



# NAVIGATING *with* BALANCE

Responsibility Report 2022



# Contents

- 02 About this Report
- 03 Message from our Chairman & CEO
- 05 About The Caravel Group

## 08 Our Strategy

- 09 Leadership Dialogue
- 11 The Caravel Group's Sustainability Strategy: Encompass
- 14 Our Stakeholders
- 16 Assessing Materiality
- 21 Sustainability Risks and Opportunities
- 25 Group Awards and Recognition

## 26 Navigating Responsibly

- 32 Ethical and Responsible Business
- 38 Digital Transformation

## 44 Evolving Environmental Stewardship

- 49 Energy and Climate Resilience
- 57 Materials and Waste

## 65 Safeguarding People

- 69 Health, Safety and Wellbeing

## 83 Working Together

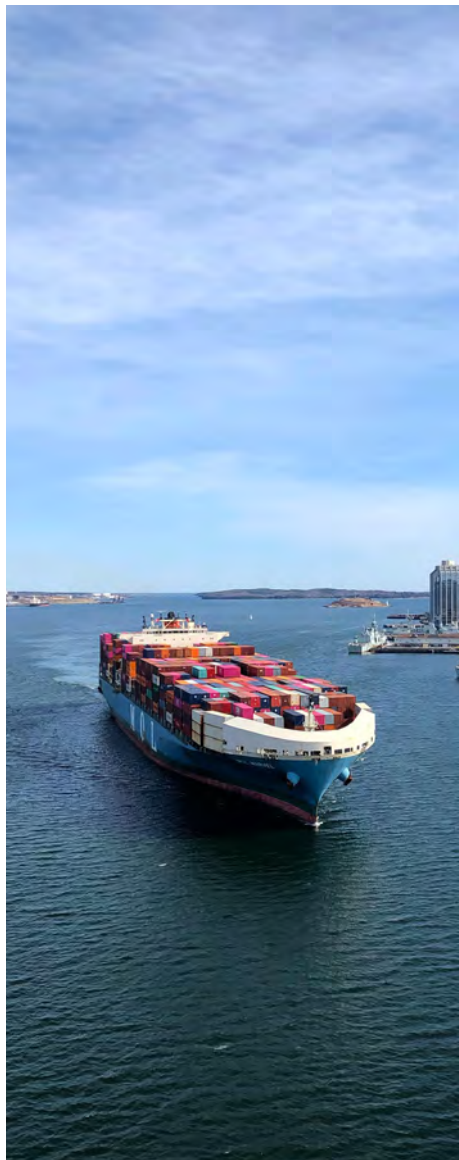
- 88 Talent Attraction and Retention
- 99 Community Investment and Engagement

## 104 Appendices

- 105 Memberships and Associations
- 107 Performance Metrics
- 115 GRI Content Index
- 128 Acronyms

## About this Report

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The Caravel Group Ltd.'s (together with its subsidiaries "The Caravel Group" or the "Group") second annual Responsibility Report outlines our sustainability strategy, initiatives and performance for the period from 1 January 2022 to 31 December 2022.

### REPORTING SCOPE

The Caravel Group is a diversified conglomerate with three key areas of business: maritime, commodities, and investment management. This report covers the maritime and commodities business areas, comprising Caravel Maritime Inc., including Fleet Management Ltd., Caravel Resources Inc., and their wholly owned subsidiaries<sup>1</sup>. Select activities of The Caravel Foundation are also shared in this report.

This report has been prepared in accordance with the GRI Standards, which were updated in 2021. Peer benchmarking, industry and best practice research, as well as engagement with internal and external stakeholders, were conducted to inform the assessment of the significance of the Group's impacts on the economy, environment, and people. The subsequent prioritization of these impacts has enhanced our sustainability strategy and material topics for reporting. Our strategy aligns with the United Nations' Sustainable Development Goals (UN SDGs), recognizing the importance of global cooperation in shaping a more sustainable world.

We welcome your feedback on this report. Please email: [sustainability@caravel-group.com](mailto:sustainability@caravel-group.com) with your comments.

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### LEGAL DISCLAIMER

While we have made reasonable endeavors to provide correct and up-to-date information as of 31 December 2022, The Caravel Group makes no guarantees, representations, or warranties of any kind, express or implied, that the information made available in this report is complete, accurate or up to date in all cases. Further, certain materials in this report have been prepared by The Caravel Group based on publicly available information, internally developed data and other third-party sources believed to be reliable. The data and descriptions in this report cannot give rise to claims of any kind. Any reliance on this report therefore is strictly at your own risk. The report may contain forward-looking statements, which by their very nature involve inherent risks and uncertainties, and risks exist that predictions and other outcomes described in them will not be achieved.

The Caravel Group maintains the right to amend or replace this report including any portion thereof and any information contained herein at any given time. In such a situation, The Caravel Group will be under no obligation to provide any additional information, update the information contained in this report or to correct any inaccuracies, which may become apparent. All information and/or data in this report may not be copied, reproduced, or used for any other purpose than the intended. There is no intention to create any binding obligation on The Caravel Group or any entity which is a part of The Caravel Group through this report.

<sup>1</sup> The Group's asset management arm is not covered in this report.



Our Encompass strategy charts our course to navigating our business with integrity and innovation, evolving our environmental stewardship, safeguarding health and wellbeing and working together to support our people and communities.

## Message from our Chairman & CEO

It is my pleasure to share The Caravel Group's second annual Responsibility Report. As a global business, we understand our decisions can substantially influence economies, people's lives and the environment. We strive to manage our businesses in ways that create positive change – meaningfully contributing to the opportunities ahead for us all.

We have achieved significant progress in advancing our approach to sustainability since our inaugural report in 2021. This year, we conducted a thorough materiality assessment to evaluate our impacts, along with the associated sustainability-related risks and opportunities. This involved extensive stakeholder engagement while taking into account international reporting standards and industry best practices to identify and confirm our material topics. We have also set relevant targets, governance structures, policies and systems to ensure accountability and drive action.

This work has culminated in the Group's new sustainability strategy, Encompass – outlining how we navigate our business responsibly, evolve our environmental stewardship, safeguard the health and wellbeing of our employees and seafarers, and work together to support our people and communities. Guided by these four strategic pillars, this strategy maps out our approach to creating value for all stakeholders.

**Message from our Chairman & CEO**


## Navigating Responsibly

Over the course of the year, we have focused on enhancing our due diligence procedures to mitigate risk, manage our impacts and drive ethical conduct at all levels of our value chain. Our efforts include the development of new policies including a Group Human Rights Policy and our Caravel Resources' Responsible Sourcing Policy for the trade of materials such as coal and iron ore. We have also implemented technological innovations that enable us to further elevate our safety and environmental standards while optimizing our performance.



## Evolving Environmental Stewardship

Managing our environmental impact across our operations, from maritime to commodities trading and general procurement, is key to our strategy as we strive to support global efforts to address climate change. In our role as ship managers of more than 600 vessels and as shipowners, our efforts focus on responsible procurement and consumption, protecting biodiversity, as well as pollution prevention and waste management. We have invested in technology to improve data collection and analytics of our owned and managed vessels, and support our clients in adopting broader energy-saving measures. We also work with industry partners to explore greener fuel options as we play our part in the decarbonization journey of the global shipping industry.



## Safeguarding People

The health, safety and wellbeing of our employees and seafarers is paramount. We have continued to invest in and strengthen our already robust occupational health and safety systems, and have introduced targeted programs that provide a wide range of services from support facilities in our workspaces to family outreach initiatives. The mental health and wellbeing of those at sea remains a crucial issue for the industry in the post-pandemic period, and we continue to improve our psychological support systems, first aid training and other programs.



## Working Together

We are dedicated to empowering our people through providing access to opportunities to thrive. Our people-centric approach is focused on promoting inclusion and upholding human rights. Through our many initiatives, we aim to create positive impact by engaging with our suppliers and clients, attracting and retaining talent, and nurturing the communities in which we work, across our value chain.

While this has been a pivotal year in reviewing and enhancing our commitment to sustainable practices, there is still much to be done. The challenges we face in addressing evolving ESG risks related to governance systems, environmental impact, health and safety and human capital management are great, but so too are the opportunities. Being a responsible corporation that tackles these challenges head on is not only the right thing to do for our people, clients, communities and planet, it also supports our long-term success.

We are committed to navigating with balance towards a future that considers the needs of all our stakeholders, to build a better world for the generations to come.

I hope you enjoy reading this report.



**Dr Harry Banga**  
Chairman & CEO  
The Caravel Group



# About The Caravel Group

## Mission

### POSITIVE IMPACT

To build a globally-integrated, sustainable world-class business that drives globalization and brings positive economic impact.

### CUSTOMER CENTRIC

To provide our clients with high quality, reliable, and responsible value-added services and solutions, making us their partner of choice.

### VALUES DRIVEN

To strive to manage our business and invest in ways that contribute to positive change in addition to meeting financial objectives.

### RESPONSIBLE COMPANY

To recruit and train a hardworking, dedicated and knowledgeable team who share our goals, values, and commitment to integrity.

## About The Caravel Group

# Our Core Business

**The Caravel Group** is uniquely positioned as we are one of the few companies that provides technical and commercial management services, is engaged in vessel ownership, and has access to our own cargo base of commodities. The Group transports 1% of the world's containers, and 2% of the world's commodities.

**The Caravel Group Ltd.** is a privately owned company established in 2013 and headquartered in the Hong Kong Special Administrative Region (Hong Kong SAR). The Group has a presence in 17 countries<sup>2</sup>. The Group's sole shareholders are Mrs Indra Banga and Dr Harry Banga.

We provide services through the following two business areas covered in this report: **Maritime** and **Commodities**.

The businesses covered in this report are supported by

**1,191 OFFICE-BASED EMPLOYEES**

**MORE THAN 27,000 QUALIFIED SEAFARERS<sup>3</sup>**

<sup>2</sup> This refers to the locations of our legal entities.

<sup>3</sup> Seafarers are engaged by The Caravel Group on behalf of vessel owners to work onboard vessels; employees are onshore employees of Caravel Group entities.

<sup>4</sup> Clarksons Research Services ([www.clarksons.com/research](http://www.clarksons.com/research)).

<sup>5</sup> This percentage is based on the International Chamber of Shipping statistics website, Shipping and World Trade: Global Supply and Demand for Seafarers | International Chamber of Shipping ([ics-shipping.org](http://ics-shipping.org)).

## Maritime

**Caravel Maritime** encompasses all the maritime-related activities of The Caravel Group. A key part of our business is delivered through Fleet Management Ltd., a company established in Hong Kong SAR, with affiliated entities and offices in major geographical locations globally (hereinafter, together called FLEET). FLEET is the world's second largest ship management company.

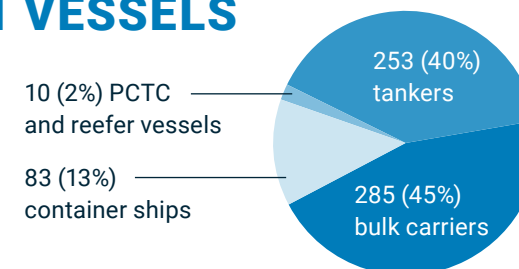
In 2022, FLEET opened new offices in Japan for business development, a wholly-owned subsidiary in the People's Republic of China (PRC) for crewing services, and a subsidiary in Australia to support our operations. We also launched a new integrated ship management unit – MaruFleet Management Pte. Ltd. (MaruFleet) – in Singapore in collaboration with MMSL Pte. Ltd. (MMSL), a Singaporean subsidiary of Marubeni Corporation (Marubeni). This entity renders dedicated technical management services only to MMSL.

Another line of business, Caravel Shipping, owns a growing fleet of vessels, provides commercial and chartering services, and makes strategic investments in the maritime sector.

As of 31 December 2022, the Group owned four bulk carrier vessels and signed an agreement to acquire a fifth vessel, which was delivered in early 2023. We also own one container ship as part of a joint venture with Mandarin Containers Ltd., which sold four vessels during the course of 2022.

As of 31 December 2022, FLEET's portfolio comprised

### 631 VESSELS



Under FLEET, we manage

**2% OF THE WORLD'S BULK, CONTAINER AND TANKER SHIPS<sup>4</sup>**

with the support of

**1.3% OF THE WORLD'S ACTIVE SEAFARERS<sup>5</sup>**

## About The Caravel Group – Our Core Business

# Commodities

**Caravel Resources** is a leading provider of solutions across the industrial dry bulk value chain and covers two business verticals, Caravel Metallurgical and Caravel Carbons. Our focus is on trading industrial dry bulk raw materials, principally those used in the steel and energy industries, such as iron ore and thermal coal. We source from origins that offer the client geographical, cost and other benefits. Our origination expertise allows us to source a diverse range of products from mines around the globe. Each transaction we undertake and manage is complex, requiring precise alignment throughout the supply chain and dedicated personal service. We add value by drawing from coordinated support across the Group, allowing us to offer our partners both logistical expertise and robust management guided by our [Responsible Sourcing Policy](#).



Caravel Resources, together with Caravel Maritime, provides our clients with fully integrated supply and delivery solutions by providing freight services for the products traded. The synergies provided by the Group's platform offer our business partners efficient, transparent and cost-effective solutions that can be further tailored to meet their individual requirements. Ultimately, this gives our partners the freedom to focus on their core businesses and optimize their available resources.

We source iron ore almost exclusively for mainland China from reputable mines in Australia, Brazil and India. Additionally, we purchase coal that originates from mines in Australia, Indonesia, and the Philippines, primarily for mainland China and India.

In 2022, we transported and/or traded

**~ 81.4 MILLION** metric tonnes of  
**IRON ORE**

**~ 29.3 MILLION** metric tonnes of  
**COAL-RELATED CARGO**

Iron ore represents

**>70% OF CARGO**

within these two categories that is transported/traded by Caravel Resources, our owned vessels and FLEET

# Our Charitable Arm



## The Caravel Foundation Ltd.

**The Caravel Foundation Ltd.** (the Foundation) is a private, Hong Kong-registered charity focusing on improving the education and wellbeing of underprivileged children, primarily in Hong Kong SAR, mainland China and India. Through the Foundation, we seek to provide opportunities to young people in need, equipping them to become productive and successful citizens of tomorrow.





# Our Strategy

- Leadership Dialogue
- The Caravel Group's Sustainability Strategy: Encompass
- Our Stakeholders
- Assessing Materiality
- Sustainability Risks and Opportunities
- Group Awards and Recognition

# Leadership Dialogue

In conversation with  
Mr Angad Banga, Chief Operating Officer,  
The Caravel Group and  
Dr Kishore Rajvanshy, Managing Director,  
Fleet Management Limited



**Mr Angad Banga,**  
Chief Operating Officer,  
The Caravel Group



**Dr Kishore Rajvanshy,**  
Managing Director,  
Fleet Management Limited

Q1: Overall, what are you most proud of when it comes to your sustainability performance over the last year?

**Angad** In the past year, we have made every effort to ensure stable employment opportunities during these challenging times. With around 100,000 employees, seafarers and their families directly benefiting from our business, we do not take our role in society lightly. Our team members are the backbone of our success, and our key focus remains on their health, safety and overall welfare. Beyond providing comprehensive medical care for seafarers, including those on leave, many employees' medical insurance limits, including critical illness cover, were tripled this year. We have also expanded our FLEET Care division, which focuses on improving crew wellbeing, with a particular emphasis on mental health. Our support for seafarers and their families is unparalleled in the market, and we're proud to see other industry players following our lead.

**Kishore** In addition to championing the health and wellness of our people, we have progressed on the environmental front. For example, to support the industry's transition to greener fuels and our clients, we now have 600 crew certified to sail on dual-fuel ships, and we're on track to double this number to 1,200 by the end of 2023. Additionally, we are working on retrofitting sails on two bulk carriers, using biofuels on more than a dozen ships, and partnering with stakeholders across the value chain in efforts to explore the use of green ammonia for propulsion.

## Leadership Dialogue

### Q2: What are some key challenges for your business and how are you addressing them?

**Kishore** A shrinking talent pool for crew, increased regulatory demands and charting the decarbonization pathway are some of the key challenges facing the ship management industry. These challenges allow us to leverage our deep technical expertise to offer solutions that create value for our clients, business and all stakeholders.

To address these, we will continue to excel in technical management, and closely follow and contribute to how the regulatory landscape is evolving in various markets. We will also continue to strengthen our digital and IT platforms to deliver solutions that will empower our people and owners to make the most informed decisions, while improving operational efficiency. It's also essential that we continue to collaborate with our owners and partners to find sustainable solutions that are viable both from an environmental and commercial point of view.

**Angad** As a ship manager and a ship owner, we have a bird's eye view of the maritime industry while also having a detailed understanding of the substantive issues. This enables us to effectively run our business while providing sound advice to clients on operational decisions and solutions to help responsibly manage risk and create positive outcomes. It's a transformative time in the global shipping industry, and at FLEET we have positioned

ourselves as the go-to partner for shipowners who want to be proactive and collaborative when it comes to facing the industry's biggest challenges and changes in the coming decades – whether it involves greener fuels for shipping, adopting digital technology, or balancing retrofitting and newbuilding considerations to ensure a vessel can sail today and in the decades to come.

As the international community moves towards collectively addressing the climate crisis, a key challenge for us at the Group level is managing our commodities business, which is currently focused on iron ore and coal. While alternative energy sources are on the rise, coal and other fossil fuels represent the bulk of the world's energy sources, and many people and industries still depend on these types of fuels to meet basic needs. In this past year, we have greatly enhanced our due diligence process for our commodities business. We also remain open to pivoting to alternative energy solutions as these become more viable.

### Q3: How are you bringing your people across your organization with you on your sustainability journey? How are you preparing them for what is to come?

**Angad** Our ESG Working Committee includes a senior representative from each relevant business area and department across the Group. In developing our new

Encompass sustainability strategy, we ensured all committee members felt ownership by contributing to its development, including target setting. In my mind, encouraging and facilitating deep understanding and ownership of this strategy from people at all levels across our business will be a key enabler for our long-term success.

Rapid changes within the maritime industry are on the horizon, and we must be prepared. For example, in the future, drone technology will likely complete many tasks that our seafarers perform today, and shipping's green transition may make some current skillsets obsolete. We are working to ensure our people are well-equipped for this by increasing digital savviness across the organization, including fostering a culture of innovation through initiatives such as small-scale pilots of the latest technology solutions.

**Kishore** Our senior management team is fully committed to our sustainability strategy and goals, and their attitude sets the tone for our entire organization. At FLEET, for example, our Executive Directors will play a large role in rolling out our Encompass strategy and keeping our teams accountable in the coming years, particularly as we prioritize social and environmental responsibility in pursuing business opportunities.

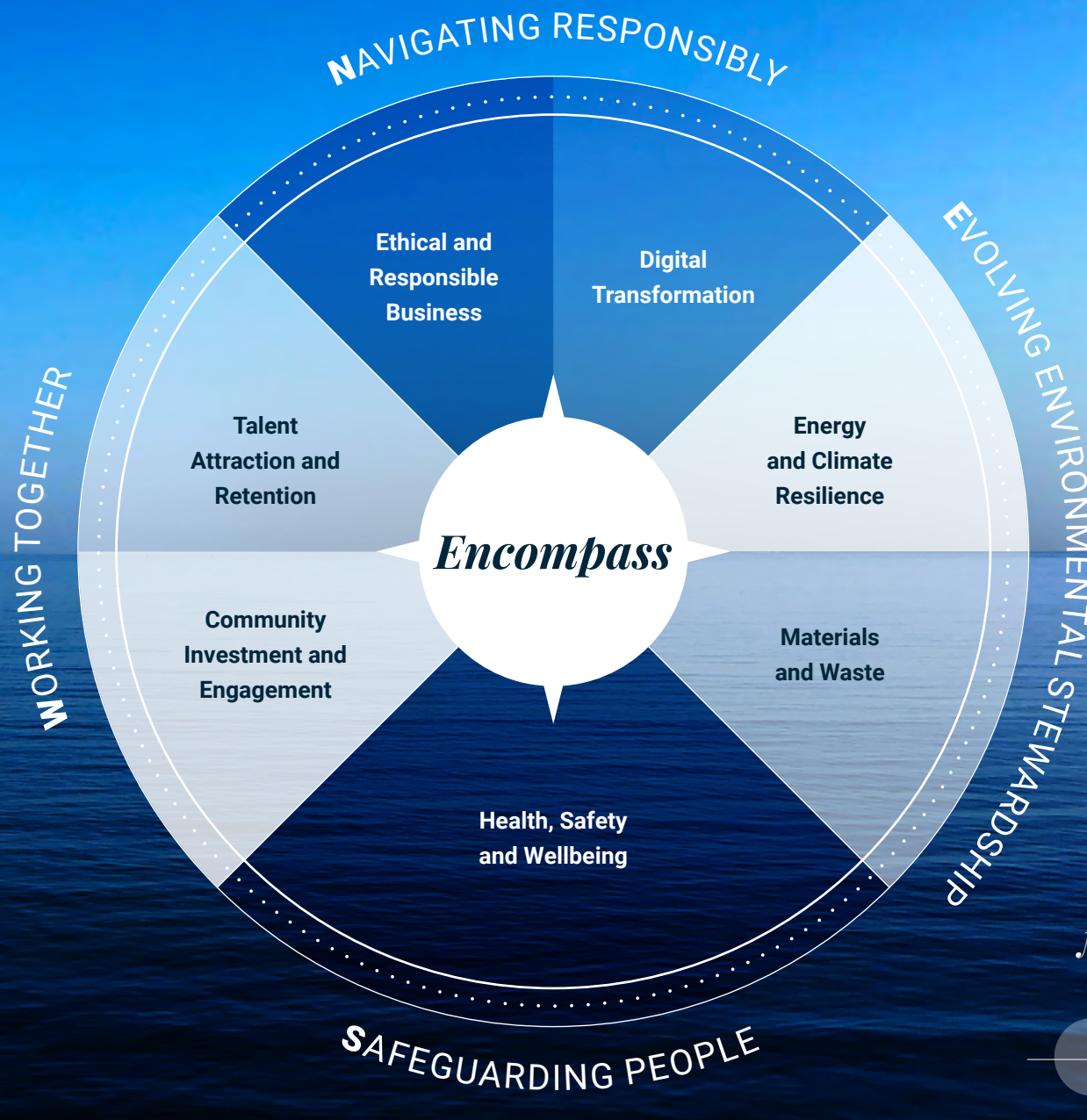
To support full engagement across our organization, we must effectively communicate and help colleagues understand our commitment to sustainability in all areas of the company. We're looking forward to providing ESG training to all employees by the end of 2024, and implementing many more initiatives to support a more responsible and sustainable future for our industry.

