



SUSTAINABILITY REPORT 2022

# *Investing in Sustainable Solutions*



# ABOUT THIS REPORT

'Investing in Sustainable Solutions' is the 2<sup>nd</sup> Sustainability Report of Pacific International Lines (Pte) Ltd (PIL), as part of our initiative to provide an overview and annual update on our on-going activities related to the environmental, social and governance aspects of our business.

The report covers our business activities from 1 January 2022 to 31 December 2022 for our global fleet and land-based operations in Singapore, unless otherwise stated in the report.

This report has been prepared with reference to the updated GRI Universal Standards 2021. The GRI Content Index can be found on page 41.

We understand the importance of listening to our stakeholders and welcome any comments, questions or suggestions to help us improve our sustainability performance. Please address all feedback via email to:

[PIL\\_Sustainability@sgp.pilship.com](mailto:PIL_Sustainability@sgp.pilship.com)

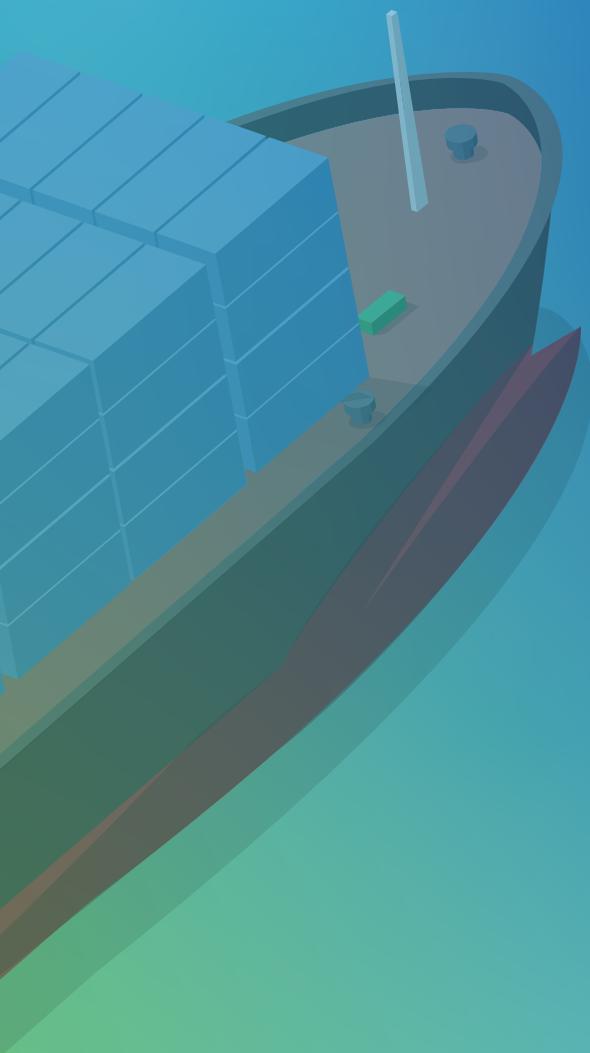
As part of our efforts to protect the environment, our reports will only be available in online versions and can be downloaded from PIL's website –

[pilship.com](http://pilship.com)



**PIL** LNG POWERED AND AMMONIA READY

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## MESSAGE FROM EXECUTIVE CHAIRMAN



### Dear Friends,

This is the second year which PIL is producing a Sustainability Report, and I am happy that we are progressing well and steadily in our sustainability journey.

In 2022, we welcomed and celebrated PIL's 55<sup>th</sup> anniversary, and we are indeed fortunate to be able to mark the year in a healthy financial position, thanks to the commitment and dedication of all PIL shore and sea colleagues in working our assets hard and safe to capture the strong market demand.

While driving our business growth, we continue to stay focused on pursuing our sustainability objectives by making a number of investments, in particular, our people. In 2022, we made important strides in positioning PIL as an employer of choice. This included the enhancement of our performance management process to achieve a merit-based rewards system. We also re-emphasised our commitment to nurturing and growing our employees, both on shore and at sea, through learning and development.

We also strived hard for PIL to achieve sustainability in all that we do – in our business operations, environmental impact, carbon footprint, financial structure, as well as community contributions.

These areas were given sharper focus at our Group Strategic Planning Retreat in July 2022 to deliberate and put in place our growth strategy.

Sustainability ranked high on our strategic agenda in 2022 and this will continue to be our priority in 2023 and beyond.

Meanwhile, through this 2<sup>nd</sup> sustainability report, we would like to provide you with an update on the progress which we have made in 2022 on our approach to environmental protection, social contribution and corporate governance.

I would like to take this opportunity to thank all our colleagues around the world for contributing to our sustainability efforts, and to all our customers, partners and friends for your strong support to enable PIL to continue progressing into a robust shipping line.

Yours sincerely

**SS Teo**  
*Executive Chairman*

## MESSAGE FROM CHIEF EXECUTIVE OFFICER



### Dear Friends,

With the momentum gained in 2021, 2022 was an exciting year for PIL as we took concrete steps forward in our sustainability journey. With the increasingly challenging global environment, we aim to build and develop PIL into an efficient, future ready, people focused and sustainable shipping line.

In the area of environmental protection, we have set the target of achieving net-zero carbon emissions by 2050, in alignment with the decarbonisation goals of the International Maritime Organisation (IMO). We will continually review this target and drive ourselves to do better as we move forward. We know it will not be an easy journey, but we are confident as we have the support of all colleagues, on shore and at sea, as well as our customers and partners.

To date, we have undertaken a number of key initiatives, these include investing in the necessary equipment and infrastructure – we have placed orders for 8 new LNG dual-fuel vessels equipped with ammonia intermediate ready fuel tanks. These tanks make it possible to retrofit the vessels to run on ammonia when the technology is commercially available.

We are also actively exploring the possibility of using biofuels as a drop-in fuel. We conducted a biofuel trial last year by using a blend of fatty acid methyl esters (FAME) and very low sulfur fuel oil (VLSFO). The results were encouraging.

In addition to vessel technologies, we are also looking at how we operate our vessels so as to optimise their efficiencies and hence reduce their carbon footprint. In 2022, we revamped our fleet monitoring function and upgraded it to a Centre for Maritime Efficiency (CME) which is equipped with a state-of-the-art digital system that houses all relevant operational data and applications in a single platform to facilitate comprehensive, centralised and efficient coordination.

We have also joined the World Shipping Council (WSC) as a member, and I represent PIL on the WSC board. This provides an important platform for us to participate in thoughtful discussions with our industry peers on key topics on sustainability including decarbonisation, safety and security.

Another key milestone for us in 2022 was becoming a signatory of the United Nations Global Compact (UNGC). This demonstrates our support and commitment to the principles of UNGC in the key areas of human rights, labour, environment and anti-corruption. 2022 also saw us taking a key step forward in people development. We have planted the seed of initiating our own PIL Academy by working with the Maritime and Port Authority of Singapore (MPA) and other industry partners to establish the Alliance for Future Maritime Talent (AFMT). The AFMT is aligned with our ongoing plan to adopt a more structured approach to meet the diverse needs for training and development within PIL, as we work to achieve our aim of inculcating a continuous learning mindset into our shore staff and seafarers which would propel PIL forward as a future ready organisation.

During the year, we also stepped up efforts to engage with and contribute to the communities in Singapore and around the world where we operate. The support which we receive from the local communities is key to our success as a container shipping line connecting key regions in the world.

Lastly and most importantly, we completed training sessions on the critical anti-bribery and anti-corruption policies as well as the competition compliance policies. We also developed the sustainable procurement policy to provide guidance to PIL's employees in ensuring we incorporate sustainable considerations when we procure goods and services.

Looking ahead, sustainability will continue to be our priority as we seek to drive connectivity to meet the needs of our customers and the market.

Yours sincerely

**Lars Kastrup**  
*Chief Executive Officer*

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# ABOUT PACIFIC INTERNATIONAL LINES (PIL)

## DRIVING CONNECTIVITY

Incorporated in 1967, PIL is ranked 12<sup>th</sup> among the world's top container shipping lines and we are also the largest home-grown carrier in Southeast Asia. From a modest ship-owner in Singapore, PIL has developed into a global carrier with a focus on China, Asia, Africa, Middle East, Latin America and Oceania.

Today, PIL serves customers at over 500 locations in more than 90 countries worldwide with a fleet of around 100 container and multi-purpose vessels.

