: Stakeholder Engagement
	2-30 Collective bargaining agreements	Chapter 5: Fair Employment Practices
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Chapter 1: Materiality Assessment
	3-2 List of material topics	
	3-3 Management of material topics	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Chapter 3: Economic Performance – Delivering Value and Growth
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter 4: Approach to Climate Change related Risk and Opportunity
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Chapter 5: Fair Employment Practices -nurturing equity
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Chapter 3: Economic Performance – Delivering Value and Growth
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Chapter 3: Promoting Ethical and Local Procurement – Strengthening Local Economies
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	Chapter 2: Accountability, Transparency and Integrity
	205-3 Confirmed incidents of corruption and actions taken	Chapter 2: Accountability, Transparency and Integrity
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Chapter 4: Material Management-Efficient Resource Utilisation
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	Chapter 4: Energy Consumption - Optimising Energy Use
	302-3 Energy intensity	Chapter 4: Energy Consumption - Optimising Energy Use
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Chapter 4: Water Consumption – Cultivating Sustainable Water Practices; Management of Water Discharge-Related Impact

GRI STANDARD	DISCLOSURE	LOCATION
	303-2 Management of water discharge-related impacts	Chapter 4: Management of Water Discharge-Related Impact
	303-3 Water withdrawal	Chapter 4: Water Consumption – Cultivating Sustainable Water Practices
	303-4 Water discharge	Chapter 4: Management of Water Discharge-Related Impact - Protecting Waterways
	303-5 Water consumption	Chapter 4: Water Consumption – Cultivating Sustainable Water Practices; Management of Water Discharge-Related Impact - Protecting Waterways
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Chapter 4: Biodiversity - Sustaining Life on Planet
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Chapter 4: Emission Profile - Reducing Carbon Footprint
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter 4: Emission Profile - Reducing Carbon Footprint
	305-4 GHG emissions intensity	Chapter 4: Emission Profile - Reducing Carbon Footprint
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Chapter 4: Air Quality
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Chapter 4: Effluent and Waste - Minimising Waste Impact
	306-3 Waste generated	
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Chapter 3: Promoting Ethical and Local Procurement – Strengthening Local Economies
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Chapter 5: A Diverse Workforce: Embracing Inclusivity
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 3: Economic Performance – Delivering Value and Growth
	401-3 Parental leave	Chapter 5: Occupational Health and Safety – Prioritising Well-being
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Chapter 2: Accountability, Transparency, and Integrity  Chapter 5: Occupational Health and Safety – Prioritising Well-being
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 5: Safety Risk Assessment - Mitigating Workplace Hazards



GRI STANDARD	DISCLOSURE	LOCATION
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 5: Occupational Health and Safety – Prioritising Well-being; Safety Risk Assessment - Mitigating Workplace Hazards
	403-8 Workers covered by an occupational health and safety management system	Chapter 2: Accountability, Transparency and Integrity  Chapter 5: Occupational Health and Safety – Prioritising Well-being
	403-9 Work-related injuries	Chapter 5: OHS Performance – Measuring Safety Outcomes
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Chapter 5: Developing Employees - Fostering Growth and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Chapter 5: Developing Employees - Fostering Growth and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Chapter 5: Performance Appraisal and Career Development: Enhancing Employee Careers
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Chapter 5: A Diverse Workforce: Embracing Inclusivity
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Chapter 5: Fair Employment Practices - Nurturing Equity
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Chapter 5: Community Engagement – Nurturing a Culture of Community Well-being
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Chapter 3: Promoting Ethical and Local Procurement – Strengthening Local Economies
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	Chapter 2: Accountability, Transparency, and Integrity
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 2: Accountability, Transparency, and Integrity

# Annexure 2 - Taskforce on Climate-related Financial Disclosures (TCFD)

## Content Index

THEMATIC AREA	DETAILS OF THEMATIC AREA	RECOMMENDED DISCLOSURES	LOCATION
<b>Governance</b>	Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	Chapter 1: Board's Roles and Responsibility for Climate related Risks and Opportunities
		b) Describe management's role in assessing and managing climate related risks and opportunities.	Chapter 2: Marco Polo's Board and Board Committees – Leadership and Oversight
<b>Strategy</b>	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Chapter 4: Approach to Climate Change related Risk and Opportunity
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
<b>Risk</b>	Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate related risk	Chapter 4: Approach to Climate Change related Risk and Opportunity
		b) Describe the organisation's processes for managing climate related risks	
		c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.	
<b>Metrics and Targets</b>	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material	a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process	Chapter 4: Approach to Climate Change related Risk and Opportunity
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Chapter 4: Emission Profile - Reducing Carbon Footprint
		c) Describe the targets used by the organisation to manage risks and opportunities and performance against targets	Chapter 4: Key Metrics and Targets