# The Caravel Group's Sustainability Strategy

Building on our inaugural Responsibility Report in 2021, the Group has devoted considerable effort to enhancing our responsibility framework into a holistic and forward-looking sustainability strategy.

This new strategy, **Encompass**, reflects the global nature of our business activities and the resulting impact and engagement we have with economies, people and environments across the world. Recognizing that we are all interconnected, our **Encompass** strategy outlines our priorities and vision for an interdependent future that considers all our stakeholders. It consists of four distinct pillars – Navigating Responsibly, Evolving Environmental Stewardship, Safeguarding People and Working Together – that enable us to manage the sustainability issues that are most material to our business.

Guided by these pillars, we strive to navigate our business responsibly with integrity and innovation, evolve our environmental stewardship to focus on responsible sourcing and consumption, safeguard the health and wellbeing of our employees and seafarers, and work together to support our people and communities to thrive.



# Our Encompass Strategy – Key Goals

Our new Encompass strategy integrates our mission to be a sustainable world-class business that brings positive impact. Working closely with our colleagues, we have determined goals and targets that enable us to address the complex and interconnected sustainability challenges and opportunities that lie ahead.

The material topics and goals are highlighted below, and specific targets are outlined in the relevant pillar sections throughout this report.



## Navigating Responsibly

From adhering to the highest standards of ethical conduct to championing state-of-the-art innovation, we are committed to working responsibly to build a sustainable future for our business and broader society.

### ETHICAL AND RESPONSIBLE BUSINESS

**Zero cases** of non-compliance with Group policies

All eligible employees **trained on the Code of Conduct**

### DIGITAL TRANSFORMATION

**No loss** of personal or company **confidential data** due to cyberattacks

Drive **adoption of technology** among employees to **simplify day-to-day operations**

## Evolving Environmental Stewardship

We manage our environmental impacts by promoting the responsible sourcing and consumption of resources, and implementing a sound monitoring system to measure our activities.

### ENERGY AND CLIMATE RESILIENCE

Support the IMO in its **GHG reduction plans** for 2050 and endeavor to achieve **net-zero emissions** with renewables, or carbon neutrality with offsets for owned vessels and operations, and propose similar measures to shipowners for vessels under our management

Take steps to progressively **improve Carbon Intensity Indicator (CII)** categories towards 'A'

Encourage **use of reduced-impact fuels** on owned ships

**Maintain** our certification to the ISO 14001: **Environmental Management System** and ISO 50001: **Energy Management System standards**

### MATERIALS AND WASTE

Target **zero oil pollution** incidents

**Reduce waste generation** and increase the amount of garbage and sludge landed to shore for proper disposal

Develop a plan to **reduce single-use plastic** on board by **installing purification units** or other means for **supplying safe drinking water**

Follow all mandatory schemes at sea and avoid restricted zones to **reduce risk of ecosystem disruptions**

## Our Encompass Strategy – Key Goals

 Safeguarding People

Understanding that our business is only as resilient as our people, we prioritize the health, safety and wellbeing of our employees and seafarers above all else.

## HEALTH, SAFETY AND WELLBEING

Target **zero catastrophic or serious accidents and incidents** on board our ships

Target **zero fatalities and catastrophic or serious injuries** on ships

Continual review and enhancement of **health and safety training** provided to all seafarers

**Broaden our health and safety strategy** to involve all employees in holistic programs

 Working Together

We are committed to driving shared value for our stakeholders, from employees and seafarers to partners and community members.

## TALENT ATTRACTION AND RETENTION

Continue to provide **gender sensitization training** for **100% of seafarers** who are sailing with female officers

**Zero** confirmed cases of **discrimination or harassment** onshore and on board our ships

Ensure **equal pay** for equal work across the Group, including employees and seafarers at all levels

**100%** of ships to be **covered by CBAs** or by service terms and conditions

Maintain **zero** cases of **human rights violations**, including incidents of child or forced labor

## COMMUNITY INVESTMENT AND ENGAGEMENT

Invest a minimum of **2% of The Caravel Group's average net profits** of the preceding three years on **charitable contributions, programs and community engagement** each year





# Our Stakeholders

Addressing the expectations of our stakeholders has been central to developing our Encompass strategy. We maintain continuous and purposeful interaction with stakeholders through multiple communication channels. The table below outlines our key stakeholder groups<sup>6</sup>, ongoing engagement methods, their priorities, what they consider to be significant impacts, and how their priority concerns are addressed.

### Navigating Responsibly

- 1 Ethical and Responsible Business
- 2 Digital Transformation

### Safeguarding People

- 5 Health, Safety And Wellbeing

### Evolving Environmental Stewardship

- 3 Energy and Climate Resilience
- 4 Materials and Waste

### Working Together

- 6 Talent Attraction and Retention
- 7 Community Investment and Engagement

## OUR STAKEHOLDERS

Stakeholder Groups	Methods of Engagement	Key Concerns	Significant Impacts Raised	Material Topics that Address Concerns
<b>Employees</b>	<ul style="list-style-type: none"> <li>• One-on-one interviews</li> <li>• Surveys</li> <li>• Town hall meetings</li> <li>• New hire orientation</li> <li>• Intranet</li> <li>• Training sessions</li> <li>• Annual and mid-year strategy meets</li> <li>• Team engagement events</li> </ul>	<ul style="list-style-type: none"> <li>• Providing career progression opportunities</li> <li>• Ensuring people are supported across operations</li> <li>• Establishing a clear roadmap to further progress on sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Employee welfare and benefits</li> <li>• Digitalization and innovation</li> <li>• Economy and financial performance</li> <li>• Ethical business conduct</li> <li>• Cybersecurity and data privacy</li> </ul>	1 2 6
<b>Regulators/Classification Societies/Government</b>	<ul style="list-style-type: none"> <li>• One-on-one interviews</li> <li>• Surveys</li> <li>• Industry events</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring regulatory compliance</li> <li>• Supporting health and safety</li> <li>• Supporting local communities</li> <li>• Managing environmental impacts, including greenhouse gas (GHG) emissions and climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-corruption and money laundering</li> <li>• Digitalization and innovation</li> <li>• Cybersecurity and data privacy</li> <li>• Economy and financial performance</li> <li>• Ethical business conduct</li> </ul>	1 2
<b>Clients/Shipowners (maritime) and Buyers (commodities)</b>	<ul style="list-style-type: none"> <li>• One-on-one interviews</li> <li>• Surveys</li> <li>• Client feedback surveys</li> <li>• Quarterly meetings</li> <li>• Regular business interaction</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring regulatory compliance</li> <li>• Maintaining the health and safety of crew</li> <li>• Receiving data transparently and efficiently</li> <li>• Sharing best practices</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory landscape</li> <li>• Digitalization and innovation</li> <li>• Ethical business conduct</li> <li>• Air emissions</li> <li>• Energy consumption</li> <li>• Climate change</li> </ul>	1 2 3 4
<b>Board/Management</b>	<ul style="list-style-type: none"> <li>• One-on-one interviews</li> <li>• Surveys</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring sound policies, systems and resources to tackle key risks and opportunities</li> <li>• Ensuring the health and safety of staff</li> <li>• Maintaining strong economic performance</li> </ul>	<ul style="list-style-type: none"> <li>• Employee welfare and benefits</li> <li>• Economy and financial performance</li> <li>• Human rights</li> <li>• Air emissions</li> <li>• Anti-corruption and money laundering</li> </ul>	1 3 4 6

<sup>6</sup> Our identification of key stakeholder groups is guided by the AA1000 Stakeholder Engagement Standard (2015).



### Our Stakeholders

#### OUR STAKEHOLDERS (cont.)

Stakeholder Groups	Methods of Engagement	Key Concerns	Significant Impacts Raised	Material Topics that Address Concerns
<b>Partners/Suppliers/Contractors (including seafarers for maritime and sellers/freight providers for commodities)</b>	<ul style="list-style-type: none"> <li>• One-on-one interviews</li> <li>• Surveys</li> <li>• Quarterly supplier relationship management (SRM) meetings</li> <li>• Conferences and exhibitions</li> <li>• Site visits</li> <li>• Regular business interaction</li> </ul>	<ul style="list-style-type: none"> <li>• Providing capacity building to ensure ethical and responsible sourcing</li> <li>• Sharing best practices and collaborating to adopt new technology, equipment and fuel</li> </ul>	<ul style="list-style-type: none"> <li>• Energy consumption</li> <li>• Air emissions</li> <li>• Economy and financial performance</li> <li>• Employee welfare and benefits</li> <li>• Climate change</li> </ul>	1 3 4 6
<b>Banks/Trade Finance Providers</b>	<ul style="list-style-type: none"> <li>• One-on-one interviews</li> <li>• Surveys</li> <li>• Quarterly meetings</li> <li>• Regular business interaction</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring sound management of Environmental, Social and Governance (ESG) areas with transparent reporting</li> <li>• Implementing responsible procurement policies</li> <li>• Establishing a clear roadmap to further progress on sustainability</li> <li>• Maintaining strong financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-corruption and money laundering</li> <li>• Economy and financial performance</li> <li>• Digitalization and innovation</li> <li>• Cybersecurity and data privacy</li> <li>• Climate change</li> <li>• Supply chain management</li> </ul>	1 2 3
<b>Insurance Providers</b>	<ul style="list-style-type: none"> <li>• One-on-one interviews</li> <li>• Surveys</li> <li>• Press releases, announcements and circulars</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring sound policies, systems and resources to tackle key risks and opportunities</li> <li>• Training and development to ensure safety of seafarers and vessels</li> <li>• Ensuring regulatory compliance, including those related to coal extraction and consumption</li> </ul>	<ul style="list-style-type: none"> <li>• Employee welfare and benefits</li> <li>• Anti-corruption and money laundering</li> <li>• Economy and financial performance</li> <li>• Occupational health and safety</li> <li>• Digitalization and innovation</li> </ul>	1 2 5 6
<b>Trade Associations/ Industry Organizations</b>	<ul style="list-style-type: none"> <li>• One-on-one interviews</li> <li>• Surveys</li> <li>• Periodic member meetings</li> <li>• Industry events</li> <li>• Board memberships</li> <li>• Contribution to task forces/working groups to develop new initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring regulatory compliance</li> <li>• Collaborating on whole-of-industry issues</li> </ul>	<ul style="list-style-type: none"> <li>• Economy and financial performance</li> <li>• Cybersecurity and data privacy</li> <li>• Employee welfare and benefits</li> <li>• Ethical business conduct</li> <li>• Occupational health and safety</li> </ul>	1 2 5 6
<b>NGOs/Local Community</b>	<ul style="list-style-type: none"> <li>• One-on-one interviews</li> <li>• Surveys</li> <li>• Joint projects</li> <li>• Volunteer opportunities</li> <li>• Charitable events</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting community initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Employee welfare and benefits</li> <li>• Economy and financial performance</li> <li>• Anti-corruption and money laundering</li> <li>• Occupational health and safety</li> <li>• Community investment and engagement</li> </ul>	1 5 6 7



# Assessing Materiality

We evolved our materiality assessment process in 2022 to integrate the updated GRI Standards' criteria. This included assessing the positive and negative impacts that our relevant sustainability issues have on the economy, the environment and people (including impacts on human rights), across our activities and business relationships.



Our step-by-step process is described below:

## 01 Research

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We identified sustainability issues most relevant to our business through industry and media research and peer benchmarking. This research also considered changes in the regulatory and disclosure landscape, as well as our business context and industry trends.

## 02 Stakeholder Engagement

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The research phase was supported with comprehensive stakeholder engagement involving 21 face-to-face interviews with internal and external stakeholders, and an online survey of 2,383 individuals representing 11 stakeholder groups. All stakeholders were asked to assess our sustainability issues' actual, potential, and negative and positive impacts, prioritizing them based on their significance. They were also asked to rank key risks, opportunities, and areas where The Caravel Group could demonstrate sustainability leadership. The stakeholders engaged included representatives from the Group's Board of Directors and management, employees, insurance providers, clients, partners/suppliers, regulators/classification societies, peers, banks, industry organizations, media, academia and NGOs.

## 03 Evaluation

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In a materiality workshop, the ESG Working Committee (comprising senior management representatives) evaluated the distilled results of the research, stakeholder responses, and our independent consultant's assessment of The Caravel Group's sustainability impacts based on the GRI Standards' criteria. Based on the confirmed ranking of sustainability issues by the significance of their impact, a threshold was set, determining the material topics for reporting. This list can be found on the following page.

## 04 Confirmation

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Our Board, including our Chairman & CEO, reviewed and approved the prioritization of our business impacts and material topics for reporting. The results of the materiality assessment narrowed our list of material topics from 25 in the previous reporting year to the current seven that fall under the four pillars of our Encompass strategy. This new strategy will enable us to better prioritize our approach to addressing the most significant impacts on our value chain.

## Assessing Materiality

### MATERIAL TOPICS AND ALIGNED SUSTAINABILITY ISSUES BY PILLAR

The following section describes our most significant impacts and where they may lie along our value chain.

# Navigating Responsibly

Material Topic

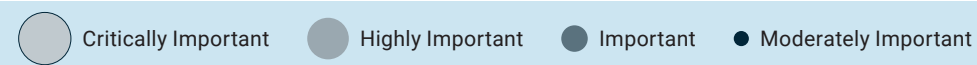
## ETHICAL AND RESPONSIBLE BUSINESS

SUSTAINABILITY ISSUES	Ethical Business Conduct/ Anti-Corruption and Money Laundering	Economy and Financial Performance	Regulatory Landscape	Supply Chain Management
<b>Impact</b> + Positive	Ethical conduct avoids penalties, preventing potential diversion of resources that would otherwise be invested in supporting people and the environment.	Good performance results in more resources that can be used to improve the livelihoods of people and communities and contribute to economic development.	Meeting regulatory requirements helps to prevent the incidents that relevant laws and regulations seek to avoid and builds trust. Engaging with policymakers on regulatory changes can benefit the industry.	Encouraging suppliers to adopt sustainable practices helps them align to environmental and social standards, upholds respect for human rights and furthers sustainable supply chains.
<b>Impact</b> – Negative	Unethical conduct and a lack of transparency results in impaired performance, a loss of trust and reputation and potential fines.	Poor financial performance will limit the ability to contribute to society and the economy.	Failure to respond to regulatory developments could lead to loss of trust and financial penalties, impacting our ability to support society and the economy. It could also result in more frequent or severe damage to the environment and society.	Inadequate management of supplier relationships could result in the Group indirectly causing environmental and social negative impacts (e.g. waste, emissions, human rights abuses) through the supply chain.

Where the impact lies along the value chain



Significance of Impact



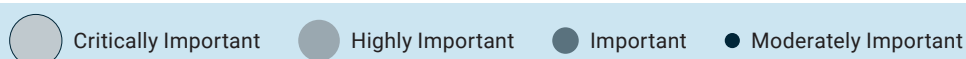
## Assessing Materiality

### MATERIAL TOPICS AND ALIGNED SUSTAINABILITY ISSUES BY PILLAR (cont.)

# Navigating Responsibly

# Evolving Environmental Stewardship

Material Topic	DIGITAL TRANSFORMATION			ENERGY AND CLIMATE RESILIENCE		
SUSTAINABILITY ISSUES	Digitalization and Innovation	Cybersecurity and Data Privacy	Climate Change	Energy Consumption	Air Emissions	
<b>Impact + Positive</b>	Investment in digitalization and innovation improves operational effectiveness, benefiting the economy, environment and people.	Safeguarding assets through a robust approach to cybersecurity and data privacy protects employees and other stakeholders while supporting digitalization.	The Group can help clients decarbonize their vessel operations to safeguard ecosystems and subsequently, the health of people and economies.	Energy-efficiency measures and investments in clean energy support the low-carbon economy, reducing emissions and mitigating climate-related risks.	Minimizing air pollution positively affects the health of the environment and society while meeting stakeholder expectations.	
<b>Impact - Negative</b>	Obsolete or insufficient technology can impair performance and client satisfaction. Loss of business results in fewer resources for beneficial use.	Cyberattacks and poor data management practices may result in penalties, loss of trust, talent and clients.	Climate change is already having widespread and erratic impacts, causing damage to ecosystems, economies and people. Failure to manage this challenge will impair the long-term sustainability of the business, our clients, people, the environment and economies.	Not adequately managing energy consumption can impact air quality and exacerbate climate change. Failure to meet regulatory and stakeholder expectations will result in penalties, reducing resources available for beneficial use.	Air pollution damages human health and the environment. There may be higher costs associated with compliance, if preventative and mitigative actions are not implemented promptly.	
Where the impact lies along the value chain						
Significance of Impact	●	●	●	●	●	



## Assessing Materiality

### MATERIAL TOPICS AND ALIGNED SUSTAINABILITY ISSUES BY PILLAR (cont.)

# Evolving Environmental Stewardship

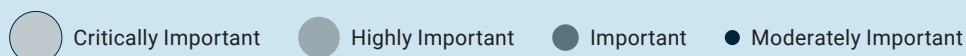
# Safeguarding People

Material Topic

## MATERIALS AND WASTE

## HEALTH, SAFETY AND WELLBEING

SUSTAINABILITY ISSUES	Waste Management	Biodiversity	Water Management	Occupational Health and Safety (OHS)
<b>Impact + Positive</b>	Minimizing waste generation, maximizing reuse and recycling, and ensuring proper treatment of waste safeguards the environment and meets stakeholder expectations.	A sound approach to biodiversity sustains marine ecosystems, resources and quality of life.	Minimizing and monitoring wastewater discharge reduces pollution and can identify opportunities to limit harmful effluents, thereby protecting the environment.	A culture of safety derived from strong OHS management practices can protect and support people. Safeguarding employees will improve performance and help attract and retain talent and clients alike.
<b>Impact - Negative</b>	Inadequate waste management can result in environmental damage, loss of reputation and penalties, leading to less resources for beneficial use.	Failure to consider biodiversity impacts leads to degradation of marine ecosystems and loss of stakeholder trust.	Failure to manage wastewater discharge causes environmental damage, and can result in fines and reduced stakeholder trust.	Poor OHS practices can lead to irremediable injuries and fatalities on board ships and impair reputation and performance.
Where the impact lies along the value chain				
Significance of Impact	●	●	●	○



## Assessing Materiality

### MATERIAL TOPICS AND ALIGNED SUSTAINABILITY ISSUES BY PILLAR (cont.)

# Working Together

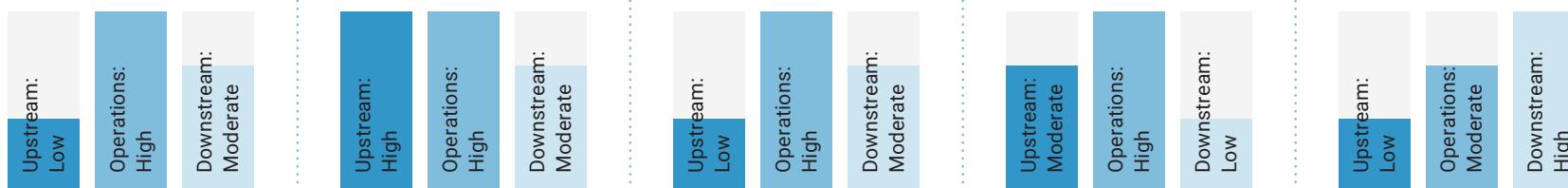
Material Topic

## TALENT ATTRACTION AND RETENTION

## COMMUNITY INVESTMENT AND ENGAGEMENT

SUSTAINABILITY ISSUES	Employee Welfare and Benefits	Human Rights	Diversity, Equity and Inclusion (DEI)	Training and Development	Community Investment and Engagement
<b>Impact + Positive</b>	Supported, satisfied and healthy employees cultivate a culture where people feel empowered and are more likely to find purpose at work.	Adopting internationally recognized human rights standards benefits all stakeholders. Respecting human rights creates a more constructive working environment.	Diverse, equitable and inclusive workplace environments galvanise and empower employees. Diversity of thought and opinions can drive innovative approaches and amplify performance.	Continuous investment in skill and knowledge development contributes to improved wellbeing, performance and safety outcomes. Professional development empowers people to make positive contributions to society and the economy.	Investment can uplift communities and reduce inequality. Engagement enhances the reputation of the business and attracts talent.
<b>Impact – Negative</b>	Failure to support and empower employees to thrive and perform at their best may lead to unhappy employees, high turnover rates and low productivity.	Unjust treatment of people, such as a lack of attention to OHS, rights and freedoms leads to impaired performance and loss of reputation.	Failure to design and implement strategies to advance improved DEI outcomes may lead to higher turnover, impaired reputation and lost opportunities for the Group, people and economies.	Inadequate training can lead to accidents, injuries and fatalities resulting in loss of talent and impaired economic performance. It can also cause organizational, team and individual capability gaps – affecting performance and outcomes for all stakeholders.	Lack of engagement leads to fewer opportunities to reduce inequality and support people, resulting in reduced trust in the business.