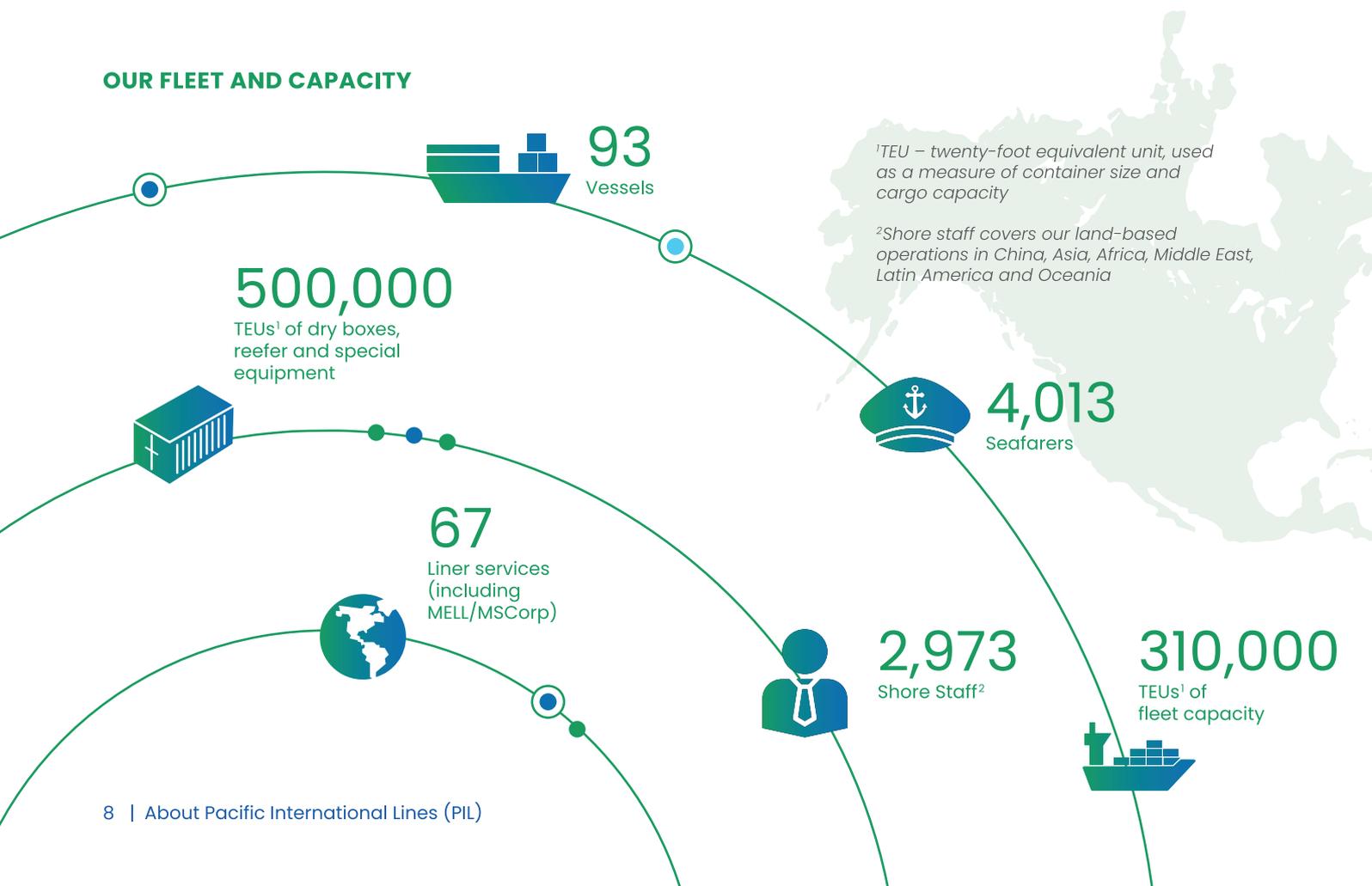
With our mission of "Driving Connectivity", we strive to build connections between businesses and the markets they serve. We aim to bridge the gaps across oceans through reliable, efficient, innovative,

and value-adding services. We are committed to developing stronger connections with our customers, partners and the communities in which we operate.

Apart from the core liner shipping business complemented by our affiliated companies Mariana Express Lines (MELL) and Malaysia Shipping Corporation (MSCorp), PIL also has several other business units such as container manufacturing, Singamas Container Holdings, and logistics services, PIL Logistics.

Looking ahead, we will continue to work to expand our reach and network for the benefit of our customers. Our goal is to grow further as a leading container shipping line, with sustainability and digitalisation as our key strategic focus.

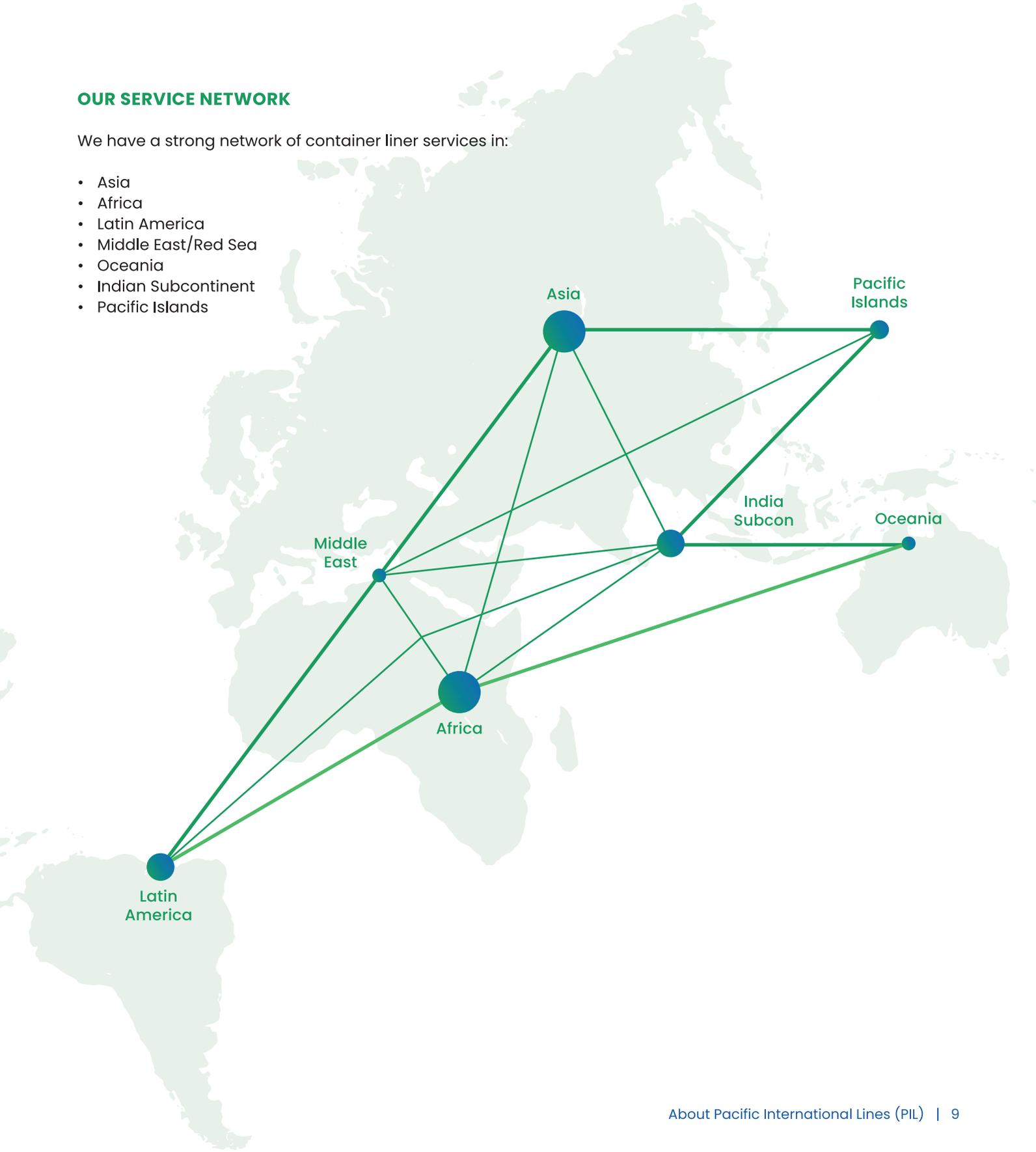
## OUR FLEET AND CAPACITY



**OUR SERVICE NETWORK**

We have a strong network of container liner services in:

- Asia
- Africa
- Latin America
- Middle East/Red Sea
- Oceania
- Indian Subcontinent
- Pacific Islands



## MATERIALITY ASSESSMENT

In 2021, we conducted our first materiality assessment with the goal of identifying the most significant sustainability topics that are pertinent to our business and our stakeholders.

We conducted a preliminary analysis by referring to literature guidance, such as the Maritime Sustainability Reporting Guide developed by the Maritime and Port Authority of Singapore (MPA), and other industry benchmarks. We then reviewed and prioritised the material topics with our management team.

We identified eight material topics as follows:

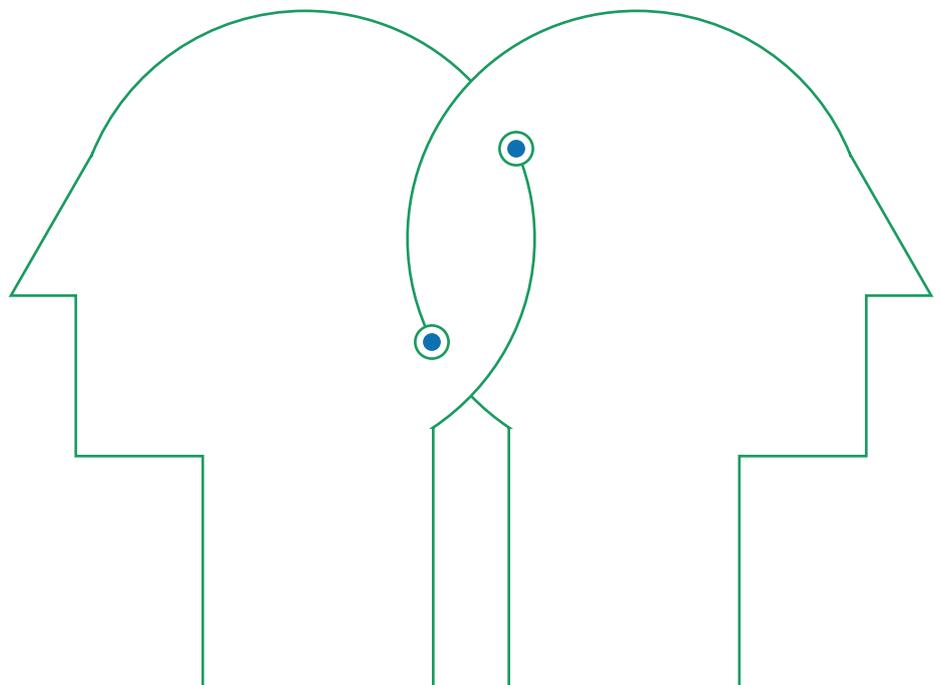
1. Decarbonisation and Alternative Fuels
2. Compliance with International Maritime Organisation (IMO) and National Regulations
3. Governance and Business Ethics
4. Local Community Engagement
5. Environmental Management System
6. Employee Wellbeing, Learning and Career Development
7. Workplace Health and Safety
8. Sustainable Procurement

Dedicated Sustainability Working Groups were established to diligently oversee each material topic.

Throughout 2022, the eight topics under the dedicated Sustainability Working Groups were adopted as our interim material topics. Looking ahead, we are committed to conducting a more comprehensive materiality assessment to further enhance our understanding of sustainability priorities. Additionally, we aim to strengthen our engagement with key stakeholder groups, recognising their valuable perspectives in shaping our sustainability initiatives.

The key stakeholder groups we have identified are:

1. Governments and port authorities
2. Investors
3. Customers
4. Business partners
5. Employees
6. Suppliers
7. Local communities



## OUR PILLARS OF SUSTAINABILITY

Since our incorporation in 1967, PIL has always strived to be a responsible member of the global shipping industry, by diligently providing quality sea transportation services to our customers, and taking good care of our employees and the communities where we operate in.

