

CONVERSATION WITH CHIEF EXECUTIVE OFFICER



Lars Kastrup
CEO

In a world where sustainability is no longer a choice but a necessity, Pacific International Lines (PIL) stands at the nexus of a sustainability transformation. We sat down with PIL's Chief Executive Officer, Lars Kastrup, to discuss the company's journey towards a greener horizon.

With a vision that extends beyond the nautical miles, Lars shares his insights on PIL's commitment to sustainable practices and the strategic directions that will steer the company into a more sustainable future.

Overview of 2023 and vision of PIL

Thank you for joining us today, Lars. Could you start by summarising the highlights of 2023 for PIL?

2023 was indeed a challenging year marked by global economic slowdown, geopolitical uncertainties, and extreme weather events. Despite these obstacles, it was also a year of significant progress for PIL as we continued our transformation into a people-centric

organisation committed to a sustainable future. Our efforts are captured in the publication of our 2023 Sustainability Report, which I'm very proud to share with our stakeholders.

Lars, could you share your vision for the future of the maritime industry?

Of course. I envision a maritime industry that is not only efficient and innovative but also sustainable and equitable. This means adopting new technologies to reduce our carbon footprint, promoting fair labour practices, and ensuring the safety and well-being of all maritime workers. By working collaboratively with global stakeholders, I believe we can create a resilient industry that thrives while protecting our planet and its people.

Decarbonisation and embracing technology and innovation

Could you elaborate on PIL's efforts towards decarbonisation?

Absolutely. Decarbonisation is at the forefront of our efforts. PIL has fully adopted the revised 2023 IMO Decarbonisation Strategy to achieve net-zero GHG emissions by 2050, including interim targets. For the first time, we measured our emissions footprint and obtained assurance for Scope 1 and 2, which establishes a strong foundation for our decarbonisation roadmap.

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How important are partnerships and collaborations in achieving PIL's decarbonisation goals?

They are, needless to say, quite crucial. We work closely with industry partners and regulators to develop and execute effective decarbonisation strategies. At the World Shipping Council, we supported the proposed Green Balance Mechanism, aimed at decarbonising the shipping industry by 2050. We also engaged in partnerships with PSA Singapore and DP World to demonstrate the concept of green shipping lanes. Innovation and collaboration will be key to creating a sustainable future for the maritime industry.

What role do you see innovation playing in PIL's future?

Innovation is essential to our growth and success. We are continuously exploring new technologies and business models to stay ahead of industry trends and meet the evolving needs of our customers. This includes investing in research and development and fostering a culture of creativity and willingness to push boundaries within our organisation.

How is PIL contributing to advancements in maritime technology?

PIL is actively embracing maritime technological innovations. We are investing in more advanced ships with lower-environmental impact features like LNG-powered engines and upgrading our current fleet with various energy-efficient technologies. Additionally, we are implementing advanced data analytics and AI tools to optimise our supply chain and logistics operations. Our digital platforms are being enhanced to provide better transparency, real-time tracking, and more efficient communication with our customers. These advancements will not only improve our operational abilities but also help us deliver more customised and effective services while staying committed to environmental sustainability.

A People-Centric PIL

What steps has PIL taken to build a people-centric organisation?

In 2023, we conducted a strategic review of our mission which led to the refresh of our purpose and values. These elements were captured in our new Culture Playbook, a living document that serves as a commitment to every member of the PIL family. Our Playbook guides us with clarity and conviction, ensuring that our shared purpose and values inform every decision we make.

Lastly, how does PIL support its employees, particularly in terms of inclusion and diversity?

PIL is committed to fostering a culture of inclusion, diversity, and respect for human rights across our global operations. As a board member of The Mission to Seafarers, I personally advocate for a safe and progressive workplace and fair compensation. We believe that our people are our greatest asset, and we strive to provide an environment where everyone can thrive.

PIL has been making strides in supporting its seafarers. Could you elaborate on the initiatives in place?

Indeed - we have ramped up our efforts to provide ship-to-shore transition opportunities for our seafarers by increasing the number of programs that deploy active seafarers in shore-based roles. Additionally, we press for growth in the proportion of lady seafarers in our fleet, recognising their significant contributions to building a sustainable and capable sea-faring workforce at PIL. Their diverse perspectives play a crucial role in enhancing the efficiency of our shipboard operations.

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What measures does PIL take to ensure the safety and well-being of its employees?

The safety and well-being of our employees are paramount. We have safety protocols in place, and we continuously monitor and improve our safety measures to mitigate risks. Our wellness programs provide support for both physical and mental health, and we foster a culture where everyone feels valued and respected. By prioritising our employees' well-being, we ensure that they can perform at their best and contribute to our collective success.

How does PIL plan to engage with the communities it serves?

Community engagement is a cornerstone of our corporate social responsibility strategy. We are launching several initiatives aimed at supporting education, healthcare, and environmental conservation in the regions where we operate. By partnering with local organisations and leveraging our resources, we aim to make a meaningful impact and foster long-term, sustainable development.

Governance and Moving Forward

Can you discuss PIL's approach to corporate governance and ethical practices?

Corporate governance and ethical practices are integral to our operations at PIL. Essentially, it is about our people having the right behaviour and culture. We have implemented robust governance frameworks that ensure accountability, transparency, and integrity in all our dealings. Our Culture Playbook creates alignment in the organisation on our commitment to ethical behaviour, which begins from the top management. We also believe in engaging with stakeholders to ensure that our practices meet or exceed industry standards.

Moving forward, what are PIL's key priorities for the coming year?

Looking ahead, our primary focus remains to meet our customers' needs through digital transformation and enhancing our service offerings, as well as to further strengthen our sustainability initiatives. We are investing heavily in cutting-edge technology to improve operational efficiency and customer experience. Additionally, we will continue to explore innovative solutions to reduce our environmental impact and contribute positively to the communities we serve.

Any final thoughts or messages you would like to share with our audience?

I would like to express my gratitude to my colleagues globally, partners, and customers for their unwavering support and trust. As we embark on this new chapter, I am confident that, together, we will continue to achieve great things and build a brighter, more sustainable future for all.