Where the impact lies along the value chain



Significance of Impact



Critically Important



Highly Important



Important



Moderately Important

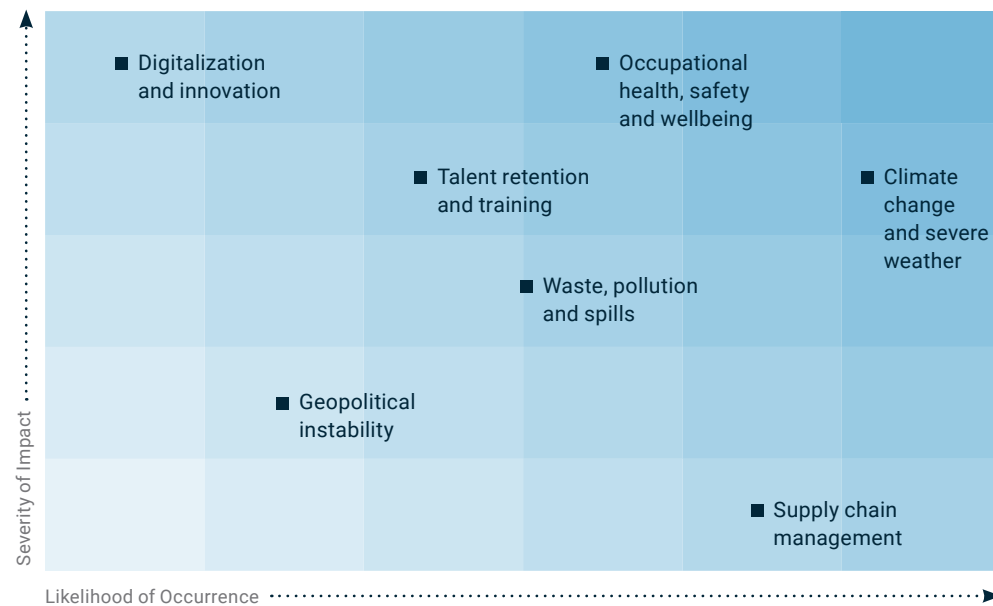
# Sustainability Risks and Opportunities

Our Encompass strategy guides our approach to addressing the environmental, social and governance-related risks salient to the Group's business.

## Key Risks

The key risks identified below are based on the evaluation of risks identified by The Caravel Group's internal and external stakeholders, peer benchmarking, and research conducted on global and regional sustainability risks. A description of these risks, the relevant pillars of our Encompass strategy that address the risks, their potential positive and negative impacts on the Group, and the mitigation measures we have implemented to tackle these impacts, are described in the Risk to Opportunity Framework as follows.

### MATRIX OF KEY RISKS



### RISK TO OPPORTUNITY FRAMEWORK

#### CLIMATE CHANGE AND SEVERE WEATHER

Strategy (related pillars)



#### OPPORTUNITIES

A robust approach to climate action will ensure the Group is well-placed to address the adverse impacts of the climate crisis. By exploring renewable energy sources, the Group can ensure our operations are future-fit. A clear roadmap articulating how the Group will reduce our environmental impact will enhance our reputation and resonate with forward-thinking stakeholders, including clients and employees.

#### Risks

Greater emphasis on the protection of natural ecosystems and the wellbeing of communities in a climate-constrained world will result in increasing regulatory and reputational risk. In addition, extreme weather events including floods or storms could put ships, people and ports at risk of physical damage, and impact the supply of goods required for day-to-day business operations.

#### Mitigating Actions

- Aim to conduct a climate-risk assessment to address Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- Encouraging the adoption of alternative fuels and innovative solutions such as wind-assisted ship propulsion.
- Ballast water treatment systems on all vessels to protect biodiversity.
- NOVA application for calculation of each ship's CII rating, energy-saving devices and weather and route optimization software to manage emissions.
- Participating in the Getting to Zero Coalition's Call to Action for Shipping Decarbonization.

#### Related Pillar Key:



Navigating Responsibly



Evolving Environmental Stewardship



Safeguarding People



Working Together

**Sustainability Risks and Opportunities****RISK TO OPPORTUNITY FRAMEWORK** (cont.)**OCCUPATIONAL HEALTH, SAFETY (OHS) AND WELLBEING**

Strategy (related pillars)

**OPPORTUNITIES**

A strong focus on OHS and wellbeing supports talent attraction and retention, further enhancing reputation and differentiation in the industry to attract even the most discerning clients.

**Risks**

Safety lapses, due to human error or other causes, could affect our seafarers' physical and mental wellbeing. At the same time, the health and wellbeing of our people on board also has the potential to impact safety, which could result in regulatory and reputational risks for the Group.

**Mitigating Actions**

- Implementation of safety systems including our Quality and Safety Management System and Planned Maintenance System.
- Occupational health and safety training (SafeR+ T-CUP), and safety alerts and campaigns.
- Mental health support for employees, seafarers and their families, including extending psychological first aid training to junior officers.
- Dedicated team of psychologists, including a clinical psychologist focused on Cadets & Trainee Marine Engineers (TME).
- Commitment to the Neptune Declaration on Seafarer Wellbeing and Crew Change to address the impacts of the crew change crisis.

**TALENT RETENTION AND TRAINING**

Strategy (related pillar)

**OPPORTUNITIES**

Measures to retain and develop the right talent will establish the Group as an employer of choice. The Group's approach to employer branding – including engagement, programs, policies, training, career progression opportunities and benefits – can be a point of differentiation while assuring business continuity.

**Risks**

The inability to attract, retain and develop the right talent could result in operational disruptions leading to reputational risk and pose a threat to the financial performance of the Group.

**Mitigating Actions**

- Fleet Management Training Institute (FMTI) and Training on Land and Sea (TOLAS) training modules that form part of an award-winning e-learning suite and Udemy Business e-learning for employees.
- Santa Fe relocation and onboarding initiative for all new joiners.
- Employee and seafarer surveys to gauge satisfaction and understand concerns.
- ESG and DEI training for leadership and eligible employees.
- Annual awards for roles such as best Master and Chief Engineer to motivate personnel.
- Improved benefits including medical coverage, birthday leave and dress casual days.

**Related Pillar Key:**

Navigating Responsibly



Evolving Environmental Stewardship



Safeguarding People



Working Together



### Sustainability Risks and Opportunities

#### RISK TO OPPORTUNITY FRAMEWORK (cont.)

##### DIGITALIZATION AND INNOVATION

Strategy (related pillars)



##### OPPORTUNITIES

A sound information management system will ensure operational transparency between the Group and our clients, increasing client and employee trust. This will enhance the Group's ability to unlock opportunities to drive operational efficiency and quality. Fostering a culture of innovation will enable the Group to adopt new approaches and technologies, allowing us to effectively pivot in the face of accelerating change.

##### Risks

Not developing and implementing robust information management systems that allow the Group to share data seamlessly internally and with external partners would be detrimental to the future growth of the business. Failure to maintain infrastructure or prevent cyberattacks could gravely impact clients, seafarers and the Group's reputation. Not innovating would preclude the Group from being future-fit and resilient to change, affecting the success of the business overall.

##### Mitigating Actions

- PARIS 2.0 ecosystem provides online visibility of a vessel's performance, condition and operating costs to staff and clients.
- NOVA analytics platform provides insights to drive operational improvements to manage safety and environmental aspects. Predictive capability helps identify opportunities to reduce risk further.
- Safeview app measures safety and environmental compliance.
- Oracle Procurement and Oracle Financials to enable efficient inventory management and cost transparency.
- Cyber Incident Response Team (CIRT) and crisis management procedures to address cyberattacks.
- Training on privacy and cybersecurity and proactive phishing tests to validate understanding among seafarers and employees.

##### WASTE, POLLUTION AND SPILLS

Strategy (related pillars)



##### OPPORTUNITIES

State-of-the-art systems and equipment supported by robust environmental, safety and crisis management systems will enable the Group to responsibly manage our environmental impact for the benefit of all.

##### Risks

Collisions and other accidents caused by human error, equipment/technology failure or extreme weather events, could result in pollution and spills that cause grave environmental damage. Inability to manage waste, pollution and spills can also present health-related hazards for surrounding communities, exposing the Group to regulatory and reputational risks, as well as fines and/or legal action against the Group.

##### Mitigating Actions

- Fit-for-purpose equipment with routine maintenance and testing to eliminate leakage and spills.
- Commitment to reduce waste and increase the proportion of sludge and garbage landed ashore.
- A robust incident management system and monthly reviews by the Quality, Health, Safety and Environment (QHSE) department.
- Stringent investigation of pollution including oil pollution and loss of primary containment (LOPC) incidents.
- Ship simulator, bridge team management, technical, environmental management and safety training, regular safety alerts and campaigns.
- IMPA-SAVE pledge to reduce single-use plastic on board.

#### Related Pillar Key:



Navigating Responsibly



Evolving Environmental Stewardship



Safeguarding People



Working Together



**Sustainability Risks and Opportunities****RISK TO OPPORTUNITY FRAMEWORK** (cont.)**SUPPLY CHAIN MANAGEMENT****Strategy** (related pillar)**OPPORTUNITIES**

Robust supply chain management systems with ESG controls and capacity-building programs can create financial, environmental and social benefits throughout the value chain. Securing and enhancing supplier relationships will strengthen the resilience of the Group.

**Risks**

Inadequate measures to address ESG practices in the supply chain could contribute to environmental and social damage to ecosystems and communities, resulting in regulatory and reputational risks. In the long run, the supply and quality of the goods the Group depends on could also be impacted.

**Mitigating Actions**

- Supplier Onboarding Program and Supplier Code of Conduct.
- Quarterly supplier relationship meetings.
- Oracle Procurement software for processing purchasing work orders.
- New Responsible Sourcing Policy for Caravel Resources.
- KYC vendor management process and due diligence checks.

**GEOPOLITICAL INSTABILITY****Strategy** (related pillars)**OPPORTUNITIES**

Comprehensive risk and crisis management systems that prioritize security could assure business continuity and enhance the Group's reputation.

**Risks**

Adverse geopolitical events such as the war in Ukraine could result in market disruptions and heightened security risks for the Group's fleet and people. It could also lead to stranded assets.

**Mitigating Actions**

- Robust risk management systems and crisis mitigation protocols.
- Effective management of operating procedures to adapt to volatile conditions (e.g. dynamic sanctions regimes).
- Optimizing routing and following Best Management Practices (BMP-5/BMP West Africa) to ensure safety.
- Usage of advanced security technology and real-time position tracking of vessels through Stratum Five/Fleet Operation Solution (FOS).
- Regular implementation of security drills and training and dissemination of key learnings.

**Related Pillar Key:**

Navigating Responsibly



Evolving Environmental Stewardship



Safeguarding People



Working Together



# Group Awards and Recognition

AWARDS RECEIVED IN 2022



## OUTSTANDING PERFORMANCE AWARD

in Port State Control Inspection for the year 2021  
Marine Department of Hong Kong SAR



## BEST FOREIGN EMPLOYER OF INDIAN SEAFARERS

The Government of India



## ENVIRONMENT ACHIEVEMENT AWARD

The Port of Long Beach



## PORT STATE CONTROL PERFORMANCE AWARD

for the year 2021  
The Liberia Maritime Authority



## Excellence in IT SOLUTIONS AWARD, PEOPLE DEVELOPMENT AWARD

International Bulk Journal



## The Seafarers' Award for BEST SHIP MANAGER

for the year 2021, voted by seafarers and awarded on their behalf

The Sailors' Home and Mission to Seafarers



## A SPECIAL COMMENDATION AWARDED to the FLEET Care team

for supporting 'The Wellbeing at Sea' 2022 survey, which helped us identify areas of improvement and share best practices to reinforce the importance of seafarer wellbeing

The UK's Maritime and Coastguard Agency



## Samudra Manthan Award 2022 awarded to FLEET India for MANNING COMPANY OF THE YEAR

in recognition of our ongoing commitment to supporting seafarers, particularly in skill development, diversity, safety and wellbeing



## GREEN AWARD for three vessels

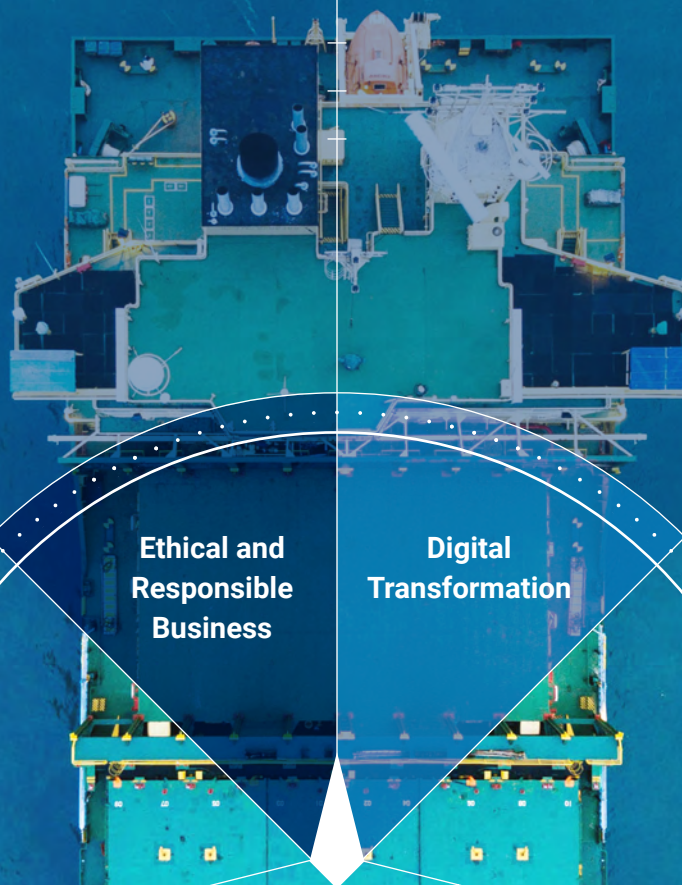
Green Award Foundation





# Navigating Responsibly

From adhering to the highest standards of ethical conduct to championing state-of-the-art innovation – we are committed to working responsibly to build a sustainable future for our business and broader society.



**Ethical and Responsible Business**

**Digital Transformation**

# Strategy and Management Approach

The maritime industry is a mainstay of the global economy. Responsible for 80% of international trade<sup>7</sup>, shipping connects communities, bringing essentials such as food, medicine and energy to all corners of the globe. In an increasingly interconnected world, we are well aware of the industry's – and more specifically, our company's – impacts on people, the economy and the planet. As such, we are committed to ensuring our activities create value for our business and broader society.

Creating shared value begins with adhering to the highest ethical standards. In line with our mission of bringing positive impact and being customer centric, responsible and driven by values, we not only comply with the laws of all jurisdictions where we operate, but strive to go beyond regulatory requirements to deepen client trust and support communities.

Operating with integrity across our value chain is a responsibility upheld by our leadership team and managed through our robust governance practices. Sound governance underpins all of our investments including the expansion of digitalization across our business. From ensuring data security for our stakeholders to implementing state-of-the-art technology that measures our impact on the environment, we are committed to working responsibly to build a sustainable future.

<sup>7</sup> United Nations Conference on Trade and Development (UNCTAD) website: <https://unctad.org/rmt2022>.

## Governance Structure

### The Caravel Group's Leadership

Directors of The Caravel Group Ltd. include members of the Group's promoter family, Dr Harry Banga, Mrs Indra Banga and Mr Angad Banga. Dr Banga and Mr Banga are deeply involved in the running of the Group in their roles as Chairman & CEO, and Chief Operating Officer (COO), respectively. Mrs Banga focuses on the Group's charitable arm, The Caravel Foundation. The Caravel Group's management team comprises the Chairman & CEO, Chief Operating Officer, and the most senior leaders (Managing Directors and/or Directors) of FLEET, Caravel Shipping, Caravel Metallurgical and Caravel Carbons. In 2022, the Board of Directors of our main subsidiary, Fleet Management Ltd., included Managing Director Dr Kishore Rajvanshy, COO & Director, Mr Angad Banga, and Executives Directors Mr Sanjay Chandra and Captain Aga Nagarajan. Reporting to them are our Directors for Chemical, Oil and Gas Tankers, Tanker Operations, Dry Bulk and Containers, Dry Operations, Fleet Personnel, Insurance, Procurement, Business Development and other support functions.

### Risk Management

The Group regularly evaluates and determines significant risks that may impact our performance. Central to our approach is the risk framework governed by our SOPs, which provide the processes and principles for managing risks that impact the Group's objectives and ability to create shared value.

For our commodity trading and ship-owning businesses, we have created a Risk Committee responsible for supervising enterprise risk management across these business units. This Committee regularly reports to the management team on key risks and the appropriate mitigation and/or transfer of identified risks. At FLEET, a Planning and Strategy Committee assesses operational risks and suggests changes in existing processes to reduce recurring risks as needed. Fleet Management Ltd.'s Board is kept apprised of this Committee's work and approves any proposed process changes.

The Caravel Group's Board has also established a separate internal audit division, that performs yearly audits of significant operating units and reports these findings to the Board directly. The internal audits are designed to add value to the Group's operations through systematic risk management and control evaluations, specifically focusing on accurate data processing, the effectiveness of policies and procedures, fraud and operational risks and information system controls. The Board ensures appropriate follow-up through the involvement of the relevant business area's Managing Director and implements remedial actions appropriate to each business division's recommendations.

## Strategy and Management Approach

# Our Sustainability Agenda

With ESG-related risks growing in importance, our governance structure outlines clear roles and responsibilities for effectively managing the Group’s sustainability agenda.

The Group is committed to enhancing our knowledge of sustainability. In 2022, a training session was conducted to build awareness among director-level colleagues. Following this, two more “teach-in” sessions were held. Additionally, our new training platform Udemy Business provides courses on sustainability. In 2023, further strides will be made in line with our target to train all senior executives on ESG principles.



# ESG Working Committee

The ESG Working Committee (EWC), formed in 2021, comprises 14 individuals. Each individual represents a business vertical or department within the organization. EWC members were selected to ensure representation from different business functions while prioritizing diversity in gender and geographical location. The EWC has responsibility for managing our strategy, policies and goals related to sustainable development. This involves the implementation of ESG initiatives and monitoring progress, reviewing and updating policies and procedures, proposing new programs and targets and facilitating reporting, including compiling data for the annual Responsibility Report. The EWC is also responsible for engaging employees across the business to promote a culture where business decisions are made with due consideration of impacts on society and the environment.

The EWC reports to the COO several times a year. These interactions include discussing any critical concerns facing the Group, and any corrective and preventative actions that arise.

The COO and the wider management team oversee the Group’s sustainability strategy and approve the annual Responsibility Report, along with the organization’s material topics. They also oversee recommendations for amendments to existing policies and systems, new initiatives to address the regulatory landscape, technological advancement and stakeholder expectations, and any areas for overall improvement.

## Strategy and Management Approach

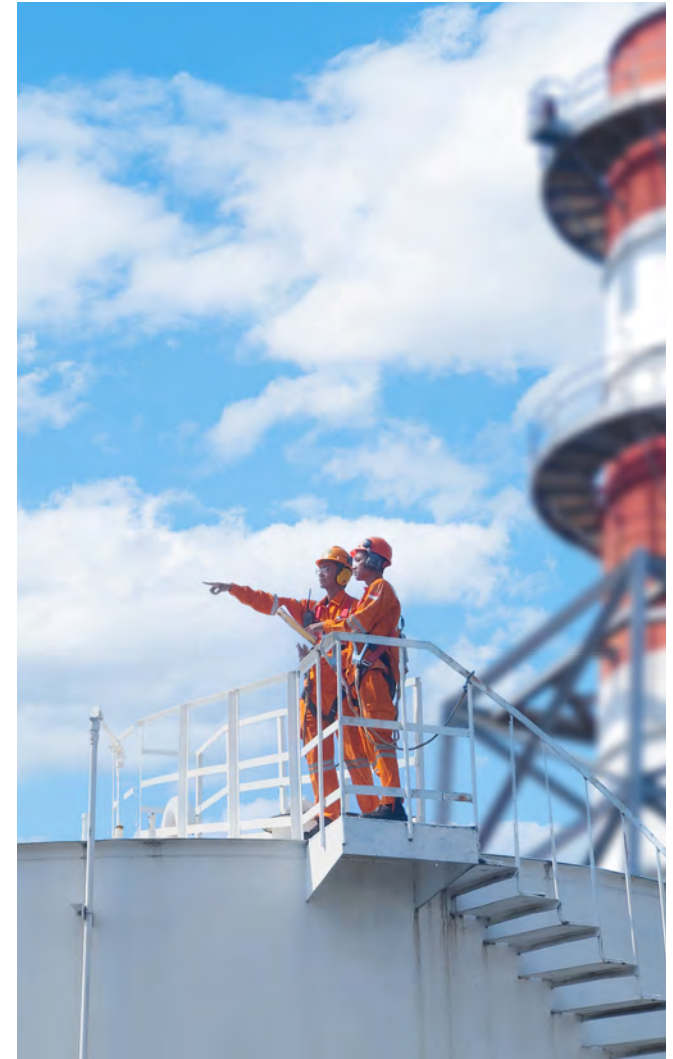
# Policies

The EWC is guided by policies that establish our approach to ESG across our value chain. These policies, which address topics that are most material to our business, are outlined below and apply to the Group and our main subsidiaries.

### OUR POLICIES

Group Compliance Policy	FLEET Sanctions Compliance Policy
Group Code of Conduct	FLEET Supplier Code of Conduct
Group Grievance Procedure	FLEET Ethics and Non-retaliation
<a href="#">Responsible Sourcing Policy for Caravel Resources</a>	FLEET Anti-bribery and Trade Compliance
<a href="#">Group Human Rights Policy</a>	FLEET Security and Cybersecurity
Group Equal Opportunity and Non-discrimination Policy	FLEET Environmental Policy
Group Non-harassment/Bullying at Work Policies	FLEET Harassment and Bullying in the Workplace
Group Social Media Policy	FLEET Drug and Alcohol
<a href="#">The Caravel Group Privacy Policy</a>	FLEET Personnel and Welfare
	FLEET OHS Policy
	FLEET Social Responsibility
	FLEET Social Media Policy
	<a href="#">FLEET Privacy Policy</a>

The Group is striving to enhance our due diligence procedures to identify and manage potential impacts on the economy, environment and people, including ways to optimize benefits and opportunities and mitigate any negative impacts. In line with this, we have developed two new policies in this reporting year including a Group Human Rights policy, details of which can be found in the [Working Together](#) section, and a Responsible Sourcing Policy for Caravel Resources, further described in the [Supply Chain Management](#) section.