Focusing on sustainability, we have identified three main areas of priorities – Environmental Protection, Social Contributions and Corporate Governance.

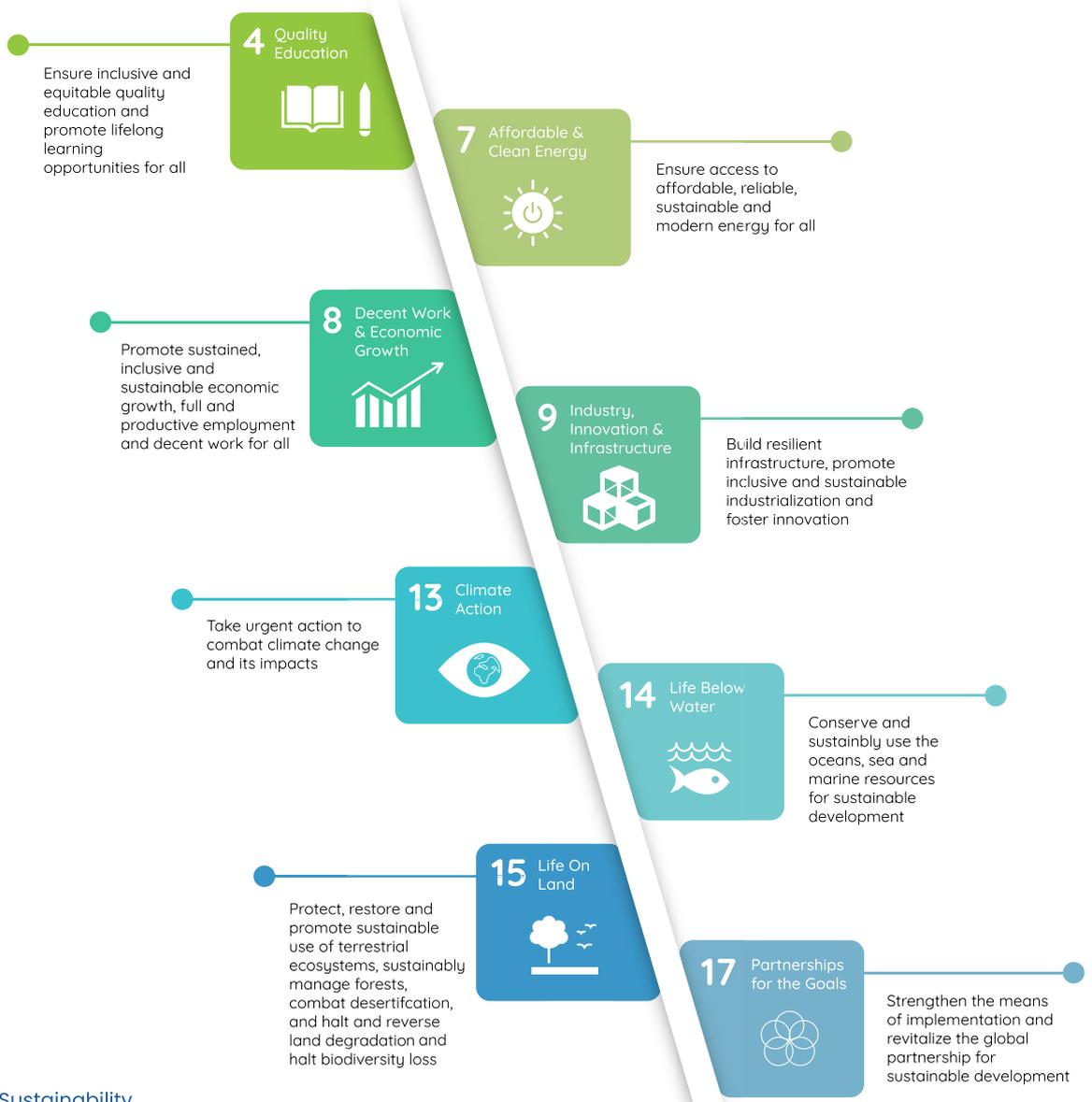
As we progress in our journey, we continue to strengthen our focus on these three areas to fulfil our aspirations to be a sustainable shipping line.

Sustainability Pillars	Material Topics	Our Approach
<b>Decarbonisation and Alternative Fuels</b>	<ul style="list-style-type: none"> <li>Decarbonisation and Alternative Fuels</li> <li>Environmental Management System</li> </ul>	<p>We recognise the urgency to significantly reduce our carbon footprint and protect the environment. We are currently pursuing a decarbonisation strategy for our fleet, and adopted various improvements to our vessels with the aim of making them more energy efficient and hence emit less greenhouse gases (GHG).</p> <p>Beyond our vessel operations, we are also stepping up environmental management of our land-based operations as well as our offices around the world. We seek to actively participate in and support environmental-related initiatives in the locations where we operate.</p>
<b>Social Contributions</b>	<ul style="list-style-type: none"> <li>Employee Wellbeing, Learning and Career Development</li> <li>Workplace Health and Safety</li> <li>Local Community Engagement</li> </ul>	<p>Since day one, PIL has been a shipping line which places utmost importance on people and relationships. To us, it is essential to focus on the health, safety, security and welfare of our employees, whether on shore or at sea.</p> <p>Amidst the competitive business landscape, upskilling our employees is of paramount importance. We provide a wide range of learning opportunities for our employees to ensure that PIL remains competitive.</p> <p>With a presence in over 500 locations in 90 countries around the world, we co-exist and interact with many local communities. We therefore strive hard to make meaningful contributions and a positive impact on the lives of our local community stakeholders.</p>

Sustainability Pillars	Material Topics	Our Approach
Corporate Governance	<ul style="list-style-type: none"> <li>Governance and Business Ethics</li> <li>Compliance with IMO and National Regulations</li> <li>Sustainable Procurement</li> </ul>	<p>We are first and foremost a commercial entity, and we understand that doing business with integrity and abiding by all applicable laws and regulations are expected of us. By adopting good corporate governance in every aspect of our business, we would earn the trust and respect of all our stakeholders and our communities.</p> <p>We continually incorporate sustainability considerations into our supplier procurement process and communicate this through our Supplier Code of Conduct and Supplier Procurement Policy.</p>

### COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS

We continue to work towards aligning with the eight United Nations Sustainable Development Goals (SDGs) which we have identified in 2021 as our targets.



## OUR BOARD OF DIRECTORS

The Board of PIL comprises a mix of executive, non-executive, and independent directors. With their wealth of experience and deep expertise, they collectively provide strong leadership and direction in the strategic vision and corporate governance of PIL.



Mr. Teo Siong Seng



Mr. Ng Kee Choe



Mr. Teo Chew Seng @  
Peter Chang



Mr. Chandra Das s/o  
Rajagopal Sitaram



Mr. Yap Chee Keong



Mr. Lim Ming Hui  
Andrew



Mr. Lars Christian  
Kastrup

### Board Composition

2022

Executive Directors	2
Non-Executive Directors	5
Of which are independent	4

## SUSTAINABILITY GOVERNANCE

In October 2021, we formalised our sustainability governance to enable us to have a coordinated oversight in the management of our businesses and operations around the world with a focus on sustainability. Our objective is to embed sustainable practices in all our operations and business processes.

The Sustainability Steering Committee, comprising Executive Chairman Mr S.S. Teo, CEO Mr Lars Kastrup and members of the company’s Senior Management Committee, is responsible for driving our sustainability strategy. The committee meets on a half-yearly basis to review the overall strategy and progress of PIL’s sustainability journey.

The Sustainability Steering Committee is supported by the Sustainability Secretariat, which is helmed by

Captain Peng Chu Xing, Head of Quality, Safety, Security and Sustainability. PIL Corporate Communications reports to the Steering Committee on matters concerning sustainability reporting.

In 2022, the eight Sustainability Working Groups drove the implementation of relevant initiatives which they have set for the year. The Heads of each business and relevant corporate function would report to the Steering Committee regularly on sustainability initiatives, targets and performance relevant to their business functions.

The eight Working Groups and their responsibilities are as follows:

Sustainability Working Groups	Responsibilities
<b>Decarbonisation and Alternative Fuels</b>	<ol style="list-style-type: none"> <li>1. Monitor the evolving regulatory requirements</li> <li>2. Keep abreast of developments in the maritime industry</li> <li>3. Assess status of the vessels in PIL’s fleet to ensure optimal environmental performance</li> <li>4. Implement appropriate emissions reduction initiatives in line with our decarbonisation strategy</li> </ol>
<b>Compliance with IMO and National Regulations</b>	<ol style="list-style-type: none"> <li>1. Review and improve the Energy Efficiency Existing Ship Index ( EEXI ) and Carbon Intensity Indicator ( CII ) of the vessels in PIL’s fleet</li> <li>2. Obtain certifications by preparing the fleets with necessary mitigating measures</li> </ol>

Sustainability Working Groups	Responsibilities
<b>Governance and Business Ethics</b>	<ol style="list-style-type: none"> <li>1. Strengthen Governance and Business Ethics framework</li> <li>2. Ensure compliance with corporate governance regulatory requirements</li> <li>3. Develop the Enterprise Risk Management framework and matrix</li> <li>4. Identify potential risks, the current and additional mitigating measures</li> </ol>
<b>Local Community Engagement</b>	<ol style="list-style-type: none"> <li>1. Monitor existing local community engagement programmes and identify potential areas of enhancement</li> <li>2. Broaden engagement with relevant stakeholders</li> </ol>
<b>Environmental Management System</b>	<ol style="list-style-type: none"> <li>1. Continually improve PIL's Environmental Management System</li> <li>2. Review the environmental aspects and impacts</li> <li>3. Set environmental targets with reference to ISO 14001 standards, regulatory requirements and industry best practices</li> </ol>
<b>Employee Wellbeing, Learning and Career Development</b>	<ol style="list-style-type: none"> <li>1. Review existing staff learning and career initiatives, staff engagement, and identify areas of enhancement</li> <li>2. Enhance training matrix in accordance with the functions, business and operational needs, and career development needs of PIL's employees</li> </ol>
<b>Workplace Health and Safety</b>	<ol style="list-style-type: none"> <li>1. Monitor the current Workplace Health and Safety programme, and suggest areas of improvement</li> <li>2. Identify, assess and manage health and safety hazards and risks associated with the activities of PIL's business with reference to guidelines set by Singapore's Workplace Health and Safety Council</li> </ol>
<b>Sustainable Procurement</b>	<ol style="list-style-type: none"> <li>1. Develop Supplier Code of Conduct, outlining the environmental, social and ethical standards that our suppliers need to adhere to</li> <li>2. Establish policies and actions regarding sustainable procurement</li> </ol>

# MEMBERSHIPS, COLLABORATIONS AND CERTIFICATIONS

## Commitments

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## Certifications

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## Memberships

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## AWARDS AND ACCOLADES



Klaus Ku, Managing Director, PIL China (2<sup>nd</sup> from left) receiving the award at the 2023 Shanghai Port Container Business Consultation Annual Meeting

### INTERNATIONAL SAFETY @SEA AWARDS 2022

PIL was awarded the Outstanding Contribution to Search and Rescue Efforts in 2021 at the International Safety@Sea Awards 2022 organised by the MPA on 31 August 2022.