## Navigating Responsibly – Strategy and Management Approach

# Key Goals and Targets

In alignment with international best practice, we map our goals and targets for each of our pillars to the UN SDGs to which we contribute. Our goals and targets for this Navigating Responsibly pillar align with the following UN SDGs:



**Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels**

We strive to eliminate corruption and bribery. We have a zero-tolerance approach towards all forms of unethical behavior, and continue to enhance our due diligence processes with regards to suppliers and partners. We aim to provide a secure and fair environment where concerns can be raised without fear of retaliation.

### Goals

- **Zero cases** of non-compliance with Group policies
- All eligible employees **trained on Code of Conduct**

### Targets

- **Deliver anti-corruption training** to **100%** of eligible employees
- **Resolve 100%** of whistleblowing cases that arise



**Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

We are dedicated to implementing accurate and transparent processes to measure our social and environmental impact. We seamlessly integrate digital technology and data analytics into our operations, improving accountability and efficiency to create shared value.

### Goals

- **No loss** of personal or company **confidential data** due to cyberattacks
- Drive **adoption of technology** among employees to **simplify day-to-day operations**

### Targets

- By 2024, roll out a **systematic data collection process** across operations to enhance transparency and accountability
- By 2023, roll out **NOVA, our data analytics platform** that provides insights to our shore-based colleagues and clients
- By 2024, relevant employees to be **trained on applicable privacy laws**, including GDPR

## Case Study

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# Supporting Carbon Intensity Index Tracking and Analysis

We are focused on supporting our clients and other partners to contribute to an industry-wide push towards decarbonization, to take urgent action in addressing climate change and its many interconnected impacts.

Given the IMO's targets for reducing GHG emissions in the shipping industry, the IMO has introduced the CII, aiming to reduce each ship's carbon intensity by requiring ships to become more operationally efficient. There are various factors that have direct influence on a vessel's CII.

At FLEET, data reported by each ship is captured and analyzed daily by our proprietary data analytics platform NOVA, to determine the CII. The factors that are captured and continually monitored through NOVA include the nature of the voyage, the ship's speed, the smoothness of the hull and propeller, sea conditions as well as emission factors.

NOVA allows CII to be displayed in a graphical format daily, enabling comparison between CII values while the ship is at sea (sailing CII) and the overall CII, while taking into account port fuel consumption. The CII rating of each completed voyage is readily available and incorporates the effects of sea conditions on CII. We are continuing to enhance this functionality through the delivery of predictive capability that will assist in better decision making and operational performance. The crew on board also plays a key role in monitoring and helping reduce fuel consumption, through adopting measures aimed at improving the vessel's operational efficiency.





## Material Topic

# Ethical and Responsible Business

Our robust governance practices ensure that responsible conduct is integrated across all levels of our operations. Employees are trained on our approach to fostering equality and diversity in a workplace free of harassment and discrimination, protecting data and preventing money laundering, bribery and corruption.

In 2022, approximately 84% of our employees completed a suite of training modules pertaining to these topics. We review the modules annually and refresh the content as and when needed to ensure employees have the right tools to adhere to responsible conduct in their daily work.

Our commitment to responsible conduct means we are focused on delivering positive economic results while ensuring regulatory compliance and ethical practices in an environment that treats people fairly and with respect. The expectation of adherence to stringent ethical standards is applied to our own business and extends to partners across our value chain.

## How We Are Managing It

### Maintaining Steady Financial Performance

Given the number of people that work with us and the global nature of our business, the Group's financial performance is undoubtedly a key responsibility, greatly impacting the overall prosperity and wellbeing of our stakeholders. When considering just our employees, seafarers and their families, the number of people dependent on the Group reaches more than 100,000 – so this is a responsibility we do not take lightly. We must continue to attain economic success for the good of the company and for the people and communities that depend on us for their livelihoods.

In 2022, geopolitical events such as the Russian invasion of Ukraine warranted commercial decisions to be taken by the Board, such as establishing new operating procedures to enhance how we manage risk and deciding not to purchase coal from Russia. We also updated our operating procedures related to sanctions to ensure we stay compliant with the dynamic sanction regimes against Russia.

It is our reputation as a responsible business that has built the trust of our clients and business partners over the years. We understand that financial success must go hand in hand with ethical conduct to ensure sustainable value creation for the long term. Achieving steady growth responsibly in uncertain global market conditions remains a key priority for the Group and enables us to allocate funds to beneficial use to create shared value.

For most of 2022, the Group continued to contribute towards the Standard Chartered Bank's Sustainable Deposit. Such deposits enable the bank to fund sustainable projects based on its Green and Sustainable Product Framework, aligned with the UN SDGs. As these are short-tenor deposits, the amount deposited varies monthly. The highest contribution was made during September and October 2022, with the amount deposited amounting to USD 84 million. This was a significant jump from the initial deposit of USD 8 million in 2021. We plan to continue to contribute to this fund in 2023.

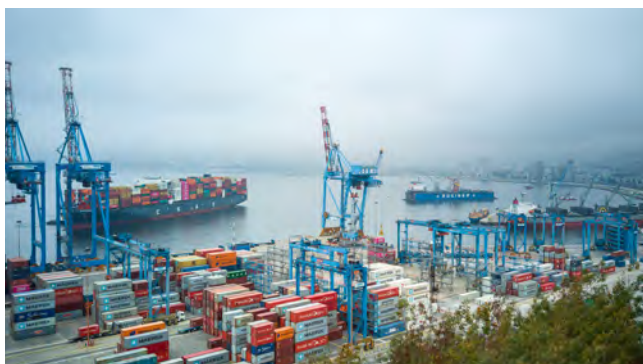
## Ethical and Responsible Business

# Meeting Regulatory Requirements

The nature of the maritime industry subjects us to ever-changing international, regional and country-level regulations. Whether in the realm of ethical conduct, safety or the environment, the Group is committed to meeting regulatory requirements across all jurisdictions. In many cases, we also seek to go beyond what is legally required. As such, we have implemented comprehensive compliance procedures as part of our management systems across our operations.

Company secretarial compliance for each legal entity within the Group is delegated to external parties and is overseen by our Group Financial Controller. All other regulatory matters are managed by the relevant internal teams in accordance with local and international laws. The Group's Legal team is consulted as and when advice is needed.

Compliance of shipboard operations with international regulations – ratified by the vessel's administration and port state regulations – is monitored through FLEET's safety management system by our QHSE department. This department supports each onshore technical group in ensuring each ship under its management is meeting relevant requirements.



Regulatory requirements are fulfilled by our policies and procedures, which are communicated to employees through documented SOPs, by email and in group meetings. While Group-level policies are available on our HR platform, SuccessFactors, specific policies for employees and seafarers at our subsidiary FLEET can be accessed on FLEET's website and our enterprise resource planning (ERP) system, PARIS, respectively. Any new policy that affects FLEET's clients is shared with them through email.

Our Group Compliance Policy outlines the Group's zero-tolerance approach towards all forms of unethical behavior. Approved by our Board, this Policy applies to all employees and associated persons<sup>8</sup> of the Group, and serves to:

- Promote honest and ethical conduct, including in the handling of actual or apparent conflicts of interest between personal and professional relationships.
- Promote compliance with applicable governmental laws, rules and regulations.
- Deter wrongdoing.
- Encourage prompt internal reporting of breaches as per our Grievance Procedure and accountability for adherence to the policy.

<sup>8</sup> Associated persons are defined as temporary agency personnel, contract basis personnel such as subcontractors, consultants, intermediaries, agents or any other third parties acting for or on behalf of a Caravel Group company.

## Compliance Checks

The Group has multiple mechanisms in place for conducting compliance checks. At FLEET, our Voyage Compliance Team (VCT) has oversight of voyages, and our Account Compliance Team (ACT) checks that all payments, including those to seafarers and vendors, meet regulations. In addition, the Insurance team also reviews all prospective clients through 'Refinitiv World-Check', a third-party risk intelligence platform, to check that they are not sanctioned, politically exposed persons, or convicted of criminal conduct.

### VOYAGE COMPLIANCE

FLEET's VCT ensures that its business is conducted in compliance with all applicable legislation/regulations related to sanctions emanating from the United Nations, United States, United Kingdom and the European Union and any other applicable competent authority or government. Before any voyage to a sanctioned country, relevant information is obtained by the technical group. Due diligence is carried out if a voyage is deemed high-risk using the 'Refinitiv World-Check' platform to ensure that the proposed voyage does not breach any sanctions. In the event a voyage appears to be in breach of sanctions, the matter is escalated to the highest levels of management and with the relevant shipowner to ensure that the proposed voyage is avoided or altered to prevent a breach of sanctions.

If the checks show that a potential voyage could be in violation of any legal sanctions, FLEET also informs the vessel's Protection and Indemnity (P&I) club and obtains external legal advice. If the external law firm confirms a risk, we inform the shipowner and advise them not to undertake such a voyage. Our ship management agreements give us the right not to proceed with such voyages. If, however, the external advice is that the voyage is not in breach of legal sanctions, then we proceed with the voyage after informing the club.

## Ethical and Responsible Business

In this reporting year, the sanctions imposed on Russia by the United States, European Union and United Nations have been a key focus. To manage the related risks, the Group has enhanced measures concerning pre-and-post contractual screening of counterparties. Overall, around 126 voyage compliance-related checks were carried out in 2022, including checks on contracting parties and the vessels.

### ACCOUNT COMPLIANCE

The Sanctions Compliance policy also covers payments. We conduct a 'Refinitiv World-Check' screening prior to approving any payments to suppliers and counterparties to confirm that the supplier's entity and bank are not sanctioned parties and that the entity's name matches the bank account holder's name. This process has been outsourced to a third-party vendor, MarTrust. In 2022, the number of checks conducted on suppliers and counterparties throughout the Group rose to 8,643, compared to 5,163 in 2021. This was due to an increase in the number of transactions and continual enhancement of due diligence processes in our Caravel Resources business. All suspicious invoices were further checked and verified for validity before payments were made.

Our remittance of salaries to the 27,000+ seafarers within our network is also subject to stringent processes. Before a seafarer is assigned to a ship in our PARIS system, their profile is automatically screened through 'Refinitiv World-Check One' by MarTrust. In the case that a seafarer's place of birth on their passport is a sanctioned country, their current address proof is verified and they are cleared for hiring only if they are residing outside of that country. For remittances, payment details are first checked internally.

If the seafarer has provided a bank account that is in a sanctioned country, the allotment request is rejected, and the seafarer is asked to provide an alternate bank account. As a secondary check, when payment details are sent to MarTrust, the bank and beneficiary details of the seafarers are screened. MarTrust strictly enforces the policy that no remittances will be made to bank accounts within sanctioned countries. In 2022, we conducted 33,217 screenings of seafarer profiles.

### Anti-corruption and Money Laundering

A key focus of our responsible business efforts is the prevention of corrupt practices. Communication on anti-corruption policies and procedures is provided to all employees. In 2021, FLEET became a member of the Maritime Anti-Corruption Network (MACN), a global business network working towards the vision of a maritime industry free of corruption.

When it comes to relationships with external parties, we have established a robust Know Your Counterparties (KYC) due diligence system, overseen by our Group Financial Controller, to conduct thorough financial due diligence.

When counterparties are unable to provide adequate information, we conduct searches on them through publicly available sources. As a part of this KYC checking, we enquire about specific information from new suppliers engaged by FLEET and new trading partners of Caravel Resources, with whom we enter into a contractual relationship. This information includes whether they have policies on anti-money laundering and combatting terrorist financing, market abuse/market conduct, anti-bribery and

We have established

## A ROBUST KYC SYSTEM TO CONDUCT THOROUGH FINANCIAL DUE DILIGENCE OF COUNTERPARTIES.

corruption (including gifts and hospitality), sanctions and fraud. In addition to anti-corruption, our KYC procedures enquire if counterparties have policies on modern slavery and codes of conduct. Overall, we conducted 684 KYC screenings in 2022, compared to 1,167 in 2021. Fewer checks were warranted in the reporting year as we worked with fewer new suppliers.

To further deter corruption, we stipulate requirements across our policies and endeavor to include anti-money laundering clauses in our iron ore sales and purchase agreements, and in contracts with FLEET's suppliers. These specify the right to terminate the contracts if a counterparty is found to be in breach of the requirements. More details on due diligence with regards to suppliers are included in the section on [Supply Chain Management](#) below.

There were no reported incidents of corruption or money laundering, or legal actions related to anti-competitive, anti-trust or monopolistic practices in 2022.

**Ethical and Responsible Business**

## Reporting Grievances

The Group has a Grievance Procedure in place for employees and seafarers who wish to report violations of our policies and procedures or any other concerns. Accordingly, employees can raise their concerns with their direct supervisor, local HR representative or Group HR Director. If these channels are not appropriate, employees may make an initial report to the compliance officer. Compliance concerns can also be reported in writing anonymously or through other means, facilitated by a standard reporting form that is included in the Group Compliance Policy.

For seafarers on board our ships, the Group has developed a procedure they can use for making allegations related to potential breaches of the Maritime Labour Convention (MLC), also known as the Seafarers' Bill of Rights. This procedure is in line with MLC requirements. While it suggests that complaints first be made to the immediate superior and then the head of the department, the seafarer is allowed to raise concerns directly to the ship's Master.

Any reports related to the

**MENTAL HEALTH OF CREW MEMBERS ARE CONSIDERED A PRIORITY AND PROMPTLY ADDRESSED.**



One of the most important roles of the Master is to ensure that seafarers are treated fairly and with respect. If the Master cannot resolve a seafarer's grievance, the seafarer can reach out to the relevant Designated Person Ashore (DPA) who will provide them with prompt support and guidance. For FLEET employees and seafarers, there is also an 'Open Reporting System' mechanism that is readily accessible online for anyone to anonymously report misconduct, violations or any other issue of concern. This grievance mechanism is overseen and managed by a panel of representatives from FLEET's key departments to prevent potential conflicts of interest.

In 2022, 312 reports were received through our "Open Reporting System", and all were resolved and closed.

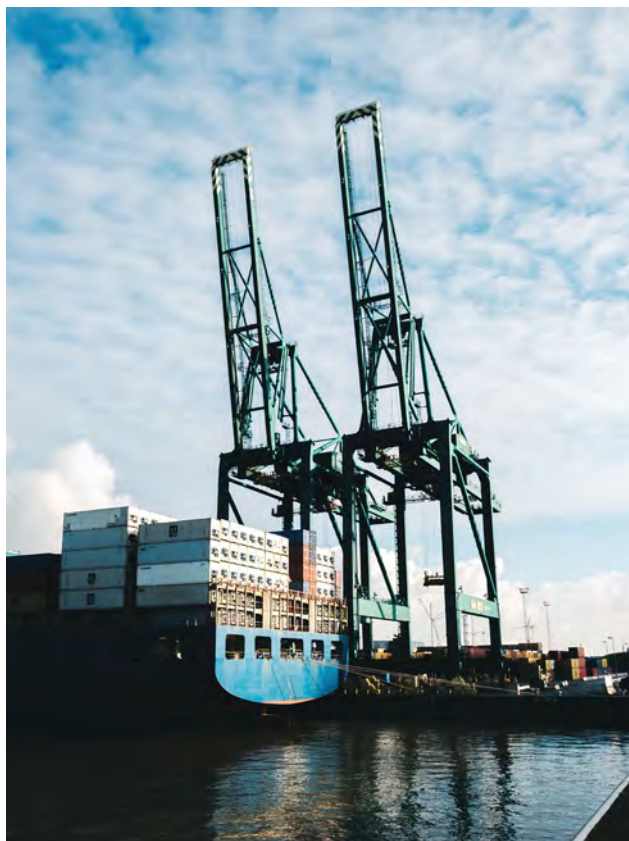
Most reports concerned personal disputes or grievances with working conditions raised by seafarers, which were resolved through counseling or the arrangement of repairs or supplies as appropriate. Any reports related to the mental health of crew members were addressed as a priority by the company's counselors.

When and if any reports alleging serious lapses by a ship's Master and Chief Engineer, or non-compliance with safety or environmental regulations are received, superintendents are promptly sent on board to investigate and rectify the situation. These existing grievance mechanisms are designed for internal use; clients and suppliers currently send any concerns by email.

## Ethical and Responsible Business

# Supply Chain Management

Our focus on responsible business conduct transcends our operations to encompass all aspects of our value chain, including our engagements with vendors. As a member of several global procurement organizations and committees, we strive to promote the most up-to-date learnings. This enables us to adopt best practices and build enhanced capabilities in areas such as utilization of procurement category strategies and strategic sourcing methodologies as applicable.



## FLEET's Procurement Strategy

Our supply chain strategy is based on building long-term relationships with key partners. With the goal of offering high-quality products and services to our end clients, we collaborate with our main vendors and hold quarterly feedback sessions to identify opportunities for continuous improvement.

In 2021, we focused on consolidating our existing supplier base to comprise larger, more capable and strategic suppliers. As part of our supplier onboarding program initiated at the end of 2020, we implemented financial verification of suppliers via a third-party financial risk management company, Marcura Compliance (MCaaS) that screens and provides verification services of suppliers' financials. Upon positive verification, we collect confirmation of ISO certification from the suppliers and then register them in our internal KYC vendor management process. A streamlined supplier base enables us to procure dependable products and services while limiting exposure to fraud, avoiding financial and other risks to our owners' assets and/or working capital, and optimizing efficiencies. Additionally, owing to ever-changing market conditions and product developments, we are keen to engage diverse suppliers and increase our client offerings via new services and market opportunities.

Procurement on board ships is controlled by an onshore shared services team. Each ship's management requests various products and services to meet operational requirements and maintain a minimum level of inventory, as per the company's established policies in the safety management system. The shared services team is responsible for sourcing items of suitable quality and cost, and delivering them on board ships within time frames set by operational requirements. Emergency supplies may be purchased directly by the ship's management as deemed necessary by the Master to fulfill safety considerations.

In 2022, Oracle Supply Chain Management (Oracle SCM), the software for processing purchasing work orders, continued to be central to our plans to digitize and streamline the supply chain. Over 100 enhancements were deployed to this system to improve its functionality. A further 17 vessels went live on the platform in 2022, and all remaining vessels will be deployed during 2023, and the early part of 2024. Automated compliance reports were deployed to procurement teams eliminating the need for manual effort and eradicating the potential for human error. These reports allow for efficiency improvements in our end-to-end processes.

## Policies and Procedures

To effectively manage our procurement needs across our global supply chain, the Group is guided by policies that stipulate standardized processes and operating procedures across our various locations in line with relevant regulations. These policies include the Caravel Resources Responsible Sourcing Policy and the FLEET Supplier Code of Conduct. Regular reports are submitted to the management team to ensure executive oversight and involvement in all matters relating to third-party engagements and policies.

Our procurement operating procedures are communicated to colleagues via the Intranet, email, training sessions and regular briefings. Compliance with the FLEET Supplier Code of Conduct is tracked by FLEET's Procurement Leadership Team, with any deviation followed up to ensure that expectations and obligations are understood by those concerned and to identify areas for improving processes.

FLEET's Supplier Code of Conduct outlines our expectations and obligations to our third-party suppliers. According to this Code, the vendors are required to refrain from offering any gifts, favors or services to influence a purchasing decision.

## Ethical and Responsible Business

Given our zero-tolerance approach to bribery, any vendors involved in such cases are blacklisted and employees found to be involved are dismissed immediately. For every purchase order processed and invoice issued, the supplier must comply with these requirements to continue as a KYC-approved supplier. With these obligations in place, we ensure suppliers are regularly reviewed for retaining their “approved” registered status.

### Looking Ahead

Looking forward, FLEET’s Supplier Code of Conduct will be updated in alignment with our maturing expectations. To further enhance our supplier management system, we are setting up quarterly supplier relationship meetings that include a supplier performance review. The reviews will be conducted based on key performance indicators (KPIs) for suppliers and in consideration of innovative developments within the shipping industry.

To further our sustainability strategy, we will strengthen the management of ESG risks in our supply chain. For key services and products, we collaborate with suppliers that are focused on their ESG agenda and plan to mature their value proposition as progressive and responsible entities. We believe we can learn new ways of reducing waste, enhancing recycling and furthering sustainability performance from our product and service providers, thereby supporting our clients.

We plan to implement changes in our supplier selection and registration process to expand our structured efforts for furthering responsible procurement. In addition, we will deploy enhanced screening metrics and dashboards to track performance statistics for reporting the results of due diligence processes for supplier management.



### Extending Responsible Sourcing Across the Group

To enhance responsible conduct across the Group, in this reporting year we developed our new Responsible Sourcing Policy focusing on coal and iron ore. This policy applies to suppliers and all employees, directors and officers of our subsidiary, Caravel Resources. It covers topics ranging from ethical business conduct, the environment, health and safety, to human and labor rights, and modern slavery.

In support of this Policy, we aim to:

- Allocating sufficient resources and assigning appropriate roles and responsibilities within our organization to implement this Policy.
- Developing and implementing risk-based due diligence and risk management procedures to identify, prevent and mitigate breaches of this Policy. This includes enhanced due diligence for suppliers operating in conflict-affected and high-risk areas, and applying such practices to all new suppliers before entering into contractual relationships with them and to all existing suppliers at least annually.

- Providing training on this Policy and the topics addressed in it, as well as our related due diligence and risk management procedures, to our employees responsible for implementing this Policy at least every two years.
- Reporting on our implementation of this Policy, including our related due diligence and risk management procedures, in our annual Responsibility Report.

Our Responsible Sourcing Policy and risk-based ESG due diligence processes for suppliers are based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs). In line with this guidance and to support policy implementation, we are further enhancing our KYC procedures to include ESG-related information, particularly from new counterparties that supply commodities to Caravel Resources. The new procedures outline specific requirements for suppliers that are mining companies and those that are intermediaries (e.g., brokers, steel mills, etc.). This covers topics such as occupational health and safety, human rights, community engagement and environmental management including waste management. In addition, we include questions on whether commodities come from CAHRAs to better assess whether additional due diligence is required in situations of heightened risk.

## Material Topic

# Digital Transformation

Digitalization continues to rapidly transform global business and industry. Given the ever-increasing importance of technology to our operations, the Group's commitment to robust governance includes investment in innovations that enable us to optimize our fleet's performance, while maintaining high safety and environmental standards.

To be sustainable, these innovations must be underpinned by sound information technology systems that safeguard data and properly manage cyber risks.

## How We Are Managing It

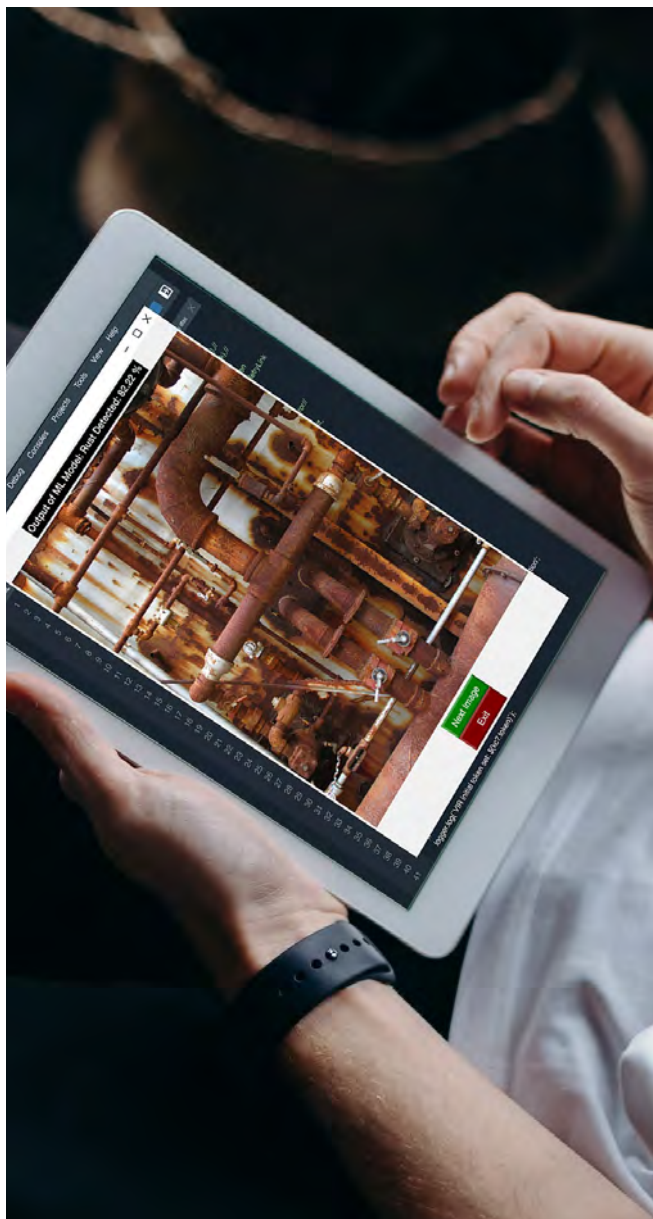


### Digital Innovation

Our stakeholders increasingly expect operational transparency as we strive to improve our performance and strengthen our ESG practices – this reinforces our role as a strategic partner to our clients. In this reporting year, we increased transparency and efficiency by enhancing the functionality of our award-winning ERP platform, PARIS. Our next-generation solution, PARIS 2.0, is an ecosystem of products and services built in-house to seamlessly integrate digital technology and data analytics into our existing ship management operations. In 2022, we migrated core operations into the PARIS 2.0 ecosystem while building new features. Fleet Management Ltd.'s Board and management fully supported the changes to the new PARIS 2.0 ecosystem by providing investment and resources for the transformation.

A key feature of PARIS 2.0 is SafeView, a mobile application that provides full end-to-end capability for conducting vessel inspections, analysing data and providing recommendations to vessel owners. This app also allows us to identify key trends and issues to drive improvements in operational performance. We completed the development of this app and rolled this out across our owned and managed ships in the reporting year. We also made significant headway with NOVA, the data analytics platform of our PARIS 2.0 ecosystem that provides data-driven insights to our shore-based colleagues and clients.

## Digital Transformation



The NOVA platform includes dashboards on vessel performance to monitor emissions and fuel consumption data. Further detail on SafeView and NOVA's capabilities can be found below and on [P.40](#) on this report.

Through a solution called NOVA Navigation, the platform also integrates weather and route optimization software powered by third-party technology solution provider, Wartsila FOS, to allow ship staff to make decisions based on navigational elements. Other capabilities being developed as part of the NOVA platform include:

- Internal dashboards for tracking high-level KPIs, including procurement metrics.
- Digitization of our vessel requisition and purchase processes through the implementation of Oracle Procurement software. The platform will allow us to make better decisions on vessel management costs and enable a holistic inventory management view for our teams on and offshore. This will further our efforts to continuously improve business processes, audit requirements and cost transparency. More details can be found in this report's [Supply Chain Management](#) section.
- Improved financial reporting for shipowners that will deliver interactive access to vessel finances through efficient communication with FLEET's accounts team.

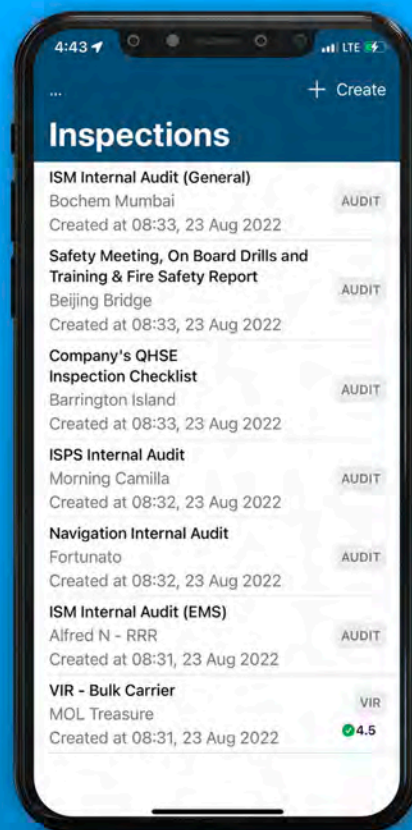
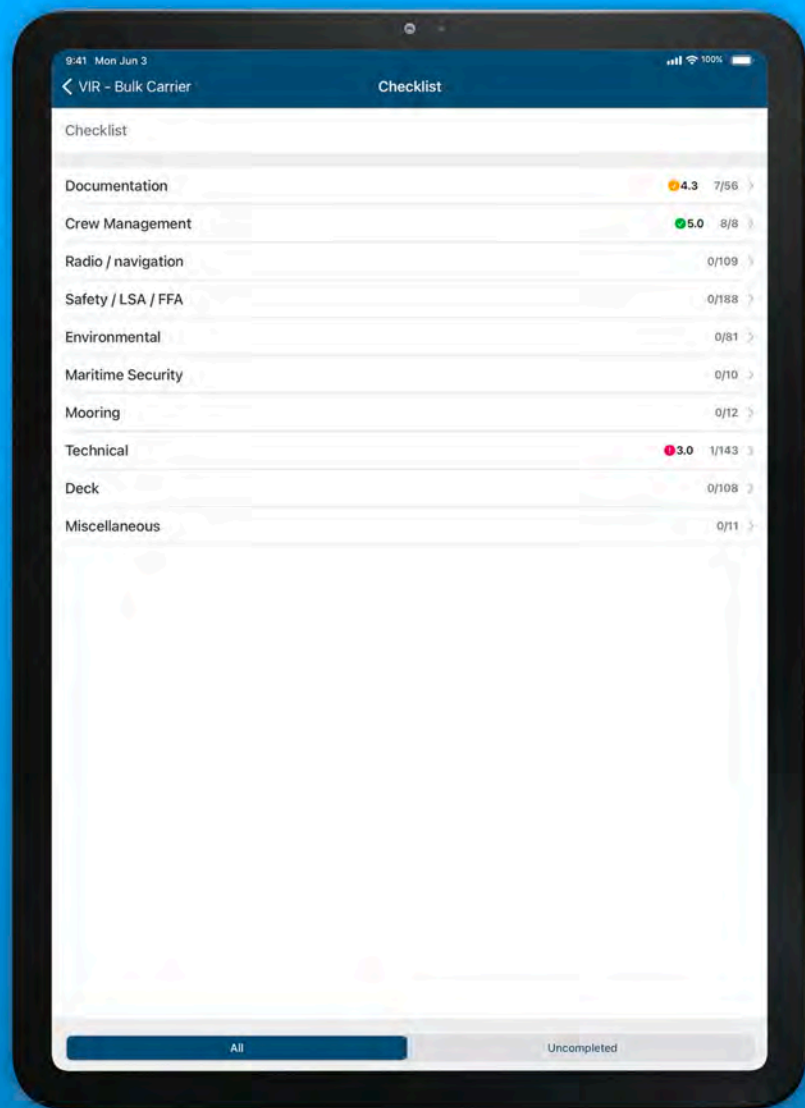
By the end of 2022, 12 of our shipowner clients with a total of 56 ships had subscribed to NOVA services. This gave them access to all functionalities within NOVA, including dashboards covering environmental and navigational elements and features to enable voyage optimization. Initial feedback has been positive, providing new visibility to data insights not seen before, and with clients offering valuable insight into enhancing the system.

Looking ahead, the Group is in the process of developing additional capabilities that will enhance existing dashboards. This will be rolled out to clients during 2023.

### Seafarer Portal

Our new portal for seafarers is a digital solution targeted for launch in 2023. This portal will allow each seafarer to have individual access to key information such as their personal details, reporting availability, training records and other essential information in one easy-to-find location. This capability is built into our PARIS 2.0 ecosystem, and is intended to be available for all seafarers who sail with FLEET. Through this portal, we anticipate being able to build even stronger engagement with our seafarers by delivering new features in due course.





## Case Study

# FLEET SafeView Enhances the Efficiency and Accuracy of Vessel Inspections

FLEET typically completes more than 1,000 vessel inspections every six months in our role as ship manager. To enhance the efficiency and accuracy of these inspections, we developed a new mobile app – FLEET SafeView – which we piloted, then incorporated with an auditing function before rolling it out across our operations in the second quarter of 2022.

This has digitally revolutionized how we conduct, hold and display information relating to, and resulting from, these inspections. Previously, vessel inspections relied on multiple and manual data entry points. Using the SafeView app, all inspection data is directly validated and inputted, then automatically shared with the relevant onshore and offshore personnel. From this, our FLEET team can provide effective recommendations to safeguard vessels and meet shipowners' increasing requirements to better track and measure safety and environmental compliance.

SafeView has digitally revolutionized our approach to inspections and allowed us to confidently conduct remote inspections while collaborating with our on board crew. This has led to more efficient, accurate and transparent processes that have significantly benefited our team and clients.

## Digital Transformation

# Information Management Systems

Successful implementation of state-of-the-art technology solutions such as SafeView and NOVA depends on secure and stable IT systems. FLEET's Security and Cybersecurity Policy covers commitments for responsible conduct in relation to technology risks. This Policy applies to our owned and managed vessels and describes our approach to safety and security management and actions to mitigate potential disruptions to our information technology systems. The QHSE department, along with our IT department, is responsible for implementing this Policy. Fleet Management Ltd.'s Board is regularly kept abreast of developments in this area.

Cybersecurity concerns for systems across the business are also managed through an IT Risk Register that follows a standard risk assessment framework for identifying how risks are measured and classified. The framework considers all risks impacting our digital landscape to ensure appropriate action is taken and support is provided where necessary to mitigate risk. The Risk Register is reviewed monthly by the IT team and quarterly by Fleet Management Ltd.'s Board to assess actions undertaken to mitigate critical risks.



## Data Privacy

A key priority of our IT strategy is safeguarding our intellectual property and operational data both onshore and on board. We are committed to keeping the data of all our stakeholders secure. Our approach to ensuring this is outlined in the privacy policies of [The Caravel Group](#) and our subsidiary [FLEET](#), which are available on the respective websites and provide the relevant contact details for raising complaints related to privacy matters. In the reporting year, no complaints were received. Management is informed of all changes to the policies and systems pertaining to data privacy.

The Group aims to comply with the various data privacy laws in the jurisdictions where we operate, including the European Union's General Data Protection Regulation (GDPR), Hong Kong's Personal Data (Privacy) Ordinance. In this reporting year, the Group's Board approved the appointment of Grant Thornton as the Group's Data Processing Officer (DPO) under the GDPR, based in Cyprus – where the Group's sole operating subsidiary in the European Economic Area (EEA) is also located. The Group has also appointed in-house local DPOs/grievance officers to comply with local laws. While our entities in the Philippines manage compliance with local privacy laws at

the country level, the Group's Legal team is responsible for supporting compliance with applicable laws in Hong Kong SAR, Singapore and India, as well as ensuring compliance with the GDPR.

The most substantial amount of personal data we hold is in relation to our seafarers. Each crew member is issued a privacy statement. Employees in all countries are likewise issued data privacy statements. These are stand-alone statements accompanying their employment contracts or included as part of their employee handbooks issued upon joining. All employees are requested to acknowledge these statements or grant their consent, depending on requirements under the local laws in their jurisdictions.

We are committed to ensuring secure practices in handling all data, especially considering that a leakage of sensitive data about personnel could have a negative impact on their wellbeing. To further strengthen our data security practices, we are standardizing data transfer agreements with third parties who may be processing data of people in the EEA or the United Kingdom for the Group. We are also implementing additional GDPR training to enhance existing training modules for employees as well as providing GDPR guidelines to employees.

## Digital Transformation

### Cybersecurity

Our data management practices involve a robust approach to cybersecurity onshore and on board our ships.



#### ONSHORE



Our IT team oversees cybersecurity for our global offices. Accordingly, we have standardized IT equipment, software and controls in place for company-issued hardware with regular security patching and monitoring in place. To secure our office systems from potential threats and reduce overall risk, we continue to review external facing applications to minimize possible attacks, conduct enhanced phishing training (including random campaigns to validate compliance) and review administrative access to servers to include multi-factor authentication.

Other measures adopted to manage risk at our offices include:

- Using multi-factor authentication (MFA) to protect each system account with a secure login device.
- Ensuring that data stored at rest and in transit between systems is encrypted.
- Protecting systems with standard network protections such as firewalls.
- Adopting the latest security and malware detection measures to monitor systems.
- Monitoring systems for vulnerabilities with patches implemented based upon criticality; critical patches must be implemented within 45 days of being released.
- Engaging third parties to conduct regular security penetration tests of our new PARIS 2.0 digital ecosystem.

The IT team sets KPIs as part of its strategy for the year. In 2022, KPIs focused on 'Keeping our Systems Secure' through the following initiatives:

- Replacing our end-point protection systems across offices to use Microsoft Defender in place of our previous solution. This implementation was done within three months during 2022 and has improved our key line of defense against potential threats.
- Testing of disaster recovery plans for critical systems with improvement actions identified and implemented.
- Reviewing all changes to production systems to ensure they are well thought out and have robust fallback plans to limit any potential unwanted negative impact as a result of new feature releases.
- Removing equipment older than five years – replacing routers, switches and PCs and assessing servers – thereby reducing the risk of attacks arising from vulnerabilities.

For some of these initiatives, such as penetration tests, a third-party provider was brought in to validate our solutions. For others, external audits were also conducted.

## Digital Transformation

### ONBOARD



The Group is committed to managing cybersecurity on board our owned and operated vessels. Cyber risk management for our ships is part of our safety management system, and all our ships comply with the International Safety Management (ISM) Code. Risk management is handled by cybersecurity officers, who represent our Security and IT departments. On ships, the chief engineer is assigned the role of the cybersecurity officer, responsible for managing the ship's cybersecurity together with the Master and relevant onshore personnel.

Each vessel is provided with a dedicated cybersecurity plan in line with guidelines issued by BIMCO and other industry bodies. This plan outlines procedures for assessing various Operational Technology (OT) and IT systems on board. Assessments are conducted to understand the exposure of these systems to risks associated with connectivity to network systems and access to third parties, including remote access, if any. Accordingly, a risk mitigation process is put in place through various technical and procedural controls to safeguard our vessels and systems. A CIRT and crisis management procedures are in place to handle any cyberattacks.

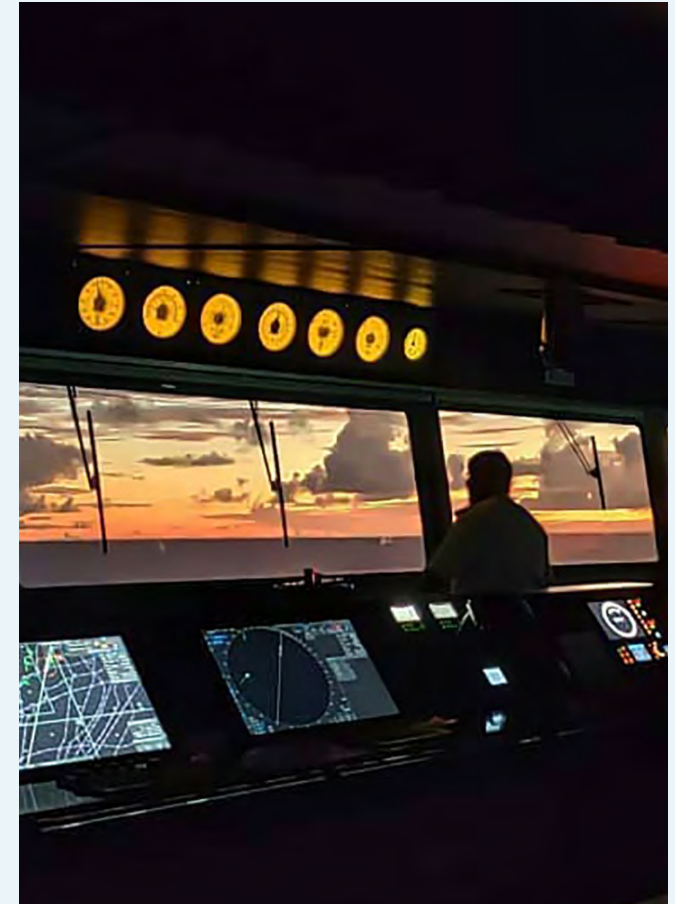
Building awareness is key for cyber risk management and is accomplished through online training modules, on board familiarization initiatives and security drills. All our seafarers are required to complete training prior to joining company vessels. In addition, cyber campaigns

are run from time to time, which include phishing tests, to educate and update colleagues on how to further mitigate such risks.

Given the size of our fleet, it is a challenge to manage data and standardize IT systems on board to ensure adequate visibility and detection of undesirable cyber activity. A key concern is managing legacy equipment and software on vessels. To address this in 2022, the following measures were taken:

- A pilot project on five vessels to implement software that allows us to track inventory and push software updates/patches that can be controlled remotely was completed.
- The legacy FleetMail email system across more than 200 vessels was upgraded, with no major impact to vessel services.
- The operating systems of mini servers used to run our PARIS platform on board were enhanced.

Going forward, our focus will be on rolling out the pilot software solution we have been testing across more vessels in the fleet, to improve visibility and patching centrally. To meet other systems challenges, we are exploring additional cyber risk management solutions through external vendors. For example, to address the challenge of managing satellite connectivity on vessels, we have entered into a contract with Inmarsat to provide standardized services for connectivity and cybersecurity.





# Evolving Environmental Stewardship

Energy and  
Climate Resilience

Materials  
and Waste

We manage our environmental impacts by promoting the responsible sourcing and consumption of resources and implementing a sound monitoring system to measure our activities.

# Strategy and Management Approach

The World Economic Forum's Global Risk Report 2023 shows that environmental concerns account for five of the ten most severe global risks expected to unfold over the next two years. Climate-related risks, including natural disasters and extreme weather events, as well as biodiversity loss and ecosystem collapse, are ranked as those likely to be most severe in the next decade<sup>9</sup>.

Concerned about these risks, The Caravel Group is committed to doing our part to reduce our environmental impacts.

Responsible management of our environmental performance guides our operations. We are evolving our policy framework to ensure that this encompasses various aspects of the Group's operations, from ship management and ownership to commodity trading and general procurement. Our approach to environmental stewardship covers the use of resources, protecting biodiversity and ecosystem health, as well as pollution prevention and waste management. As a Group, we invest in innovative technology and collaborate with global partners to contribute towards addressing the climate crisis.



The Group's guidelines on environmental management for our owned and managed fleet are outlined in the Environmental Policy of our subsidiary, FLEET. In working towards fostering a cleaner marine environment, we are committed to supporting MARPOL and other marine environmental protection requirements established under international, flag state, port state and coastal state laws.

The Group firmly believes that a first step to reducing pollution is to avoid wastage and accidents, thus continuous improvement of our environmental management systems (EMS) must go hand-in-hand with

safety measures. FLEET's operations are certified to the ISO 14001: Environmental Management System and ISO 50001: Energy Management System standards. We are committed to maintaining these certifications that guide us in addressing the company's impact on the environment. Our focus is on actively reducing environmental risks and sharing information on environmental performance with external stakeholders including classification societies, flag states, shipowners and oil majors so we can collaborate to make progress together.

<sup>9</sup> World Economic Forum: <https://www.weforum.org/reports/global-risks-report-2023>.

## Strategy and Management Approach



### Overseeing Environmental Performance

FLEET's Compliance Manager is tasked with oversight of our environmental stewardship. Each superintendent and group head is responsible for supervising the implementation of FLEET's environmental initiatives on board ships, including improving fuel and energy efficiency and reducing GHG emissions. We have a zero-tolerance approach to any non-compliance with our Environmental Policy and are committed to extending our full cooperation to authorities that are tasked with investigating breaches of environmental laws.

Fleet Management Ltd.'s Board of Directors has set up a management committee to oversee environmental performance and compliance with requirements for all ships. This committee meets every month to assess the adequacy of our existing procedures to determine whether any changes are necessary. In 2022, the committee made the decision to change our policy on the disposal method of ship-generated oily waste from incineration to shore disposal, thereby reducing air emissions.

We strive to manage our environmental impacts by promoting the responsible use of resources and implementing a sound monitoring system to measure our activities. In recent years, we placed strategic focus on software development to monitor and analyze shipboard environmental waste streams, and fuel and energy

efficiency. This led to the development of our state-of-the-art NOVA platform, described in detail in our section on [Digitalization and Innovation](#). The environmental impacts of all shipboard operations are continually assessed, and controls are developed as part of our EMS to minimize these impacts. Specific environmental targets are set for each ship, based on the ship's performance in the previous year. Our goals and targets related to environmental performance are on the following page.