The award was given in recognition of Captain M.S. Ashraf and the crew of Kota Singa, who carried out a rescue operation on 11 December 2021 at the Malacca Straits. On that day, Kota Singa responded to a distress signal sent out by a boat which was sinking. The rescue operation was challenging as it was carried out at night when visibility was poor. The crew successfully rescued three Indonesian fishermen, who were found trying to stay afloat on small pieces of wooden planks and plastic drums.

### RECOGNISED BY PORTS IN CHINA

In 2022, we continued to strengthen our ties with our port partners in China which earned their recognition.

To acknowledge the long-standing support from PIL, Zhejiang Yiwu Port Company in China awarded PIL's Ningbo branch office for being one of the "Most Cooperative Shipping Company" in 2022, along with three other shipping lines.

Another key port in Zhejiang Province, the Ningbo-Zhoushan Port, also recognised PIL Ningbo for its outstanding contributions to the port in 2022, by facilitating significant growth in container throughput volume, export volume from inland key nodes as well as strong growth in sea-rail linkages which benefitted the port.



## CLIMATE CHANGE

In 2022, we announced our commitment to achieve Net Zero by 2050, in support of the targets by the IMO's Initial Strategy on reduction of GHG emissions by 2030 and 2050. To meet this target, we have formulated a preliminary decarbonisation strategy.

As part of adopting environmental initiatives and eco-efficient technologies, we are pursuing the commercial adoption of transitional and alternative fuels such as Liquefied Natural Gas (LNG) and ammonia. We are also working to develop the necessary equipment and infrastructure by investing in LNG dual-fuel container vessels and ensuring that our vessels are compatible with biofuels.

Importantly, we are committed to contributing towards the global responsibility to seek and adopt new technologies which would enable the industry to achieve net zero GHG emissions ahead of 2050. It is for this reason we are collaborating with and lending our support to the Global Centre for Maritime Decarbonisation (GCMD) based in Singapore.

We are making progress on our carbon inventory, and we plan to disclose our Scope 1 and Scope 2 emissions, and some categories of Scope 3 emissions in our next Sustainability Report.

### PIL CENTRE FOR MARITIME EFFICIENCY

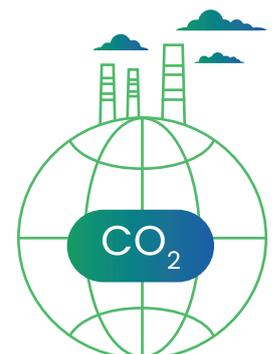
In 2022, we transformed and upgraded our fleet monitoring function into a centre of excellence and launched the PIL Centre for Maritime Efficiency (CME). The main aim of our CME is to grow our competencies in managing ship and fleet energy-efficiency performance, as part of our commitment to lowering our GHG footprint. The CME is equipped with a state-of-the-art digital system that houses all relevant operational data and applications in a single platform to facilitate comprehensive, centralised, and efficient coordination.

Apart from the use of new technology, a unique feature of the CME is that it is helmed by a team of seven with extensive seafaring experience. The benefits which advanced technology bring are amplified when supported by in-depth and practical human experience. The team of seven, comprising permanent shore and roving seafarers, provides a good opportunity for the seafarers to have extended working experience with the shore and head office teams. This facilitates improved understanding and communication between seafarers and shore staff.

A key function of the CME is route and traffic optimisation aimed at minimising energy usage by PIL's fleet, which is achieved by machine learning, and in the near future, by Artificial Intelligence (AI) based platforms. Other key functions of the centre include the study of fuel properties of greener fuels and crisis management of fleet-related events.

In a nutshell, with the CME, we reap the following benefits:

- Reduction of GHG emissions generated from our operations
- Enhanced fleet safety, security and environment management
- Maximisation of cost-effectiveness through efficient traffic and route-based management of PIL's fleet
- Improved terminal management – providing visibility on berth line-up, vessel productivity at terminals for faster ship turnarounds
- Provision of more training berths and a stronger bridge for ship-to-shore career paths for our seafarers





The PIL Centre for Maritime Efficiency uses state-of-the-art digital system to improve the efficiency of PIL's fleet of vessels



Ms Mary Liew (centre), General Secretary, Singapore Maritime Officers' Union, was the Guest of Honour at the launch of PIL's Centre for Maritime Efficiency on 14 July 2022. With her are Mr S.S. Teo (left), Executive Chairman, PIL and Mr Lars Kastrop (right), CEO, PIL

## INVESTING IN NEWBUILD VESSELS

In 2022, PIL placed orders for four 14,000 TEU and four 8,200 TEU container vessels which will be equipped with dual fuel engines and auxiliaries which can run on both Liquefied Natural Gas (LNG) (Bio and synthetic grades) or low sulfur fuel oil. The vessels will be delivered progressively from the second half of 2024. The eight vessels will also be equipped with ammonia intermediate ready fuel tank which makes it possible to retrofit the vessels to run on ammonia when the technology is commercially available.

The decision to consider ammonia is due to its good potential to be commercialised. According to Bureau Veritas, ammonia's key advantage is its status as a zero-carbon fuel when produced renewably, enabling ships to eliminate carbon emissions.

Apart from the choice of fuels, the design of the eight vessels will also optimise their efficiencies, hence resulting in lower energy consumption. This includes the shape of the hull - installation of wake equivalent ducts and twisted rudders. All lightings will be LED lights and Variable Frequency Drive will be installed for the main sea water cooling pumps.

## JOINING WORLD SHIPPING COUNCIL

In 2022, PIL became a member of the World Shipping Council (WSC), which is the leading voice of liner shipping in the world. Our CEO Mr Lars Kastrup represents PIL on the WSC Board. The WSC provides a good platform for PIL and other maritime companies in strengthening industry collaborations and advance key global topics on sustainability.

## TRIALS OF BIOFUEL AND FUEL ADDITIVES

In April 2022, we conducted a first biofuel trial on our vessel "Kota Megah" when it called at the Port of Singapore. The type of biofuel trialled was a blend of fatty acid methyl esters (FAME) and very low sulfur fuel oil (VLSFO).

FAME is a renewable alternative fuel largely produced from recycled cooking oils and renewable oil sources. It has physical properties similar to conventional diesel and it is non-toxic and biodegradable. The origination and production of the feedstocks used to produce FAME is certified for its sustainability to internationally recognised standards.

Through such trials, we are able to test the feasibility of using marine biofuel on the engines of our vessels and obtain data on the potential carbon and other emissions. This would enable us to better assess the technical and commercial viability of using biofuel as a potential "drop-in" fuel solution to achieve an overall reduction in carbon emissions of our vessels.

In July 2022, PIL joined an 18-member consortium of industry partners, led by the GCMD, to launch a drop-in biofuels pilot project to establish an assurance framework for ensuring the supply chain integrity of current and future green marine fuels.

We have also started a trial of fuel additives with the aim of maximising the useful calorific content of bunker fuels.



PIL's four 14,000 TEU LNG dual-fuelled vessels will be delivered from the second half of 2024 onwards.



*Kota Megah arriving in Singapore to get ready for the biofuel trial in April 2022*

## FEASIBILITY STUDIES ON NEW TECHNOLOGIES

As part of our efforts to explore various technical solutions to improve the fuel efficiency of our vessels, we had conducted a feasibility study on shipboard carbon capture technology in 2022. This was driven by our views that there was good potential for its adoption as it can be retrofitted onboard existing ships, similar to the fitting of sulfur oxide (SO<sub>x</sub>) scrubbers to comply with the IMO 2020 Global Sulfur Limit regulations.

Nevertheless, there are still some challenges to overcome such as the lack of reception facilities to receive the captured carbon. We will continue to monitor the developments and consider trialling this technology onboard our vessels.

Aside from carbon capture, we are also exploring and studying the feasibility of other solutions such as propeller optimisation and installation of bow windshield.

## COMPLIANCE WITH EEXI AND CII

From 1 January 2023, it is IMO mandated for all ships to calculate their attained Efficiency Existing Ship Index (EEXI) for the measurement of their energy efficiency. All vessels must also initiate the collection of data for the reporting of their annual operational Carbon Intensity indicator (CII) and CII rating.

In 2022, PIL's fleet of vessels became fully compliant with the EEXI requirement. We are also closely monitoring our fleet's CII.

A vessel's EEXI indicates its energy efficiency compared to a baseline. Vessels which have attained the EEXI will then be compared to a required EEXI based on an applicable reduction factor expressed as a percentage relative to the Energy Efficiency Design Index (EEDI) baseline. It must be calculated for ships of 400 gt and above, in accordance with the different values set for ship types and size categories. The calculated attained EEXI value for each individual ship must be below the required EEXI, to ensure the ship meets a minimum energy efficiency standard. The CII determines the annual reduction factor needed to ensure continuous improvement of a ship's operational carbon intensity within a specific rating level. The actual annual operational CII achieved must be documented and verified against the required annual operational CII. This enables the operational carbon intensity rating to be determined.