### Meeting International Expectations

In 2022, the Voluntary Environmental Compliance Program (VECP) was reinstated, after being suspended due to COVID-19 travel restrictions. This program reviews our EMS and its shipboard implementation in accordance with international environmental regulations. Audits are conducted by a regulatory consulting, compliance and emergency response company, based in the United States. In the reporting year, none of the shipboard VECP audits revealed any instances of non-compliance with environmental regulations, and there were no significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations within the Group. Our environmental management efforts also extend to our global offices, where we are working to implement energy and waste reduction initiatives.

## Evolving Environmental Stewardship – Strategy and Management Approach

# Key Goals and Targets



**Ensure sustainable consumption and production patterns**



**Take urgent action to combat climate change and its impacts**

The Group is committed to developing a roadmap to build resilience and adaptive capacity to climate-related risks and natural disasters. Our policies and initiatives prioritize increasing resource efficiency and reducing emissions, while moving towards the adoption of greener fuel alternatives together with industry partners. This enables us to manage our impact in support of global efforts to mitigate the effects of climate change.

## Goals

- **Support the IMO in its GHG reduction plans** for 2050 and endeavor to achieve **net-zero emissions with renewables, or carbon neutrality** with offsets for owned vessels and operations, and propose similar measures to shipowners for vessels under our management
- Take steps to progressively **improve Carbon Intensity Indicator (CII)** categories towards “A”
- Encourage **use of reduced-impact fuels** on owned ships
- **Maintain** our certification to the ISO 50001: **Energy Management System** and ISO 14001: **Environmental Management System standards**

## Targets

- By year end 2023, the **CII category of each ship should be “C”**
- Conduct a **climate-risk assessment** to address the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) by 2025
- Collect consistent energy consumption data in offices to **implement an energy reduction plan** in 2024



**Conserve and sustainably use the oceans, seas and marine resources for sustainable development**

We strive to mitigate our impact on marine ecosystems with policies on responsible vessel routing and material use, preventing pollution and minimizing waste.

## Goals

- Target **zero oil pollution** incidents
- **Reduce waste generation** and increase the amount of garbage and sludge landed to shore for proper disposal
- Develop a plan to **reduce single-use plastic** on board by **installing purification units** or other means for **supplying safe drinking water**
- Follow all mandatory schemes at sea and avoid restricted zones to **reduce risk of ecosystem disruptions**

## Targets

- **Install Reverse-Osmosis (R-O)** type purification units on all owned ships by 2024
- Engage suppliers to **remove excess packaging** from items consumed on ships
- Comply with the Ballast Water Management Convention (BWMC) to have **ballast water treatment systems installed** on all vessels by 2024




## Case Study

## Biofuel Trial Indicates Reduction in Emissions


While the maritime industry is on a fast track to compliance and alignment with the IMO's global targets for reducing CO<sub>2</sub> emissions, we see our role as one of the world's largest ship management companies to be instrumental in helping the industry navigate the transformation. With our experience and technical expertise, we know compliance can be achieved through empowering our clients with customized action plans that include commercially viable operational and technical solutions. With this in mind, we joined forces with our long-standing client, Spar Shipping AS, and global biofuel supplier GoodFuels to conduct a 10-day trial in May 2022 using biofuels in the 53,195DWT gear bulk carrier (2005-built) SPAR LYNX.

The trial was carried out while the vessel was enroute from Rotterdam in the Netherlands to Icdas, Türkiye. The next-generation biofuel was derived from a variety of feedstocks certified as 100% waste or residue, including processed used cooking oil, tallow and animal waste fat. The biofuel delivers a reduction of at least 75% in well-to-exhaust CO<sub>2</sub> emissions. This trial indicated an 85% drop in SO<sub>x</sub> emissions when compared to traditional fossil-based marine fuels, as well as the safety and technical viability of biofuels for the future fuel mix. Following the trial voyage, no particulates or differences in engine performance were recorded, which demonstrated the biofuel's ability to seamlessly "drop in" to existing vessels, requiring no changes to existing tanks or engines.



Environmental stewardship is a key area of our sustainability strategy. We are very pleased that this trial demonstrated a significant reduction in both CO<sub>2</sub> and SO<sub>x</sub> compared with conventional fuels. As the world's second-largest ship management company – with more than 630 vessels under our care – we look forward to further contributing to the exploration of biofuel usage within the global shipping industry.

**Mr Angad Banga**, Chief Operating Officer, The Caravel Group



## Material Topic

# Energy and Climate Resilience



While the maritime industry is vital to the global economy and is considered one of the most energy-efficient modes of transport, it generates 3% of the world's annual GHG emissions and is a growing source of these emissions. Without a substantial uptake of cleaner energy sources, emissions from global shipping are projected to increase by as much as 130% in 2050 compared to 2008 baseline emissions.<sup>10</sup> If the impact of shipping increases as projected, the objectives of global efforts to avoid dangerous climate-related impacts will be undermined.

The Caravel Group is committed to aligning with the IMO and supporting global efforts to reduce GHG emissions from international shipping. As we strive to manage our impact, we have implemented various measures on our ships, including cold-ironing facilities while at berth to decrease emissions from power generators on vessels and exploring cleaner fuels. Simultaneously, we are supporting global partnerships and initiatives that pave the way for shipping's green transition.

## How We Are Managing It

### Measuring our Impact

The Group is implementing measures to conserve energy and improve energy efficiency at our offices and on our owned ships, while also assisting our clients to do the same on the ships we manage for them. To accomplish this, robust measurement processes are key. In 2022, we improved our data collection processes to be more comprehensive and accurate compared to the previous year.

In shipping, GHG emissions are directly related to fuel consumption. Our consumption is measured routinely on all owned, JV-owned and managed ships and verified by classification societies as per regulatory requirements. Carbon intensity is also measured using the parameters of Annual Efficiency Ratio (AER) and Energy Efficiency Operational Indicator (EEOI). Apart from GHG emissions, we have also established a monitoring mechanism to keep track of SO<sub>x</sub> and NO<sub>x</sub> emissions from vessels.

<sup>10</sup> IMO: <https://www.imo.org/en/ourwork/Environment/Pages/Fourth-IMO-Greenhouse-Gas-Study-2020.aspx>.

## Energy and Climate Resilience

### Energy and Emissions

In 2022, our total energy consumption from ships increased due to both a larger number of ships being included in our reporting boundary and an increase in the size of our fleet.<sup>11</sup> Our energy intensity decreased in 2022 for owned and JV-owned ships due to the effectiveness of our energy-saving measures, which are described on [P.52](#) of this report.



### Energy Consumption

#### ENERGY CONSUMPTION (MJ)

	2021	2022
Owned and JV-owned Ships	2,022,159,380	<b>1,821,057,679</b>
Managed Ships	162,026,556,858	<b>169,287,534,956</b>
<b>Total</b>	<b>164,048,716,238</b>	<b>171,108,592,635</b>

#### ENERGY INTENSITY (MJ/DWT PER MILE)

	2021	2022
Owned and JV-owned Ships	0.12	<b>0.09</b>
Managed Ships	0.06	<b>0.06</b>

Our overall GHG emissions from ships in 2022 also increased compared to the previous year. Emission intensity decreased overall, however, due to better utilization of vessels, control of hull fouling, a higher total deadweight of the fleet and more effective weather routing.

### GHG Emissions<sup>12</sup>

#### SCOPE 1 EMISSIONS (TONNES OF CO<sub>2</sub>e)

	2021 <sup>13</sup>	2022
Owned and JV-owned Ships	76,039	<b>90,215</b>

#### SCOPE 3 EMISSIONS (TONNES OF CO<sub>2</sub>e)

	2021 <sup>14</sup>	2022
JV-owned Ships	78,612	<b>49,702</b>
Managed Ships	12,399,418	<b>12,978,626</b>
<b>Total</b>	<b>12,478,030</b>	<b>13,028,328</b>

#### EMISSION INTENSITY (TONNES OF CO<sub>2</sub>e PER MILE)

	2021	2022
Owned and JV-owned Ships	8.95	<b>6.81</b>
Managed Ships	5.33	<b>4.62</b>

<sup>11</sup> Energy and emission figures were based on 692 owned, JV-owned and managed vessels in 2022, compared to 618 vessels reported on in 2021. Number of ships reported on last year has been corrected.

<sup>12</sup> 2021 emission figure for owned and JV-owned ships reported last year was incorrect due to a typographical error. The figure has been restated to include emissions from JV owned ships.

<sup>13</sup> Scope 1 emissions published in 2021 have been restated to include emissions from JV owned ships.

<sup>14</sup> 2021 emission figures have been restated to accurately reflect the emissions that fall under Scope 1 and Scope 3 for JV owned ships.

## Energy and Climate Resilience

### NOx and SOx Emissions<sup>15</sup> from Ships

#### SOx INTENSITY (GRAMS OF SOx PER DWT-MILE)

	2021	2022
Owned Ships	0.01	<b>0.01</b>
JV-owned Ships	0.07	<b>0.04</b>
Managed Ships	0.02	<b>0.01</b>

#### NOx INTENSITY (GRAMS OF NOx PER DWT-MILE)

	2021 <sup>16</sup>	2022
Owned Ships	0.08	<b>0.08</b>
JV-owned Ships	0.25	<b>0.24</b>
Managed Ships	0.18	<b>0.16</b>

All our vessels have individual targets to ensure they are operating in compliance with necessary regulations and to achieve and demonstrate continuous reduction of emissions. These targets cover our CII values, NOx emissions as well as refrigerants emitted to the atmosphere.

Performance against these targets is monitored monthly by ship and shore management. As a result of our efforts, over 80 vessels managed by FLEET held a rating above the Environmental Ship Index (ESI) Score 30 in the reporting year, indicating they performed better than IMO standards. ESI scores are based on voluntary reporting, with a higher score resulting in lower costs levied by participating ports. In addition, FLEET managed 5% of all ships certified by the E-Zero program, an initiative by the US Coast Guard that recognizes exemplary vessels that have consistently operated in compliance with environmental requirements, while also demonstrating commitment to environmental stewardship.

### OVER 80 VESSELS MANAGED BY FLEET HOLD A RATING ABOVE ESI SCORE 30.

Environmental Ship Index

### 5% OF E-ZERO CERTIFIED VESSELS GLOBALLY ARE MANAGED BY FLEET.

The E-Zero Program



<sup>15</sup> 2021 SOx and NOx data covered 618 ships, while 2022 data covered 692 ships.

<sup>16</sup> All NOx data from 2021 has been restated due to a typographical error.

## Energy and Climate Resilience

# Focus on Decarbonization

In 2022, the Group focused on reducing GHG emissions to comply with the Initial IMO Strategy adopted in 2018. Accordingly, we took steps to ensure that our vessels contribute to meeting the IMO's two key decarbonization targets.

## Ship Energy Efficiency Management Plan

We establish Ship Energy Efficiency Management Plans (SEEMP) to assist our clients meet the IMO's energy efficiency standards. The SEEMP Part III requirements were met for the entire fleet before the deadline of 31 December 2022. This involved generating a plan for improving energy efficiency and having it verified by a classification society. Compliance with the required Energy Efficiency Existing Ship Index (EEXI) is being monitored closely by each technical group at FLEET so that requirements can be met by the first periodical survey of each vessel in 2023 as per regulations. As for CII, the Group has developed a state-of-the-art framework for near-real-time calculation of each ship's CII rating in partnership with skilled software professionals. This NOVA CII dashboard forms part of the data analytics platform of our PARIS 2.0 ecosystem that provides data-driven insights to our employees and clients. More details on this can be found in the section on [Digitalization and Innovation](#).

## ENERGY EFFICIENCY ON OWNED SHIPS

Two of our owned ships, Explorer Asia and Oceania, were upgraded to improve their Energy Efficiency Design Index (EEDI) in 2021. These alterations resulted in a reduction of fuel consumption by approximately 8.6% in 2021. These ships are fitted with the MAN B&W 6S60ME-C8.2 (TIER II) and PMI auto-tuning functions, which optimize the power produced by the engine for a given rate of fuel consumption leading to reduced GHG emissions. They are also fitted with our NOVE analytics engine that assists in better voyage planning and fuel optimization, as well as SMARTShip digital technology for monitoring the performance of the ship's machinery.

In 2022, Explorer Africa, our other vessel, was fitted with engine power limitation and innovative, energy-efficient technologies such as a Hub Vortex Absorbed Fin (HVAF) and pre-shrouded vanes. These measures are expected to reduce fuel consumption by about 5-6%. The ship was also treated with premium hull paint, a low-friction, self-lubricating, linear self-polishing paint that is designed to minimize resistance. In addition, the ship is fitted with NOVA Navigation and SMARTShip for vessel performance monitoring. Similar energy-saving devices (ESDs) and software will also be installed on our fourth ship, Explorer Europe, during its forthcoming dry-docking period. In the reporting year, we saw an improvement in CII values for our wholly-owned ships compared to the previous year and we are working to achieve the required EEXI for each ship. In addition to the fitting of ESDs, the improvement in CII values can also be attributed to better routing and commercial utilization of the vessels.

## CARBON INTENSITY INDICATOR VALUES FOR OWNED SHIPS

Ship	2021 CII Value	2022 CII Value	Category
Explorer Asia	4.10	<b>3.96</b>	C
Explorer Oceania	4.17	<b>4.02</b>	C
Explorer Africa	5.42	<b>5.05</b>	C
Explorer Europe	-	<b>4.80</b>	C
JV Ship with Mandarin Shipping Mount Cameron <sup>17</sup>	12.91	<b>13.93</b>	C

With three out of our four owned ships fitted with ESDs, we expect to realize fuel savings of approximately 5-6% for these vessels. These improvements result from a combination of implementing the ESDs and the IT tools that monitor and optimize fuel usage and voyages.

<sup>17</sup> Voyages with longer durations in port resulted in increased emissions and a higher CII value in 2022 compared to 2021.

## Energy and Climate Resilience

### ENERGY EFFICIENCY ON MANAGED SHIPS

Initiatives to reduce carbon intensity for managed ships were also underway in 2022 using the NOVA platform. By detecting the potential of a low-CII rating at an early stage, we have been able to implement counter measures to enable ships to improve on performance and achieve the desired CII rating. A comparison of year-on-year data shows a clear increase in the percentage of managed ships achieving the A and B CII categories in 2022. We are committed to improving our CII values with plans to achieve a minimum category of C for all ships that are at D or E. We are also working to attain at least a 2% reduction in CII compared to the previous year for ships in category C and above. Projected CII ratings of ships for 2023 are included in the table below.

#### PERCENTAGE OF MANAGED SHIPS BY CARBON INTENSITY INDICATOR CATEGORY

CII CAT	2021	2022	2023 (projected)
A	10.8%	<b>20.13%</b>	18%
B	17.5%	<b>25.62%</b>	25.40%
C	33.8%	<b>31.45%</b>	34.80%
D	27.4%	<b>14.81%</b>	13.70%
E	10.5%	<b>7.99%</b>	8.20%

As with our owned ships, for each vessel in our managed fleet we have mapped out a plan to achieve the required EEXI through a combination of engine power limitation and innovative energy-efficiency measures. If a vessel needs retrofitting, this is planned for when it is next dry docked. In the meantime, monitoring of real-time power absorption using FLEET's NOVA platform provides early indication of hull fouling, so that hull and propeller cleaning can be arranged in a timely manner, leading to reduced resistance, fuel consumption and emissions.

We continue to implement the following measures throughout our fleet of owned and managed vessels to increase resource efficiency and reduce GHG, SOx, NOx and refrigerant emissions. These include:

- Monitoring marine growth on hulls and working with charterers and owners on hull cleaning and propeller polishing.
- Keeping the engine balanced and maintaining the engine within its operating parameters.
- Where a waiting period is expected prior to berthing, reducing speed to the minimum economical speed recommended by ship makers, after consulting with charterers, owners and managers.
- Planning the optimum passage in consideration of the expected wind, wave and ocean current conditions – in the reporting year, investments were made in industry-leading route optimization software that will assist in ships following the most energy-efficient route, with the objective of reducing GHG emissions. This software takes into account predicted weather patterns to improve fuel efficiency and reduce carbon intensity.

- Saving fuel by reducing electrical loads and minimizing the consumption of power through measures such as prudent use of the ship's machinery and switching off lights in cabins.
- Maximizing the efficiency of the exhaust gas economizer.
- Providing air emission reduction training to shore management and ship personnel.
- Providing training to ship personnel on shipboard energy efficiency through our learning platform TOLAS.
- Reducing the consumption of refrigerants identified as ozone-depleting substances, or those with high global warming potential, by implementing timely maintenance protocols to prevent refrigerant leaks.



The effectiveness of these actions is ensured through:

- Tracking hull resistance by monitoring power absorption.
- The monitoring of engine efficiency by superintendents.
- Assessing the results of route optimization conducted on board ships.

## Energy and Climate Resilience

### COLD IRONING

Our emission management activities extend beyond internal initiatives. Since 1 January 2023, it is mandatory to use cold-ironing facilities when ships call at ports that have Alternate Marine Power (AMP) facilities; this is mainly at the ports of Los Angeles and Oakland in the US. This means that ships at berth must turn off their engines and obtain electricity supply from shore facilities. Cold ironing effectively reduces GHG emissions arising from the use of power generators on vessels.

The California Air Resources Board has strict at-berth emission regulations. To comply with these requirements, 18 of our ships are compatible with the AMP system, having a high-voltage switchboard, transformers and cables installed. These systems have also been retrofitted to our container ships with the equipment fitted in a container as a temporary fixture to the ship's existing equipment. These fittings allow for the ship's power system to be connected to the shore supply within one hour of berthing, limiting the consumption of fossil fuel by the ships at port. All our electrical officers working on these ships are trained to handle high-voltage equipment and possess the required certification. We also arrange an annual inspection of AMP-related equipment that is conducted by approved engineers to ensure that equipment operates efficiently.

### GREENER FUELS

With growing urgency to reduce GHG emissions across the maritime industry, FLEET is taking a proactive approach to adopting greener fuel solutions. Liquefied natural gas (LNG), methanol (a low-flash point fuel), liquefied petroleum gas (LPG), ethane and ammonia are some of the alternative fuel options the industry is exploring. In the reporting year, 15 of our managed ships ran on dual fuel, up from ten<sup>18</sup> in

2021. These included 12 ships on LNG, two on methanol and one on LPG. Two ships under our management also carried biofuels for part of 2022. Detail on our successful biofuel trial with our client Spar Shipping AS, can be found in the case study on [P.48](#).

Our Newbuilding department is proud to have delivered four LNG dual-fuel LR tankers and five LNG dual-fuel chemical tankers to clients in 2022 – with more orders currently under construction. To ensure our crew is well versed in handling alternative fuels, we conduct training in accordance with international standards. For example, LNG bunkering simulator and LNG engine operation training is provided to the ship and shore employees handling LNG ships.

#### Focus on Methanol

We have been exploring the use of methanol as a fuel since 2016. In 2022, we managed two medium-range (MR) tankers fuelled by methanol. We already have a large pool of crew experienced in handling methanol who can obtain the Certificates of Proficiency for IGF vessels as needed. Our engineers are being trained by the MAN Primeserv Academy to effectively handle Liquid Gas Injection – Methanol (LGIM) engines, and with two methanol fuelled ships in operation, this pool is continuously growing. We collaborate with organizations such as Hoon Maritime Institute in India, DynaMarine in Greece and the Norwegian Training Center in the Philippines to provide training on the International Code of Safety for Ships using Gases or Other Low-flashpoint Fuels (IGF code) requirements for our seafarers and superintendents in offices. Eleven superintendents have undergone this training to date. We have also collaborated with industry partners to design a bulk carrier powered by methanol, which is now complete and being offered to owners. We currently have 12 vessels being built under our supervision that can be powered by methanol.

#### DUAL-FUEL VESSELS UNDER CONSTRUCTION, SUPERVISED BY OUR NEWBUILDING TEAM

Type of vessel	Fuel type	No. of vessels	Date of delivery
119,000DWT LR dual-fuel tanker	LNG	4	2022
19,000DWT dual-fuel DSS chemical tanker	LNG	2	2022
33,000DWT dual-fuel DSS chemical tanker	LNG	4	2022, 2023
950TEU container carrier dual-fuel methanol	Methanol	6	2024
950TEU container carrier methanol fuel ready	Methanol	2	2023, 2024
3006TEU container carrier methanol fuel ready	Methanol	4	2023, 2024
180,000CBM dual-fuel carrier	LNG	10	2023-26

<sup>18</sup> The figure reported in 2021 has been updated.

## Energy and Climate Resilience

### Mari Innovator

Our managed vessel, Mari Innovator, is a prime example of our efforts to support the adoption of cleaner fuels. It is the first to be IMO Tier III compliant, utilizing an innovative methanol-and-water blending/diesel in a water emulsion system as the fuel for its main engine in NOx control areas. This system brings significant cost savings compared to alternatives such as Selective Catalytic Reduction (SCR) or Exhaust Gas Recirculation (EGR) NOx emission control systems. The ship is fitted with numerous energy-saving design features, including a propeller boss cap fin to enhance propeller efficiency, a speed/fuel pilot that keeps consumption at an optimum level and frequency-controlled pumps and fans. It is also fitted with a power factor compensator for alternators, which enables it to save 11% more energy than average ships. This vessel's incinerator is capable of evaporating bilge water instead of pumping it out to sea, which protects marine biodiversity.

### Supporting Innovation: Green Ammonia

As we strive to align with the IMO's initial GHG emission strategy, we continue to collaborate with other organizations to develop new decarbonization technologies. In 2021, FLEET signed a Memorandum of Understanding with industry partners to contribute to a feasibility study to develop ammonia bunkering in Singapore, which we continue to be involved in. The study aims to cover the entire end-to-end supply chain of ammonia bunkering, which includes the development of a cost-effective green ammonia supply chain, design of ammonia bunkering vessels, and related supply chain infrastructure.

In this reporting year, we completed a hazard identification study (HAZID) for an ammonia bunkering vessel and obtained approval in principle (AIP) for its early conceptual design phase, which will assist in demonstrating the feasibility of the project, from the American Bureau of Shipping (ABS) classification society. We also completed a HAZID for an ammonia-powered Kamsarmax vessel with the DNV classification society, with the AIP for this vessel in progress.



### TESTING THE FEASIBILITY OF WIND-ASSISTED SHIP PROPULSION

In 2022, we initiated a project to test the feasibility of wind-assisted ship propulsion. This project will involve installing four aerofoils – called VentiFoil – from third-party provider, eConowind, on our client Chemship's M/T Chemical Challenger vessel. The VentiFoil is a smart sail – a collapsible, upright aircraft wing that is placed on the deck of the ship. The wing-shaped element uses modern innovations in aerodynamics, creating a high-propulsion force in relation to its size. The propulsion force of a VentiFoil unit is equal to a sail of 160 to 360m<sup>2</sup>, and its power is equal to that of 1,000 to 2,000 solar panels. These are estimated to result in annualized fuel savings of 12%. The VentiFoil units are currently being fabricated in eConowind's factory under class supervision, and we expect these to be installed on the vessel around August 2023.



## Energy and Climate Resilience



## Energy Efficiency Onshore

In addition to energy-efficiency measures on ships, we also focus on our offices. To reduce electricity usage, we adopt environmentally conscious office design to maximize the use of natural light and install energy-efficient appliances such as LED lighting and motion sensors. FLEET's premises in Hong Kong SAR as well as at our Seawoods office in Mumbai are fitted with electricity-saving motion sensors. We are committed to continuously monitoring and reviewing energy usage within our office spaces to make necessary adjustments to further enhance efficiency.<sup>19</sup>

### ENERGY CONSUMPTION

at our offices in 2022 was

**7,573,680MJ**

This included heating and cooling of 25 offices.<sup>20</sup>

### GHG EMISSIONS

from 25 offices in 2022 amounted to

**1,540KG OF CO<sub>2</sub>e**

from office electricity consumption.<sup>21</sup>

### EMISSION INTENSITY WAS

**6.9KG OF CO<sub>2</sub>e**

per gross floor area (sq.ft.) in 2022.

<sup>19</sup> 2021 energy and emission data for offices are not included here as our calculation methodology has been revised. 2022 will be our base year for tracking this data.

<sup>20</sup> Energy consumption data does not include data from shared office spaces in Indonesia, Japan and India, as well as our office in the United Kingdom. It also does not include information on energy consumption from offices that were closed during the reporting year.

<sup>21</sup> Covers emissions from office consumption including heating and cooling.

<sup>22</sup> Mapping a Maritime Just Transition for Seafarers, Position Paper, November 2022, prepared by the Maritime Just Transition Task Force Secretariat and the following members of the Task Force: the International Chamber of Shipping, the International Transport Workers' Federation and the United Nations Global Compact.

## Partnerships for Progress

Understanding that the climate crisis cannot be solved by any one entity, the Group, as a partner of the Global Maritime Forum, is a signatory to the [Call to Action for Shipping Decarbonization](#), which calls for decisive government action to enable the decarbonization of international shipping by 2050. The Call to Action was developed by a multi-stakeholder task force convened by the Getting to Zero Coalition with members from the entire maritime ecosystem including shipping, chartering, finance, ports and fuel production. We continue to work towards developing a progressive roadmap to assess potential climate-related risks and opportunities.

Another global initiative we are supporting involves steps to ensure our more than 27,000 seafarers are supported as the world proceeds with decarbonization plans in the maritime industry. To this end, we are planning to develop actions in line with many of the the Fundamental Just Transition Principles<sup>22</sup>, championing the rights, health and safety as well as the training and development needs of seafarers to prepare them for shipping's green transition.

We are also working with community partners to offset our direct emissions while contributing to the restoration of natural capital through our tree-planting projects such as Gifting a Green Life. More details can be found in the [Community Investment](#) section of this report.

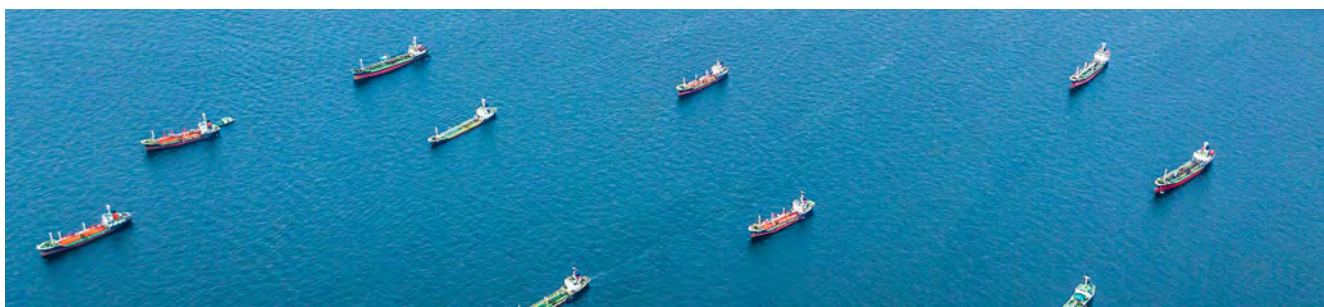
## Material Topic

# Materials and Waste

An important part of managing our environmental impact involves the effective oversight of resources and waste. Our actions in these areas impact the livelihoods and overall health of our stakeholders.

Shared resources such as water as well as the commodities we trade are integral to our business activities. Our waste streams consist of bilge, sludge, food and garbage<sup>23</sup> that make up the solid hazardous and non-hazardous waste on ships as well as general office waste. The Group's main focus in managing materials and waste is to ensure responsible procurement and consumption as we take into account impacts on water quality, biodiversity and resource depletion.

## How We Are Managing It



FLEET's Environmental Policy outlines our approach to responsibly consume materials and resources, reduce and properly manage waste, and comply with marine environmental protection requirements. We also recognize that the transportation and trade of materials such as coal and iron ore may contribute to adverse environmental and social impacts from their extraction and use. Accordingly, we adopt responsible practices in the sourcing of these materials.

We are committed to pollution prevention, zero spills and reducing waste generation at source. This is accomplished by maintaining and repairing the systems, equipment and components found in the machinery of vessels. All our ships have targets covering areas such as bilge water, sludge and garbage generation as well as food waste and MARPOL Annex I oil (oil contained in oil tanker cargo tank wash water) discharged at sea. We track a number of KPIs, including incidents involving oil spills or LOPC as

part of our effort to evaluate and improve our performance. When it comes to offices, we are working with building management teams to align on the responsible handling of materials for recycling and waste for proper disposal.

In the second half of 2021, we conducted an environmental survey requesting ship personnel to provide information about resource and waste management facilities on vessels, with a focus on evaluating both the condition of equipment such as waste compactors, evaporation tanks, clean drain tanks and the efficiency of procedures. The responses from the vessels enabled all technical groups to address areas of concern and arrange the appropriate equipment for onboard personnel to better manage and reduce the amount of waste produced on ships. One of the important initiatives that resulted from this survey was FLEET's pledge to reduce plastic bottles on board. Details of this commitment with the non-profit organization IMPA Save is provided in the case study on [P.63](#).

<sup>23</sup> The term "garbage" is used to describe solid waste in line with the IMO's terminology.

## Materials and Waste

# Materials

Responsibly procuring goods, services and commodities, and responsibly consuming resources such as water, remains our focus to minimize any potential adverse environmental and social impacts.



## Water

Most fresh water used on our ships is generated from the sea, using waste heat recovery, an energy-efficient process that generates minimal emissions, while simultaneously ensuring that water resources on land are not depleted. Greywater is stored in containment tanks on ships and discharged where permitted at sea. The total amount of greywater discharged to sea in 2022 from 642 managed vessels was 657ML.

All ships in the managed fleet are required to have the quality of potable water in the ship's tanks tested annually. This ensures that the quality of potable water conforms to internationally accepted standards. In 2022, 661ML of water was utilized on ships, compared with 697ML in 2021.

## Biodiversity

Our sound water management practices contribute to the conservation of biodiversity. Shipboard operations can impact biodiversity by transferring unwanted aquatic organisms, which may be present in ballast water or mud taken on board along with ballast, to foreign ecosystems. An increasing number of ships in the fleet are fitted with Ballast Water Treatment Systems (BWTS). In 2022, the number of ships that were fitted with BWTS was 384. Should a failure of the BWTS occur, an alternative method of ballast water treatment is employed (usually ballast water exchange in the deep sea). This ensures unwanted organisms have maximum exposure to clean seawater that has a sterilizing effect and that they are not introduced to coastal waters.

To prevent negative impacts, we have established guidelines for crew to follow including:

- Discharging only the minimal amount of ballast water essential for operations.
- Minimizing ballast water discharge and uptake in marine sanctuaries, marine preserves, marine parks or areas with coral reefs.
- Minimizing or avoiding uptake of ballast water in:
  - Areas with known infestations of nonindigenous organisms or pathogens.
  - Areas near a sewage outfall.
  - Areas for which the vessel has been informed of the presence of a toxic algal bloom.
  - Areas of poor tidal flushing or high turbidity.
  - Periods of darkness when bottom-dwelling organisms may rise in the water column.
  - Areas where sediments have been disturbed (i.e. near dredging operations).
- Regular cleaning of ballast tanks in mid-ocean waters.
- Rinsing anchors and anchor chains during their retrieval.
- Maintaining BWTS in optimal operating condition to ensure that they are effective in neutralizing unwanted organisms.
- Cleaning the hulls of ships when fouling is indicated by our real-time monitoring of power absorption to prevent the transfer of unwanted organisms.

The effectiveness of these measures is tracked through the biannual testing of ballast water samples.

## Materials and Waste

### Commodities

Other resources that are significant to our business are iron ore and coal, traded by our subsidiary, Caravel Resources. The Group is committed to only trading materials that comply with the environmental standards of the country of destination to appropriately manage impact. In the reporting year, we drafted our policy on the responsible sourcing of coal and iron ore, outlining our approach to ethical business conduct, including the environment, health and safety, to human and labor rights, and modern slavery. This was then formalized and adopted in Q1 2023. More details on this policy can be found in the section on [Supply Chain Management](#).

#### IRON ORE

We trade in mainstream cargo with iron (Fe) content of 55-63 Fe. In 2022, we did not trade any “dirty iron ore” cargo (cargo with an iron content of around 45 Fe or below). We also ensure that impurities such as sulphur and phosphorous in our cargo are within the range that is acceptable as per the standards imposed by end users’ countries. Further, we focus on cargo such as high-grade lumps or pellets that generate better yield and, as a result, lower emissions compared to cargo that consists of low Fe materials.

#### COAL

We mostly trade in coal of mid- to high-calorific value, with most cargoes traded in 2022 being of GAR 3800 or above. We impose contractual obligations on our suppliers to limit the impurities in the cargo. Our traded cargo complies with the environmental regulations of the countries of destination. We minimize the purchase of cargo that has a high level of impurities like sulphur and phosphorus and, in 2022, the percentage of cargo traded by us with sulphur content of more than 1% was less than 5% of our total traded cargo. We do not deal in stock and sale businesses<sup>24</sup> or businesses that involve the mixing of cargo by sellers. Instead, we prefer to buy materials from single mines where sellers hold a license to mine legally and verify this by reviewing the certificate of origin that each supplier is required to submit.



<sup>24</sup> Stock and sale refers to discharging unsold cargo at destination ports and selling it by truck or rail locally in small tonnages.

## Materials and Waste

# Waste Management

The Group manages our waste responsibly and encourages employees and seafarers to support us on our waste reduction journey.



## Waste on Ships

In 2022, the total waste generated on ships increased primarily due to the increase in the number of vessels compared to the previous year.<sup>25</sup>

### WASTE ON SHIPS

Total Waste (m <sup>3</sup> ) <sup>26</sup>	2021	2022
Owned and JV-owned Ships	1,483	<b>1,406</b>
<hr/>		
Managed Ships	135,807	<b>166,194</b>
<hr/>		
Total	137,290	<b>167,600</b>

Owned and JV-owned Ships Waste (m <sup>3</sup> )	2021	2022
Hazardous	1,341	<b>1,294</b>
Sludge	892	<b>749</b>
<hr/>		
Bilge Water	449	<b>545</b>
<hr/>		
Non-hazardous (Garbage)	142	<b>112</b>
<hr/>		
Total	1,483	<b>1,406</b>

<sup>25</sup> 2021 waste data covered 618 ships, while 2022 data covered 692 ships.

<sup>26</sup> The total amount includes what remains on the ships after waste is diverted from or directed to disposal.

<sup>27</sup> IMO: <https://www.imo.org/en/OurWork/Environment/Pages/Pollution-Prevention.aspx>.

Managed Ships Waste (m <sup>3</sup> )	2021	2022
Hazardous	117,405	<b>147,216</b>
Sludge	48,403	<b>58,411</b>
<hr/>		
Bilge Water	69,002	<b>88,805</b>
<hr/>		
Non-hazardous (Garbage)	18,402	<b>18,978</b>
<hr/>		
Total	135,807	<b>166,194</b>

All waste generated by our owned and managed vessels is disposed of in full compliance with the MARPOL Convention. Other than air pollution, this addresses “pollution from ships by oil; by noxious liquid substances carried in bulk; harmful substances carried by sea in packaged form; sewage, (and) garbage”<sup>27</sup>. The Group has a number of initiatives in place to manage hazardous and non-hazardous waste and is working to continually improve our processes. Hazardous waste, namely sludge and bilge water that are considered hazardous due to oil content, is stored primarily in tanks that are integral to the ships. Smaller quantities, where necessary, are stored in containers that are leakproof and properly sealed to prevent ignition or spillage. Efforts are made to divert these waste streams from disposal through evaporation.

## Materials and Waste

### BILGE WATER MANAGEMENT

Bilge water, comprising fresh water, sea water, oil, sludge, chemicals and/or various other fluids that typically accumulate beneath the floor boards and under the engine of ships, must be properly managed to prevent the contamination of the marine environment and to maintain the safety of our ships. To minimize bilge water accumulation we focus on:

- Finding the sources of water draining to the bilge wells and taking action to stop leaks.
- Minimizing leaks from pump glands/seals that drain to the bilge wells by retrofitting mechanical seals on frequently used seawater pumps in place of glands that require more maintenance to achieve the required performance.
- Checking for leaks from machinery and piping, particularly seawater piping and repairing these.
- Ensuring that oily waste from leaking machinery is collected in dedicated waste oil tanks and does not form part of the water that drains to bilge wells.

These processes are inspected by superintendents during shipboard inspections. Data on bilge water management is reported by the crew every month to track the efficacy of these actions.

The Group manages bilge water that cannot be avoided by first passing it through an oily water separator where the

level of suspended oil particles in the mixture is significantly reduced. When oil concentration is reduced to the permissible limit, the bilge water is allowed to be discharged to sea while the ship is at sea. The oil removed by the oily water separator is diverted to a waste oil tank thereby preventing it from being discharged to sea. Bilge water evaporation tanks or clean drain tanks are also increasingly used; these measures reduce the use of the oily water separator and the resources required to maintain it.

In 2022, 20% of our managed ships were fitted with both an evaporation tank and a clean drain tank. 10% of managed ships were fitted with an evaporation tank only and 32% were fitted with a clean drain tank only. We are able to fit these once we gain approval from the ship's owner.

Bilge water evaporated by managed ships in 2022 was less than in 2021. This could be attributable to the fact that fewer ships fitted with evaporation tanks were under FLEET's management in 2022.

The amount of bilge water discharged to sea by JV-owned vessels decreased in 2022 because we had fewer such vessels as compared to the previous year. However, bilge water discharge increased for owned and managed vessels in 2022 because of the increase in the number of vessels as well as factors such as the area of trading. For example, if humidity is higher in certain areas, more bilge water will be generated and consequently, discharged.

### BILGE WATER

Evaporated (m <sup>3</sup> )	2021	2022
Owned Ships	36	47
JV-owned Ships <sup>28</sup>	0	0
Managed Ships	3,702	3,599
<b>Total</b>	<b>3,738</b>	<b>3,646</b>

Discharged (m <sup>3</sup> )	2021	2022
Owned Ships	89	339
JV-owned Ships	325	159
Managed Ships	47,568	59,141
<b>Total</b>	<b>47,982</b>	<b>59,639</b>

<sup>28</sup> JV-owned vessels are not fitted with evaporation tanks.

## Materials and Waste

### SLUDGE MANAGEMENT

Sludge on ships results from the operation of the engine and various types of machinery, and the handling of fuel oil. This sludge is stored in various engine room tanks until it is able to be safely disposed. We ensure that at least 50% of tank capacity is available at any given time for storing sludge. Sludge reduction measures include:

- Checking if the de-sludging frequency of purifiers is excessive – the fleet-wide focus on purifier efficiency has a target limit of 2% of residual fuel consumed as sludge.
- Checking if operating/sealing water consumption is excessive.
- Avoiding/minimizing the co-mingling of fuel oils while bunkering.

We introduced a new policy in the first quarter of 2022 where ships are encouraged to land sludge oil generated to shore reception facilities approved by port authorities, instead of incinerating the sludge on board. This helps in reducing air emissions as well as enhancing fire safety on board. We also make the incineration process more efficient by evaporating water from sludge using waste heat. This reduces the volume of sludge that needs to be incinerated or landed to shore.

In 2022, more sludge was landed to shore and consequently sludge incinerated on managed vessels decreased. However, more sludge was incinerated on owned and JV-owned vessels in 2022 as compared to 2021 and the reason for this is partly attributed to the lack of landing facilities at ports visited by these vessels. We aim to improve on this practice year-on-year as we strive to better manage our waste.

#### SLUDGE

Evaporated (m <sup>3</sup> )	2021	2022
Owned Ships	39	94
JV-owned Ships	0	7
Managed Ships	15,155	14,111
Total	15,194	14,205

Incinerated (m <sup>3</sup> )	2021	2022
Owned Ships	29.6	50
JV-owned Ships	1.6	13
Managed Ships	9,177	6,603
Total	9,208	6,666

Landed (m <sup>3</sup> )	2021	2022
Owned Ships	99	216
JV-owned Ships	762	470
Managed Ships	27,838	43,663
Total	28,699	44,349

We introduced a new policy in the first quarter of 2022 where ships are

**ENCOURAGED TO LAND SLUDGE OIL GENERATED TO SHORE RECEPTION FACILITIES APPROVED BY PORT AUTHORITIES, INSTEAD OF INCINERATING THE SLUDGE ON BOARD.**

#### GARBAGE<sup>29</sup>

Garbage generated on ships comprises a variety of waste items. This includes all kinds of operational waste, ranging from plastic and cargo residues to metal generated during the normal operation of the ship.

To address packaging and plastic waste, the Group supports the use of reduced environmental impact materials and biodegradable products, and encourages efforts to 'reduce, reuse and recycle' materials. We also aim to ensure the effective discharge of bulk cargoes from holds with the proper sweeping of decks and to return dry cargo residues to the receiver where possible to reduce the amount of waste that needs to be landed or legally disposed of at sea.

<sup>29</sup> Food waste is not included under garbage.

## Materials and Waste

**FLEET SIGNS THE IMPA SAVE PLEDGE TO REDUCE PLASTIC ON BOARD**

In 2022, FLEET signed the IMPA SAVE pledge to reduce the deployment of single-use drinking water bottles at sea by 2025. Formed in June 2020 under the International Marine Purchasing Association’s umbrella, IMPA SAVE was created to support the call to action to further the UN SDGs through industry collaboration, awareness raising, outreach work and accountability.

To date, 55% of FLEET’s vessels have a water purification system on board, with more to soon follow suit. In 2023, we plan to roll out educational campaigns for our seafarers to consume more water from the purification system and less from plastic water bottles.

Commenting on the pledge, Alex Drew, Procurement Director at FLEET, said: *“At FLEET, we actively support the use of environmentally safe and biodegradable products. Joining forces with IMPA SAVE publicly affirms our commitment to reducing our use of plastic. We are working to ensure our suppliers understand the importance of this – to both FLEET and the planet – and we hope they join us in adopting new policies that actively encourage transitioning from the traditional harmful packaging to environmentally responsible solutions.”*

In 2022, less garbage was produced than in the previous year despite the increase in the number of ships managed. As with sludge disposal, we also recently instituted a policy that seeks to discourage the incineration of garbage on board. Instead, ships are encouraged to opt for disposal by landing garbage to shore reception facilities. Due to this policy, the aggregate amount of garbage landed in 2022 increased. We expect to improve on this year-on-year.

**GARBAGE FROM SHIPS**

Incinerated (m <sup>3</sup> )	2021	2022	Landed (m <sup>3</sup> )	2021	2022
Owned Ships	6.5	0.4	Owned Ships	48.3	64
JV-owned Ships	16	1.6	JV-owned Ships	94	48
Managed Ships	1,475	90	Managed Ships	13,492	18,126
Total	1,497.5	92	Total	13,634.3	18,238

**Single-use Plastic (SUP)**

Plastic bottle usage on board ships is a challenge across the industry. Data on the consumption of bottled water on all our ships is being gathered across our fleet. In the reporting year, the Group made a pledge to reduce the amount of SUP bottles used on board via the IMPA SAVE platform, organized by the IMPA SAVE Council for Maritime Supply Chain Sustainability. More details can be found in the case study on this page. To discourage personnel from consuming water from SUP bottles, we are working to install R-O type purification units on our ships. A campaign to promote the consumption of water from our retrofitted filtration plants or from the ship’s existing, fixed, freshwater treatment plants will be launched in 2023. We also ensure drinking water fountain filters, sterilizers and mineralizers are well maintained, where provided, and that drinking water tanks are regularly cleaned.



## Materials and Waste

### FOOD WASTE

To avoid the generation of excess food and food waste, we make efforts to prepare appropriate quantities of food in the first place. Those responsible for food preparation on our ships undergo extensive training on inventory management and waste control as part of the culinary unit training run by FMTI. Management of waste is one of the factors considered in the performance assessments of these individuals.