### SUPPORTING THE SILK ALLIANCE

Recognising the importance of collaborating with industry partners, PIL joined "The Silk Alliance" with like-minded partners to develop a green corridor cluster beginning with intra-Asia container trade. Initiated by the Lloyd's Register Maritime

Decarbonisation Hub, The Silk Alliance brings together a diverse group of organisations whose collaboration can advance the decarbonisation of the maritime industry. These include shipowners, shipyards, bunker logistical suppliers, engine manufacturers, ship managers; and financial institutions.

Following the formation of the grouping in mid-2022, members collaborated to send an aggregated demand signal for other stakeholders such as fuel providers, port operators and governments to support the Green Corridor Cluster. The Silk Alliance members also drew from their individual areas of expertise in developing a fleet-specific fuel transition strategy for container ships operating primarily in Asia, based on a framework by Lloyd's Register Maritime Decarbonisation Hub.

The focus for the group moving forward will be to onboard new members, collectively design and develop the implementation plan; identify barriers, risks and solutions in the supply and demand equation; and develop a case study for financing.



### ENERGY-SAVING LIGHTINGS ON VESSELS

2022 also saw the start of another initiative to convert conventional lights on some vessels to energy-saving LED lights. Apart from lowering the frequency of replacing the lights as LED lights can last longer than conventional lights, LED is well known to be more energy efficient.

## ENVIRONMENTAL PROTECTION

With a fleet of around 100 vessels, it is important for us to place priority in ensuring that our vessel operations have minimal impact on the environment. Over the last few years, we have put in place several initiatives aimed at reducing the environmental impact of our operations.

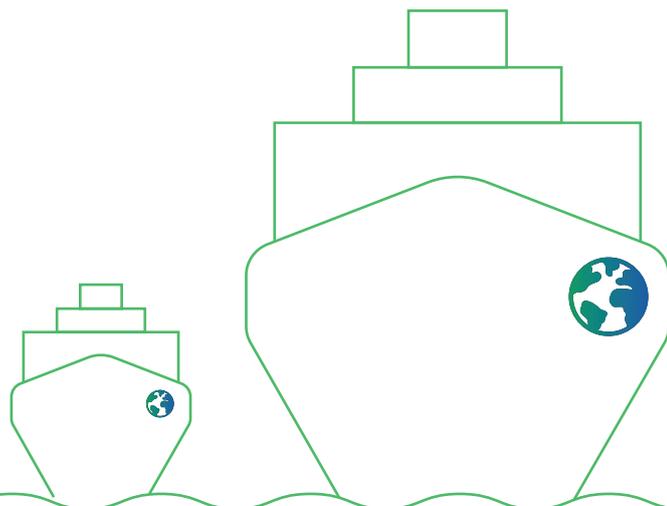
### ENVIRONMENTAL CERTIFICATIONS

In December 2021, PIL achieved the Environmental Management System certification to the ISO 14001:2015 standards for its fleet management and operations. This ISO standard has provided a global best practice framework for us to further enhance our capabilities in managing our environmental responsibilities arising from our fleet management and operations. Furthermore, the ISO 14001 standard demonstrates our continual commitment to improving our environmental performance. Notably, it also supports us in embedding environmental management within our strategic plans.

PIL has also attained the Environmental Ship Index (ESI) Certification for vessels that are plying ESI ports. The ESI evaluates the amount of nitrogen oxides (NOx) and sulfur oxides (SOx) that is released by a ship and it also includes a reporting scheme on the GHG emissions of the ship.

### ENVIRONMENTAL COMPLIANCE PROGRAMME

Since February 2021, some of PIL's vessels have been part of an Environmental Compliance Programme (ECP) due to incidents at sea. As part of the ECP, the covered vessels are subject to auditing by state appointed Third Party Auditors (TPA). We have completed six TPA vessel audits (Kota Ria, Kota Raja, Kota Lukis, Kota Lagu, Kota Lihat and Kota Ratu) which went well with no major findings reported. We are currently in the midst of discussion with our TPA for the remaining three vessels. PIL is committed to ensuring 100% of our seafarers are continuously trained on Environmental Compliance and our Environmental Management System.



## BENEFITS OF ANTI-FOULING PAINT

**1.2%**  
Speed loss over  
5 years  
**guaranteed**

**8%**  
Higher fuel  
savings compared to  
market average  
anti-fouling coatings

Up to  
**2 days**

Time saved in dock in  
comparison to  
traditional silicone  
systems

**120**  
Idle days flat  
Fully operational  
flexibility **guaranteed**

## USE OF HIGHER-GRADE ANTI-FOULING PAINT

Anti-fouling paint forms part of the efficient technology line-up that PIL utilises to be more environmentally friendly. It is used to coat the bottoms of ships to prevent sea life such as algae and molluscs from attaching themselves to the hull, thereby slowing down the ship and increasing fuel consumption.

In 2022, PIL used a higher-grade paint from Hempel on selected vessels during dockings as part of a pilot programme to improve the energy efficiency of our vessels. High-performance hull coatings is one of the single most impactful ways to improve the energy efficiency of a vessel.

Hempel's innovative hull coatings is known in the industry for offering the strongest defence against fouling. The Hempaguard coatings deliver best-in-class fuel savings and performance during idle periods, providing an average of 8% fuel savings from smoothness of the technology and a maximum 1.2% speed loss over five years, with correspondingly lower carbon emissions.

Hempaguard also stands as the sustainable alternative to traditional copper-based self-polishing coatings for marine life protection. Its unique biocide diffusion control system uses no copper oxide and reduces up to 91% the total amount of biocides released into sea water.

## ADHERENCE TO THE BUCKINGHAM PALACE DECLARATION

In 2021, PIL became a signatory to the Buckingham Palace Declaration of the United for Wildlife Transport Taskforce. The declaration, first initiated in 2016, requires members to implement commitments to tackle the issue of illegal wildlife trade.

During 2022, we worked on fulfilling our commitment including strengthening our processes involving our customers and checking against databases of parties with records of past participation in illicit wildlife and timber trade.

In early 2022, as part of our education process, we reiterated to our customers the importance of accurate declaration of cargo by implementing a US\$30,000 per container charge for mis-declaration of dangerous goods. We have also implemented a training programme to create awareness among our colleagues at sea.

Looking ahead, PIL will continue to dedicate ourselves to meeting the commitments in the declaration and aim to contribute as a responsible shipping line to protecting wildlife.



30 employees participated in a beach clean-up activity at Singapore's Selimang Beach in March 2022

## PROTECTING MARINE LIFE

As a key user of the ocean, PIL recognises our integral role to reduce and minimise any threat affecting marine life. We commit to supporting and adhering to regulations put in place to protect the global environment and marine life.

Over the years of operation, we have voluntarily participated in programmes that advocate for the protection of marine life in regions we sail to. One such example is "The Protecting Blue Whales and Blue Skies Programme" organised by Santa Barbara County's Air Pollution Control District.

We ensure that our fleet of vessels complies with all established protocols to protect marine life put in place by local and regional maritime authorities. In addition, we actively follow discussions at the IMO on the control of underwater noises caused by ships affecting marine life.

## INCULCATING GREEN MINDSET AMONG EMPLOYEES

### Green activities

PIL organised several activities in 2022 aimed at strengthening the environmental awareness and inculcating a green mindset among employees in Singapore and overseas.

In Singapore, we partnered with Green Nudge, a Singapore-based sustainability consultancy to organise talks, workshops, and activities for employees. In January, a talk about Singapore's waste management was conducted, followed by a hands-on workshop in February in making eco-enzymes.

In March, a beach clean-up activity for 30 Singapore employees was organised at Singapore's Selimang Beach, which is also known as Eagle Point, in the northern part of Singapore. While embarking on this activity, the 30 PIL colleagues learnt that beach



Employees in Bangladesh, China, Tanzania and many other locations cycled or walked to work on World Car Free Day on 22 September 2022

clean-ups help to remove plastic pollution from the marine ecosystem and thus protect local marine wildlife. After spending nearly two hours at the beach, the PIL team collected over 280 kg of trash including plastic bottles, plastic bags, and plastic straws.



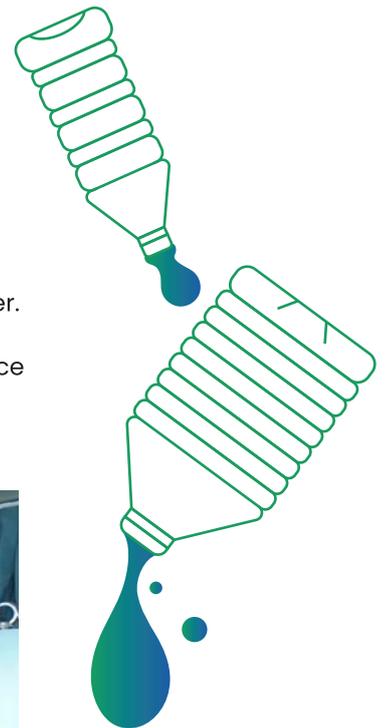
In September, we observed World Car Free Day by calling on all employees in Singapore and overseas to avoid travelling by cars to work that day and switch to other modes of transportation such as public buses, subway, cycle or walk. Employees are also encouraged to carpool where possible.

### Minimising use of bottled water

PIL has started to install water filtration systems on board our vessels and the installation programme is expected to complete in 2023. Each crew member is also provided with two stainless steel water bottles for them to use with the drinking water. The main benefit of this initiative is that our crew on board our vessels have ready access to quality filtered drinking water. At the same time, we can significantly reduce the number of single-use plastic water bottles on board.



Our crew on board one of our vessels enjoying good drinking water from the water filtration system, while contributing to lowering the use of plastics



## WORKPLACE HEALTH AND SAFETY

Ensuring the safety of our seafarers, office colleagues and assets are a top priority of PIL. Through safety protocols and enhanced training programmes, we inculcate in our employees the right values, attitude, and behaviour towards safety management. We adopt policies, procedures and processes that lead to early detection, prevention and mitigation of risks associated with the business to enable safe and secure operations.

In 2022, PIL's Head Office was certified and attained the voluntary BizSAFE Level 4 by the Workplace Safety and Health (WSH) Council, a statutory body under the Singapore Ministry of Manpower. BizSAFE Level 4 recognises that PIL had conducted risk assessments for every work activity and process in the workplace, in compliance with the requirements in the WSH Risk Management Regulations.

Seafarers Occupational Health and Safety	2022
Number of work-related fatalities	0
Lost-time injury frequency <sup>1</sup>	0.89
Very serious marine casualty <sup>2</sup>	0

<sup>1</sup>Lost-time injury frequency is defined as the number of lost time injuries occurred at sea per million hours worked

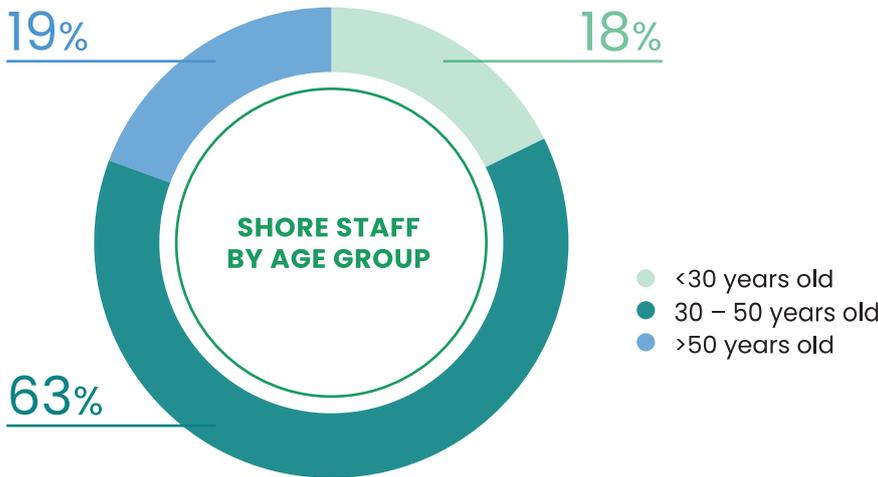
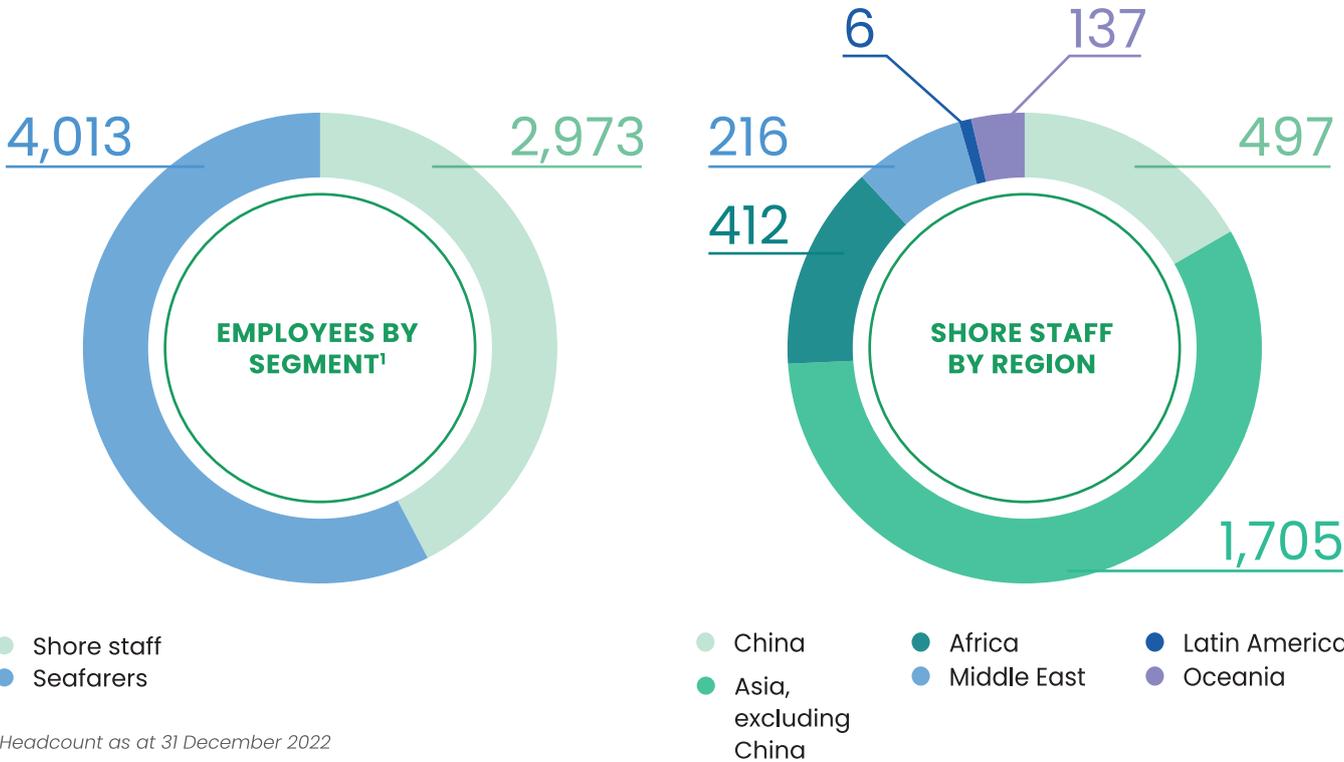
<sup>2</sup>Very serious marine casualty is defined as the total loss of the ship or a death or severe damage to the environment. Severe damage to the environment means a discharge of 50MT or more of pollutant.

We strive to further improve on this by continuing with our ongoing efforts to enhance safety awareness through initiatives such as safety campaigns.



# EMPLOYEE WELLBEING, LEARNING AND CAREER DEVELOPMENT

At PIL, our employees are our greatest assets. They contribute greatly to our success and support us in making a positive impact on the communities where we live and work in. Together, we find strength in numbers as collaboration across our global operations amplifies our collective abilities.



## EMPLOYEE LEARNING

In today's dynamic business landscape, we need to innovate and adapt to new challenges. Upskilling our employees offers a plethora of benefits, such as allowing PIL to remain competitive and fostering a culture of growth amongst our employees.

We are committed to providing equal opportunities for all employees to grow and develop in their careers. In 2022, we offered a series of training programmes to our employees.

Employee Training for Singapore Shore Staff	2021	2022
Total training hours	7,880	9,436
Average training hours per shore staff trained	28.7	27.8

Employee Training for Seafarers	2021	2022
Total training hours	205,005	205,040
Average training hours per seafarer trained	62	63

### Ship Familiarisation Programme

The Ship Familiarisation Programme is our signature programme offered to new hires. After the COVID-19 restrictions were lifted, we are delighted that this programme made its return in 2022 with a total of 103 attendees. During the programme, our new hires were introduced to PIL's values, heritage, and business operations. They also had the opportunity to engage with the senior leaders at networking lunches. The highlight of the programme was when our new hires toured our ships and met with our seafarers. Through this experience, it enabled them to gain a greater appreciation of the connectedness and interdependencies of our jobs.

### External and Leadership Training

At its core, PIL's success relies on the ingenuity, resourcefulness, and expertise of our employees. We deliver on our commitment and drive connectivity in all areas. We continue to make significant

investments in the training and development of a strong cohort of leaders, growing our talents, building future capabilities, and raising the level of our collective technical competencies.

### Sustainability-related Training

In 2022, we also saw growing number of requests from our employees for training programmes in sustainability, carbon accounting and environmental protection. This demonstrates our eagerness to engage in shaping a greener maritime future.

### Streamlining of Learning Processes

Equipping our employees with the skills and capabilities to contribute successfully to PIL's growth is one of the key priorities for us. As part of our efforts to achieve this aim, we embarked on a journey to harmonise and streamline our learning processes in 2022. This is done in preparation for a planned global learning system.

## CARING FOR OUR SEAFARERS

We place utmost importance on our seafarers' health and wellbeing. While we have in place a holistic suite of welfare initiatives to boost our seafarers' morale, we aim to continually review and improve these initiatives. In 2022, we offered the following initiatives to our seafarers:

### Ship-to-Shore Job Rotation

We have initiated a ship-to-shore job rotation programme for our seafarers, where selected personnels are rotated to work as shore staffs at the Head Office in between their sea stints. This programme aims to upskill our seafarers and enable to gain exposure to broader perspectives and strategic considerations.

### Competitive Salaries

We conducted a comprehensive salary review to ensure that we offer competitive remuneration schemes to retain and attract our seafarers. The review considered the prevailing industry benchmark, as well as feedback from our manning agents and seafarers. Through the remuneration schemes, we aim to give recognition to our seafarers for their exemplary performance and dedication throughout 2022. In February 2023, we successfully implemented an upward wage adjustment for all seafarers.



PIL's Executive Chairman Mr SS Teo visited the crew of Kota Cabar during the vessel's call at Tuas Port in Sep 2022

### Industry Standard Victualling Allowance

We closely monitor the victualling needs of our crew to ensure that the allowance we offer remains competitive when compared to other established container shipping lines. A review for our seafarers' victualling allowance was conducted in 2022.

### CrewSure Family Health Insurance

To safeguard the well-being of our seafarers and their families, we have extended the insurance coverage for our seafarers to include non-sailing period of the seafarers and their family members. This initiative was rolled out on 1 January 2023.



CEO Mr Lars Kastrup visits our crew on board vessels to better understand their concerns and working environment

## LOCAL COMMUNITY ENGAGEMENT

At PIL, we aim to make a lasting and positive impact on people and communities. Wherever we operate and wherever our ships sail to, we strive to provide the best support we can to our friends, partners, employees and their families, and the communities at large. Over the years, we have participated in various community engagement initiatives, rendering financial assistance, and contributing in-kind whenever possible.

### SHARPENING OUR FOCUS

A key initiative which we undertook in June 2022 was a survey conducted among employees in Singapore, to find out the desired focus areas for community engagement which our employees would like to see PIL undertake more of.

185 employees, or around 30% of our total Singapore shore staff responded to the survey. Below are the key survey findings:

(1) Top 3 themes which employees strongly relate to:	<ul style="list-style-type: none"> <li>a. Health and wellbeing</li> <li>b. Poverty and hunger</li> <li>c. Education</li> </ul>
(2) Top 3 groups of people whom employees would like to support:	<ul style="list-style-type: none"> <li>a. Seniors or elderly</li> <li>b. Children</li> <li>c. People with special needs</li> </ul>
(3) Top 3 activities which employees would be keen to participate in:	<ul style="list-style-type: none"> <li>a. Charity sports events like walkathons or marathons</li> <li>b. Volunteering</li> <li>c. Donation drives</li> </ul>

The survey findings were used throughout 2022 to guide us in further developing our overall strategic focus areas for our community engagement activities for PIL in all the locations where we operate.

## ENGAGING OUR COMMUNITIES

As PIL works to further refine and finalise the key themes in our community engagement initiatives, we remain active in contributing and supporting our communities around the world.



Mr Edwin Tong (6<sup>th</sup> from left), Singapore's Minister for Culture, Community and Youth, & Second Minister for Law, was the Guest of Honour at PIL's 55<sup>th</sup> Anniversary Community Donation Ceremony on 17 October 2022. With him are PIL's Board of Directors and the representatives of four self-help groups

### SINGAPORE

#### **\$S\$1.7 million donation to self-help groups**

To mark PIL's 55<sup>th</sup> anniversary in 2022, we made a monetary contribution of S\$1.7 million to four ethnic self-help organisations in Singapore, to recognise the key role they play in maintaining community harmony in Singapore through supporting the less privileged in the country. The Chinese Development Assistance

Council, Singapore Indian Development Association and Yayasan Mendaki each received S\$500,000, and the Eurasian Association received S\$200,000.

The donations were handed by Mr S.S. Teo, Executive Chairman of PIL to the representatives of the four organisations at a ceremony on 17 October 2022. Mr Edwin Tong, Singapore's Minister for Culture, Community and Youth, and Second Minister for Law was the Guest of Honour at the ceremony.

### Supporting Singapore's National Day Parade

In 2022, we once again supported Singapore's National Day Parade, an annual national event of key significance to Singapore in the country's efforts to forge a strong national identity among its citizens. PIL contributed 102 containers, comprising 91 20-foot GP containers and 11 20-foot refrigerated containers. The containers were used to deliver goods to the parade venue, as well as for the safe storage of props and fun packs.



*PIL's containers at the venue of Singapore's National Day Parade 2022*

### Volunteering at soup kitchen for the needy

On 17 September 2022, 60 employees in Singapore volunteered their time on a weekend morning to prepare and deliver meals to the needy beneficiaries of Willing Hearts in Singapore, which is a charity with a soup kitchen manned by volunteers who prepare, cook and distribute 11,000 meals daily to 70 locations in Singapore, 365 days a year. Their beneficiaries include the elderly, the disabled, low-income families and children from single parent families.

PIL also collected cash contributions from employees to purchase over 160 bottles of cooking oil and 240 packs of 10 kg rice for Willing Hearts.

While it was exhausting work to prepare and deliver the meals, the 60 employees spent a meaningful day playing a small part in putting food on the table for a day for the needy in Singapore.



*PIL employees preparing food at the soup kitchen of Willing Hearts in Singapore on 17 September 2022*

## AFRICA AND MIDDLE EAST

### Donating shipments to the needy

In 2022, PIL once again supported charities with donations of containerised shipments aimed at helping the needy communities in Africa.

Through our Hong Kong office, PIL contributed to Crossroads Foundation (Hong Kong) three containerised shipments from Hong Kong to needy communities in Africa. The containers carried household goods, clothing, books, school supplies, computer equipment, school and office furniture from Hong Kong to Madagascar in East Africa, Malawi in Southeast Africa and Cameroon in Central Africa. PIL has been supporting Crossroads Foundation since 2005.

Additionally, PIL has once again contributed three containers to the Tana River Life Foundation (TRLF),



Donated items from schools in Singapore arriving in PIL containers at Tana River Delta, Kenya



Volunteers from Crossroads Foundation in Hong Kong stuffing a PIL container for shipping to Madagascar in East Africa

### Bringing festive joy to the underprivileged

In the spirit of giving during the festive season in December 2022, PIL colleagues from Egypt, Jordan, Kenya and Tanzania put their heads and hearts together to drive the 'One Gift, One Smile' charity initiative at local orphanages, old folks homes and refuge centres.

In Egypt, our colleagues visited two orphanages and two caregiving homes for the elderly, arranged by the El Tahrir Association. During the visits, the team organised light-hearted fun activities such as face painting and mascot performance which brought cheer to both young and old.

Our PIL Jordan colleagues brought gifts to a refugee support centre set up by St Paul's Church, which extends financial and educational support to help war refugees from neighbouring countries. All the children who received a gift were overjoyed with the surprise.

a charity in Kenya, Africa, to help in the shipping of used school furniture from Singapore to Kenya, in support of the education of children in rural Tana Delta in Kenya.

Mr Gabriel Teo, founder of TRLF, was in Singapore for a few months and collected donations of used metal cabinets, metal lockers, classroom chairs, refurbished laptops and other items from a number of schools in Singapore. All these items, which were packed into three PIL containers, would be distributed across the 72 public primary schools and 17 public secondary schools supported by TRLF.

In Kenya, a charity collection drive was organised among the PIL teams in Mombasa and Nairobi for toys, sweets and necessities. The items gathered were then delivered to 55 underprivileged children living in the Cannan Children’s Home in Mombasa, under the care of a lady named Mrs Risper and her daughter.

In Tanzania, PIL colleagues visited the YOCO Orphanage in Kimara, Dar es Salaam, with gifts for 28 children. All the children are cared for by two guardians while funds are being raised for a permanent home.



*PIL Kenya contributed sweets, toys and other necessities to Cannan Children's Home as part of the One Gift, One Smile charity initiative in December 2022*

## THAILAND

### Supporting sea turtle conservation

On 20 August 2022, 30 colleagues from PIL’s agency in Thailand, Eastern Maritime (Thailand) Co Ltd (‘EML’), visited the Sea Turtle Conservation Centre located in Sattahip District, Chonburi Province, Thailand to better understand about sea turtle conservation as part of marine life protection.

During the visit, EML colleagues learnt interesting information about sea turtles such as the different species and how to care for them. It was hands-on learning as they helped to clean and scrub the shells of the turtles, and they were taught how to release the turtles back into the sea.



*Employees in Thailand at the Sea Turtle Conservation Centre to learn about marine life protection*

## INDONESIA

### Extending help to local community after Cianjur earthquake in Indonesia

Over 73,000 people were displaced when a massive earthquake hit Cianjur, West Java, Indonesia on 21 November 2022. To support the local community, our colleagues from offices in Indonesia raised close to IDR 51 million in donations to assist the KitaBisa Foundation, a fundraising arm of Indonesia’s Ministry of Social Affairs, to purchase basic food supplies, medicine, specialised infant and elderly essentials and sanitation amenities for the victims of this natural disaster. The aim of such efforts was to help bring some relief to the community in Cianjar as they embarked on recovering and rebuilding their lives.



*PIL in Indonesia donated items to help the victims of the Cianjur earthquake which hit in November 2022*

## GOVERNANCE AND BUSINESS ETHICS

In every facet of our global operations, PIL strictly adheres to relevant laws and regulations. Beyond mere compliance, we aim to embody the high standards of governance and ethical business conduct. Every business engagement and commercial relationship we maintain is underscored by dedication to legality, integrity, and fairness.

As a member of the United Nations Global Compact (UNGC) since 2022, PIL is committed to the ten principles of UNGC across four areas: human rights, labour, environment, and anti-corruption. At PIL, we strive to integrate these principles into our day-to-day operations, sustainability strategies and governance initiatives.

To ensure these principles are consistently applied, PIL has systems and protocols in place, which we evaluate and enhance on a regular basis.

### ANTI-BRIBERY AND CORRUPTION

Acknowledging the profound impact of corruption and bribery on economies, businesses, environments, and communities, PIL exercises a strict zero-tolerance policy towards these unethical practices. We actively manage potential risks, such as facilitation payments during interactions with local port and customs authorities.

Our Anti-Bribery and Corruption Policy articulates the responsibilities of all PIL staff, providing guidelines on recognizing and addressing corruption and bribery-related issues. Furthermore, we conduct risk assessments, implement protective measures, including contractual protection and due diligence, and monitor any breaches of our anti-bribery and corruption policies.

In 2022, we restructured our training programme to reinforce awareness and understanding of anti-bribery and corruption issues and formulated an audit plan with the internal audit function to assess the effectiveness of the programme. Through our training programme, we communicate our expectations and the company's stance on anti-bribery and anti-corruption to our employees.

**97%**  
Employees in Singapore who  
received training on anti-bribery  
and anti-corruption



Recognising the need to share tools and experience specific to the maritime industry, PIL became a member of the Maritime Anti-Corruption Network (MACN) in December 2022. This also illustrates our commitment to drive-down corruption in the maritime industry.



### COMPLIANCE WITH COMPETITION LAWS

PIL has an unyielding stance against any form of anti-competitive behavior. Our employees are required to adhere to the Competition Compliance Policy. Our legal and compliance and agency management functions collectively monitor competition law compliance globally, under the oversight of PIL's senior management.

In 2022, 94% employees of our Singapore shore staff received training on anti-competition.

### WHISTLEBLOWING PROGRAMME

We uphold a firm non-tolerance policy towards malpractice, impropriety, statutory non-compliance, or any form of wrongdoing.

The Whistleblowing Policy and reporting channels have been facilitating responsible and secure whistleblowing, enabling employees and external stakeholders to report concerns or complaints without fear of retaliation. The reporting channels also permit whistleblowers to remain anonymous.

PIL Whistleblower Committee comprising Mr S.S. Teo, Executive Chairman and Mr Lars Kastrup, Chief Executive Officer oversees the whistleblowing programme, supported by the Internal Audit Department. All investigated cases are reported to the Audit & Risk Committee, which comprises of Independent Directors.

### SANCTIONS COMPLIANCE

As a global entity, PIL remains conscientiously compliant with all applicable sanction laws. To mitigate any potential sanctions risks in the changing global environment, PIL strengthened its sanctions compliance program. This includes policy, application of controls, and screening of external parties.

### SUSTAINABLE PROCUREMENT

We acknowledge our suppliers, vendors, and contractors as indispensable allies in our journey towards sustainable operations.

To clearly communicate our expectations, we developed the Sustainable Procurement Policy in 2022, providing guidelines on incorporating sustainability considerations in procurement processes.

The PIL Supplier Code of Conduct has been issued to outline our expectations regarding environmental, social, and governance aspects. We also communicated details of PIL's whistleblower programme for vendors and suppliers to raise their concerns. Looking ahead, PIL is planning to introduce a comprehensive procurement process in a phased manner, commencing with Singapore and subsequently extending it to our overseas offices.

# DIGITALISATION

A key area of being sustainable is our ability to utilise resources in a more efficient way. PIL is focused on a digital-first strategy and embarking on a wide range of digitalisation initiatives.

## MIGRATION TO CLOUD COMPUTING

In 2022, PIL moved away from our legacy IT infrastructure and fully adopted cloud computing. Apart from doing away with the need for large storage space and resources to manage the physical hardware, cloud computing is more efficient, scalable and optimises utilisation. With this new capacity, it translates to better efficiencies in our operations to adopt other digital innovations. Additionally, cloud computing also better supports remote work with its flexibility.

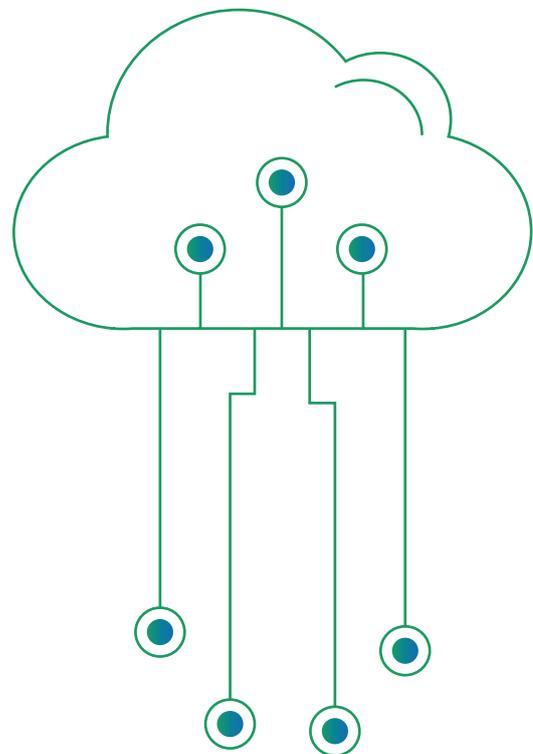
As we transit towards more digital avenues, it is important for PIL to have stringent data protection and data privacy measures in place to protect our customers.

## DATA INTEGRATION THROUGH SGTRADEX

Having fast and easy data integration is of crucial importance. With this objective in mind, PIL is one of the founders of the Singapore Trade Data Exchange (SGTraDex) initiative, which was officially launched in June 2022.

SGTraDex, a public-private initiative, is a trusted, secure, and easy-to-use digital utility which seeks to connect ecosystem partners in the global supply chains via a common data infrastructure. The aim of this initiative is to seek to improve supply chain efficiencies.

Apart from being an investor in SGTraDex, PIL is also an active trading partner of the platform. Participation in the platform enables PIL to significantly reduce the turnaround time for partner-connectivity, as well as improve trust and resilience, thereby contributing to



productivity and transparency. Ecosystem partners include Shippers (e.g., Importers and Exporters), Asset Operators (e.g., Carriers, Port & Terminal Operators, Hauliers), Service Providers (e.g., Financial Institutions, Freight Forwarders, Truckers, Technology Solutions) and Government (Authorities).

SGTraDex uses proprietary technology anchored through a public-private partnership model to resolve pain points in supply chain ecosystems including a heavy reliance on a paper-based system which lacks efficiency, transparency and sustainability. The move to digitalise information will increase productivity and build supply chain resilience. New efficiencies and opportunities are being unlocked when ecosystem partners can collaborate to achieve a shared visibility of the end-to-end supply chain.

Additionally, SGTraDex seeks to enhance connectivity between both local supply chains stakeholder groups and existing systems while also enabling connectivity with global supply chains. It is meant to be trusted, secure, easy-to use – this enables trusted and secure data sharing through an infrastructure that allows data producers and consumers to share data effortlessly, prioritising connectivity ease.

Since the launch of the platform, PIL has been involved in three use-cases, and one of them is the container logistics use-case. One of the pain points of this area was the limited access to timely data, which could lead to congestion at ports and various transport nodes. SGTraDex enables the exchange of data between shipping lines, hauliers, and port operators, thereby improving planning, increasing asset utilisation, and boosting productivity.

PIL is also involved in the bunkering optimisation use-case, which allows for a range of ecosystem partners such as storage facility operators, barge operators, and financial institutions, to digitalise their relationships. SGTraDex mitigates inefficiencies, builds trust and strengthens trade in the sector.

Looking ahead, we anticipate that there would be several new use cases which would be relevant for PIL.

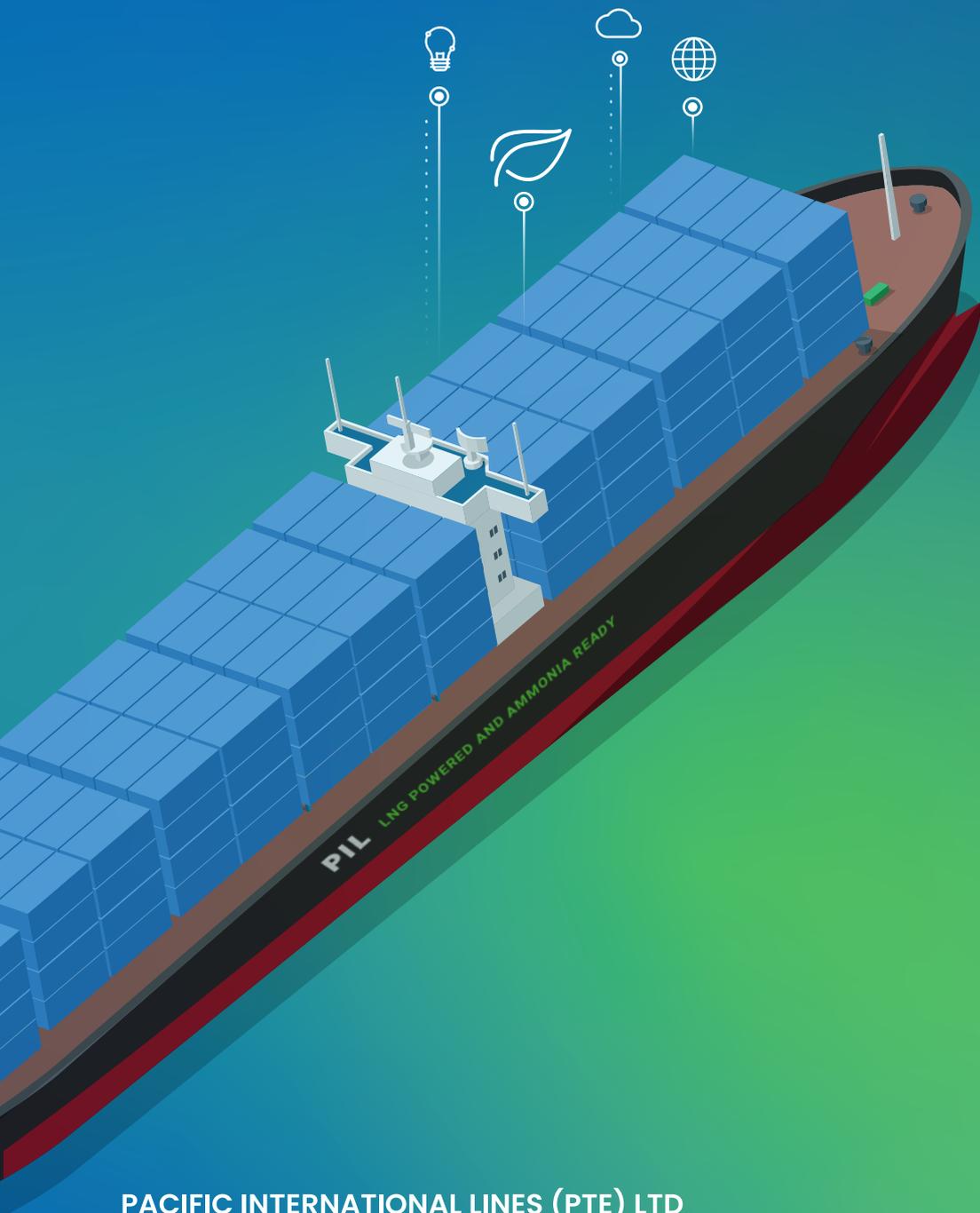
## APPENDIX: GRI CONTENT INDEX

Statement of use	Pacific International Lines (Pte) Ltd has reported the information with reference to the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure	Page
<b>General Disclosures</b>		
GRI 2: General Disclosures 2021	<b>The organisation and its reporting practices</b>	
	2-1 Organisational details	2, 8 - 9
	2-2 Entities included in the organisation's sustainability reporting	2, 8
	2-3 Reporting period, frequency, and contact point	2
	<b>Activities and Workers</b>	
	2-6 Activities, value chain and business relationships	8 -11
	2-7 Employees	8, 29
	<b>Governance</b>	
	2-9 Governance structure and composition	13-15
	2-11 Chair of the highest governance body	13-15
	2-12 Role of the highest governance body in overseeing the management of impacts	13-15
	2-13 Delegation of responsibility for managing impacts	13-15
	<b>Strategy, policies and practices</b>	
	2-22 Statement on sustainable development strategy	4 - 6
2-23 Policy commitments	37-38	

GRI Standard	Disclosure	Page
<b>General Disclosures</b>		
GRI 2: General Disclosures 2021	<b>Strategy, policies and practices</b>	
	2-24 Embedding policy commitments	11 - 12, 37 - 38
	2-26 Mechanisms for seeking advice and raising concerns	37 - 38
	2-28 Membership associations	16
<b>Material Topics</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	10
	3-2 List of material topics	10
<b>Employee Wellbeing, Learning &amp; Career Development</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 15, 30
GRI 4: Training and Education 2016	404-1 Average hours of training per year per employee	30
<b>Workplace Health and Safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 15, 28
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	26, 28
	403-9 Work-related injuries	28
<b>Local Community Engagement</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 15, 32-36
GRI 413: Local Communities 2016	403-5 Operations with local community engagement, impact assessments, and development programs	32 - 36
<b>Governance and Business Ethics</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	12
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	37

GRI Standard	Disclosure	Page
<b>Material Topics</b>		
<b>Compliance with IMO and National Regulations</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	12
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	22-24



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