#### Waste in Offices

Waste management initiatives are also implemented at our global offices. As an example, at FLEET's headquarters in Hong Kong, we are coordinating with the building management team to segregate waste streams for recycling and responsible disposal.

To build awareness among employees based in this office, we have participated in a project to collect food waste and coffee grounds, managed by the Hong Kong Productivity Council (HKPC) and Swire Properties since 2020. In 2022, we collected approximately 964kg of waste as part of this initiative. Our efforts were acknowledged at an award ceremony arranged by HKPC.

In 2022, we also recycled approximately 275kg of cardboard, paper and plastic material at our Andheri office in India. We are working with building management teams in all of our locations to responsibly handle waste generated, and aspire to meet higher standards than what is required by local regulations.





Health, Safety  
and Wellbeing

# Safeguarding People

Understanding that our business is only as resilient as our people, we prioritize the health, safety and wellbeing of our employees and seafarers above all else.

# Strategy and Management Approach



The health and safety of all employees working in our offices, and seafarers contracted to work on board our ships, is our top priority at The Caravel Group. We pride ourselves on helping our people work safely and productively through policy guidance and participation in training programs and processes that mitigate occupational safety risks.

We have a well-established business continuity plan that contains provisions for responding to various adverse situations. A number of policies guide our approach to safeguarding people. These include our Health and Safety Policy and Drug and Alcohol Policy, alongside a newly developed Human Rights Policy covering health and safety aspects. The Human Rights Policy will be implemented across the Group in 2023.

At our subsidiary FLEET, all policies related to health and safety are listed as part of our [Company Policy](#), which is available on the company website, in our Quality Management Manual (QMM), and in the form of posters on all our managed vessels. These policies focus on ensuring the Group maintains the right skills, knowledge, conduct and experience onshore and on board our vessels to keep people safe and well.

Healthier employees are inclined to be happier, more engaged and higher performing, and mental health is core to this. The Group's HR initiatives and Employee Assistance Program (EAP) for employees, and our FLEET Care team within the FLEET Personnel Department for seafarers, contribute to supporting holistic wellbeing.

We continue to make strides in this area. In recognition of our efforts for seafarers, in the reporting year we were delighted to receive the prestigious Seafarers' Award for Hong Kong Ship Manager of the Year for 2021, for the fourth time in five years. As our business continues to grow, we are committed to fostering an environment that supports the health, safety and wellbeing of our people.

## Safeguarding People – Strategy and Management Approach

# Key Goals and Targets



## Ensure healthy lives and promote wellbeing for all at all ages

The Group has a range of initiatives to support the physical and mental health and wellbeing of employees and seafarers. We are particularly proud of our comprehensive occupational health and safety systems, insurance provisions and our dedicated FLEET Care team for seafarers.

### Goals

- **Target zero catastrophic or serious accidents and incidents** on board our ships
- **Target zero fatalities and catastrophic or serious injuries** on ships
- Continual review and enhancement of **health and safety training** provided to all seafarers
- **Broaden our health and safety strategy** to involve all employees in holistic programs

### Targets

- Hold **18 Psychological First Aid (PFA)** and **12 Wellness at Sea (WAS)** training sessions for seafarers per year
- By the end of 2023, **train 80% of all general managers** and above and **100% of directors** and above at FLEET on **Mental Health First Aid**
- In 2023, **increase the beneficiaries of the FLEET's Family Support Group (FFSG) program by 10%**
- In 2023, run **10 campaigns** to promote safety on ships

## Case Study

## FLEET Wins the Seafarers' Award for Best Ship Manager

In 2022, we were honored to receive the Seafarers' Award for Hong Kong Ship Manager of the Year for 2021. The winner of this prestigious award is chosen by seafarers and awarded on their behalf by the Sailors' Home and Mission to Seafarers.

At the awards evening, the Director of FLEET's Personnel Department, Captain Somasundar Nair summarized the Group's sentiment towards seafarers: *"In 2005, the then IMO Secretary-General Mr Mitropoulos said that if it were not for shipping, 'Half the world would starve and the other half would freeze.' Today, almost two decades on, this has never been so true. Within our industry, we all know that without our seafarers, we would have no shipping, and, therefore vastly reduced global trade. The pandemic has heightened broader awareness of the importance of seafarers to the general public and trading businesses around the world. While a vast percentage of the world's population stayed home during the pandemic, and multiple flight routes were cancelled, seafarers continued to show up to work under the most challenging conditions, dealing with ever-changing protocols, requirements and restrictions. We can't thank them enough."*

This award is testament to our commitment to prioritizing the wellbeing of our crew, especially during the pandemic. We are committed to continually enhancing the health, safety and wellbeing of our seafarers and all our employees in the years to come.



## Material Topic

# Health, Safety and Wellbeing

We believe that our business is only as resilient as our people. We make every effort to nurture our people and demonstrate to employees and seafarers alike, that they are supported and looked after.

The Group's Board of Directors oversees health and safety issues closely. Whether the need of the hour is increasing personnel, installing new equipment or approving new programs, management is always willing to consider making strategically necessary and meaningful improvements that enable our people to continue to thrive.

In the reporting year, substantial resources were devoted to supporting our seafarers' health, safety and wellbeing, given the nature of their work. While we also made strides in promoting the wellbeing of shore-based employees, going forward, we intend to further extend and broaden our health and safety strategy to involve employees across all Group companies in holistic programs.

## How We Are Managing It

### Supporting People through the Pandemic



The COVID-19 pandemic caused significant disruptions for the global maritime industry. Following on from the challenges that resulted, the Group's efforts to continue to positively monitor and manage the health of our seafarers and employees have only increased.

At the height of the pandemic, we swiftly chartered flights to repatriate stranded crew members. We also enhanced our global medical coverage for some of our seafarers and their dependents who were not covered under the Marine Benefits scheme described in more detail on [P.92](#).

A key challenge caused by the pandemic has been the crew change crisis. To address this, The Caravel Group and FLEET, along with 850 global organizations, became signatories of the Neptune Declaration on Seafarer Wellbeing and Crew Change<sup>30</sup>, which called for worldwide action to ensure the crew change crisis was resolved as soon as possible.

The declaration urged four main actions:

- Recognizing seafarers as key workers and giving them priority access to COVID-19 vaccines.
- Establishing and implementing gold-standard health protocols based on existing best practices.
- Increasing collaboration between ship operators and charterers to facilitate crew changes.
- Ensuring air connectivity between key maritime hubs for seafarers.

We devoted the necessary resources and time to implement all these actions rapidly and effectively, including vaccinating all our seafarers against COVID-19. Careful planning and effort were put towards adequately addressing the impacts of the crew change crisis, while supporting seafarer wellbeing and meeting our clients' needs to the best of our ability. The Group continues to monitor these issues and contribute critical, up-to-date information to the Neptune Declaration Crew Change Indicator on a quarterly basis.

<sup>30</sup> <https://www.globalmaritimeforum.org/neptune-declaration>.

## Health, Safety and Wellbeing

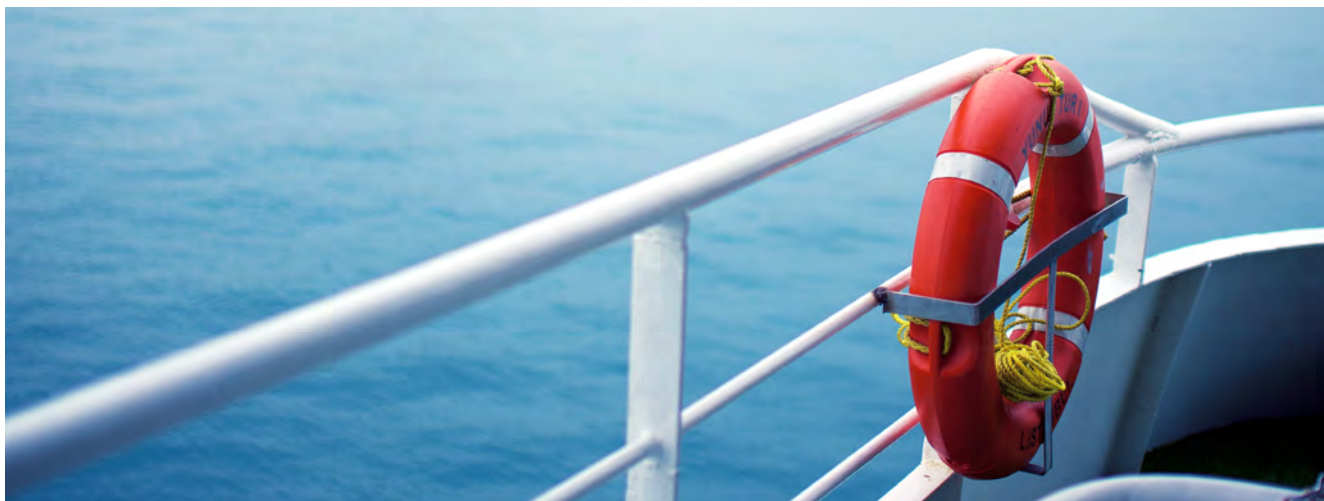
# Occupational Health and Safety

The Group is focused on building a safe working environment for all employees and seafarers. Everyone must familiarize themselves with and adhere to our health and safety policy statements.

These statements outline our commitment to preventing work-related injuries, complying with relevant regulations and establishing objectives to minimize risk. These provide our people with the information, equipment and training necessary to carry out their work safely and ensure continuous improvement of health and safety practices onshore and on board our ships.

## Managing Health and Safety On Board

Our comprehensive occupational health and safety management system ensures that high safety standards are upheld for all managed and owned ships. Our standards go beyond what is required by The International Safety Management (ISM) Code and the International Ship and Port Facility Security Code (ISPS), which is part of the Safety of Life at Sea Convention (SOLAS). This system covers all seafarers serving on ships as well as any contractors and visiting shore-based employees who are temporarily assigned to work on the ship. Mental health initiatives are a key part of the health and safety practices as described in more detail in the section on [Wellbeing](#).



Ships have safety committees that include representatives from all ranks of the ship's crew. Members of the committee are tasked with inspecting all parts of the vessel to detect any hazardous conditions. This committee meets monthly. At these meetings, the ship's onboard management engages the other crew members on all issues concerning the crew's safety, working and living environments. Any concerns are reported to the ship's onboard management, who then shares such information with shore management to determine and implement remedial action. The safety committee's findings and reports are reviewed by our QHSE department. Feedback from ship and shore management teams is used to continuously review and, where required, enhance the safety management system (SMS). Each ship's Master reviews our SMS once every two months. The Master's review involves evaluation of the shipboard process and SMS elements. Such feedback from the Masters is used to enhance FLEET's existing procedures.

In addition to routine reporting, all crew members are given the tools and training to submit near-miss and non-conformity reports to shore management directly, thereby alerting shore management while retaining anonymity on board.

As part of our SafeR+ program, FLEET's Managing Director empowers each seafarer to stop any work that they consider to be highly risky. This is supported by a stop work card, which gives all personnel the authority to stop ongoing work if they feel that an action or situation is unsafe or could lead to an accident. More detail about the SafeR+ program, which promotes a strong safety culture, is provided in our section on [Training](#).

## Health, Safety and Wellbeing

### Incident Management System

Our health and safety procedures require all on board incidents and near misses to be promptly reported and investigated within defined time frames and according to industry prescribed definitions for reportable incidents and serious near misses. The appointed investigation manager/team leader is responsible for assessing whether a full investigation by an investigation team or an investigation through the Master/Chief Engineer on board is required. Our QHSE department is responsible for maintaining all investigation records.

The incident management system contains guidelines for mandatory notifications of all serious incidents and/or accidents such as a collision, grounding, fire, oil spill, person overboard, serious injury or casualty. Mandatory notifications entail reporting serious incidents to the DPA and/or Company Security Officer (CSO), flag states, coastal authorities and/or port states, classification societies and qualified individuals, as applicable.

Reports to the flag states, coastal authorities and/or port states are made in the incident reporting formats provided by these organizations. For other reporting, we have adopted the DNV-GL's Marine Systematic Cause Analysis Technique (M-SCAT) model for incident investigation. M-SCAT is used as an analysis tool for the investigation of all incidents and near misses. A stepwise analysis evaluates the loss, type of incident, the immediate and root cause, and the corrective and preventative measures required to avoid or minimize recurrence. Such measures may include changes to our SMS policies and procedures,

Planned Maintenance System (PMS), safety and technical alerts and related follow-up actions, newsletters and circulars, training and other initiatives.

In 2022, numerous improvements to our systems were implemented as a result of Masters' reviews, the outcomes of incident investigations and other sources such as regular Tanker Management and Self-Assessment (TMSA) programs conducted and external audits.

The investigation process follows stringent procedures that are suited to the scope of the investigation. The level of investigation and the composition of the investigation team are based on the severity and type of the incident. When appointing an investigation team leader, care is taken to ensure the person appointed is not directly connected to the incident. Managers and superintendents involved in incidents must undergo incident investigation and root-cause analysis training through a recognized classification society.

### Health and Safety Performance

The Group tracks numerous KPIs as part of our effort to evaluate and improve on our health and safety performance, including:

- Catastrophic/severe indicators such as fatalities, severe injuries or collisions, allisions, groundings or major fires.
- Major/moderate indicators such as less severe collisions, allisions, contact, grounding, bottom touching or fires.
- Crew-related indicators such as Lost-time Injury Frequency (LTIF) and Total Recordable Case Frequency (TRCF).

- Inspection performance and audit indicators, including observations related to Port State Control (PSC), Chemical Data Institute (CDI) and Ship Inspection Reporting (SIRE) requirements.
- Safety campaign frequency and training results.
- Third-party contractor injuries.

#### INCIDENTS RECORDED

	2021	2022
<b>Fire (Class A/B)<sup>31</sup></b>	0	<b>1 (0.14%)</b>
<b>Fire (Class C)<sup>32</sup></b>	2 (0.30%)	<b>0</b>
<b>Fire (Minor)</b>	3 (0.45%)	<b>4 (0.58%)</b>
<b>Incident near miss per month per vessel</b>	8.17	<b>7.57</b>
<b>Safety campaigns</b>	12	<b>13</b>

In addition to these KPIs, as a safety measure we ensure that all new seafarers undergo psychological evaluation prior to joining. The evaluation of cadets and trainees is done by the Group's in-house psychologist, as this group is considered to be the most vulnerable to issues related to mental health. This evaluation is repeated when individuals are ready to be promoted to the top ranks of Master and Chief Engineer.

<sup>31</sup> **Class A:** Fires involving ordinary combustible materials such as wood, cloth, paper, rubber or plastic. In general, fires involving solid materials, usually of an organic nature, in which combustion normally takes place with the formation of glowing embers.

**Class B:** Fires involving liquids or liquefiable solids. Fires in flammable liquids, oils, greases, tars, oil based paints, lacquers, etc.

<sup>32</sup> **Class C:** Fires involving gases such as methane, liquid gas, etc.



## Health, Safety and Wellbeing

### WORK-RELATED INJURIES AND INCIDENTS

No fatalities resulting from work-related injuries occurred in 2022. However, there were two cases of permanent partial disability; one involving a leg injury caused by a whiplash from a messenger line while casting off a tug line, while the other involved an eye injury while power tooling.

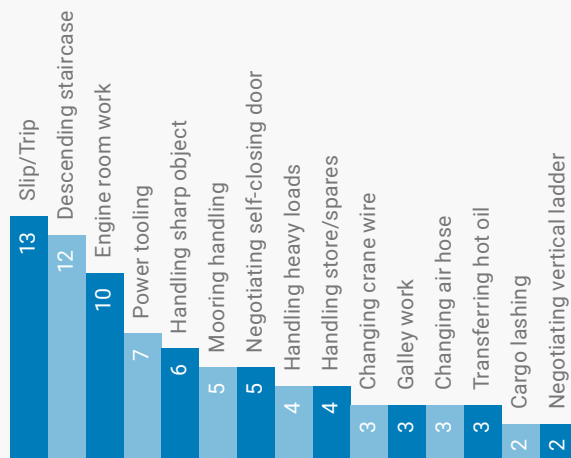
Eight of our seafarers died from causes other than injuries. Three of these were due to natural causes, while two died of suicide, and the remaining three were missing at sea. After an extensive search, unfortunately we were not able to locate these three seafarers. We have been deeply concerned by these incidents and reminded all employees and seafarers of the importance of mental health and wellbeing, and to remain vigilant to signs of poor mental health among their co-workers. We also highlighted that our EAP and FLEET Care's in-house counselling facilities are consistently available, and encouraged use of these. Senior officers on board ships were also tasked to remind crews about the availability of these resources. More details about our extensive programs to support seafarers can be found in the section on [Wellbeing](#).

In 2022, we recorded 108 injuries across our fleet, on a total of 93 ships. This means that more than 500 of our ships under management were injury-free. The most common body part injured was fingers or hands, followed by legs. The most common activity resulting in injury was walking and/or moving on deck (slips and trips), followed closely by descending staircases. The most serious cases, however, occurred during activities that may be considered to pose a high risk of injury, such as power tooling and mooring operations, with the most common location of injuries being the deck and engine room.

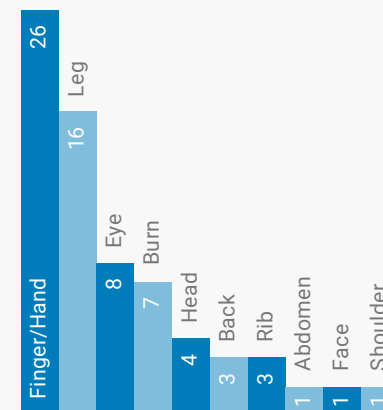
All incidents were investigated as per our procedures, as we aim to prevent similar incidents occurring again. In the reporting year, we increased the number of our safety campaigns to 13, from 12 in 2021.

## 2022 Figures

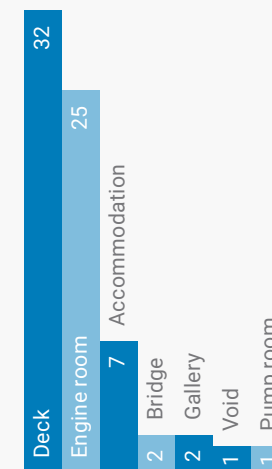
### ACTIVITIES CAUSING INJURIES



### BODY PARTS INJURED



### LOCATIONS WHERE INJURY OCCURED



### WORK-RELATED INJURIES

## Lost Time Injury Frequency

**0.31** compared to 0.31 per million hours worked in 2021.

## Rate of Recordable Work-related Injuries

**0.65** compared to 0.52 per million hours worked in 2021.

## Rate of High-Consequence Work-Related Injuries (excluding fatalities)

**0.07** compared to 0.09 per million hours worked in 2021.

## Rate of Fatalities as a Result of Work-related Injury

**0** compared to 0.03 per million hours worked in 2021.

## Health, Safety and Wellbeing

### WORK-RELATED ILL HEALTH

Seafarers who are sick or injured have access to a comprehensive assortment of medicine and medical equipment stored on board, as per the Ship Captain's Medical Guide. Care is administered by colleagues who are trained in providing basic first aid and more complicated medical care. Training in medical first aid and medical care (for senior ranks) is a statutory requirement for all seafarers, with mandatory refreshers provided every five years. In line with the regulations, all shipboard personnel ensure their first aid training is current and master license holders ensure their ship Masters' medicare training is up to date. Following the onset of the pandemic, we equipped many of our managed vessels with oxygen concentrators, and currently have 335 concentrators on ships.

A strong safety culture can be maintained by adopting the right behaviors, attitudes and actions. At the start of each workday, each ship's management team is required to conduct a tool box meeting in which the entire crew actively participates. The hazards associated with each task planned to be undertaken are discussed, with control measures required to prevent hazardous situations from developing explained to all attendees. Formal risk assessments are conducted for all special and critical operations, especially those that pose a risk of high-consequence injury such as working aloft, mooring operations and power tooling. Hazard identification and elimination are part of shipboard activities and are audited annually by shore management to ensure that the quality of these processes is maintained.

FLEET's cargo operation manual for different vessel types (oil/chemical/gas) includes precautions on specific cargo hazards, such as aromatic hydrocarbons, toxic cargo, incompatible cargo, high vapor pressure cargo, cargo containing mercaptans and/or H<sub>2</sub>S, solidifying cargo, high viscosity cargo, polymerizing cargo, self-reactive cargo, static accumulators and corrosive cargo.

The company offers health checks that involve blood tests for all seafarers who have worked on chemical tankers after they disembark from such ships. Some examples of ill health that could result from working on chemical tankers include asbestosis, leukemia and other conditions that could result from exposure to benzene or other carcinogens. If cases of ill health are found, we cover all medical costs for treatment, and basic wages are paid as per the seafarer's collective bargaining agreement. There were no cases of work-related ill health recorded in 2022.

We implement measures to comply with applicable data privacy laws and to ensure that personal health-related information is accessible only to relevant persons. Controls are built into the system to prevent unauthorized or illegal use of such data.

**A STRONG  
SAFETY CULTURE IS  
MAINTAINED BY  
ADOPTING THE RIGHT  
BEHAVIORS, ATTITUDES  
AND ACTIONS.**



## Health, Safety and Wellbeing

# Combatting Piracy



A commitment to protecting our people must extend to safeguarding them from the perils of piracy.

As a first step, vessels that visit high-risk areas (HRAs) and/or security sensitive areas (SSAs) must undergo a thorough voyage risk assessment by our CSO. We do our best to avoid areas where our intelligence shows pirates operating. To keep abreast of security threats and trends worldwide, we subscribe to security intelligence from DRYAD Global, and monitor security information published by third parties including International Maritime Bureau, the Information Fusion Centre, United Kingdom Maritime Trade Operations, the Maritime Domain Awareness for Trade – Gulf of Guinea and Private Maritime Security Companies (PMSCs).

When intelligence is received, vessels are promptly warned of any incidents so they are able to take appropriate actions such as optimizing routing and following Best Management

Practices (BMP-5/BMP West Africa) that deter piracy in HRAs and SSAs. These include hardening each vessel by rigging double-layer barbed wire all around it to restrict access to the vessel, particularly the accommodation quarters and engine room. To achieve full lockdown in the event of an attack, a hardened citadel, fully equipped with the minimum survival and communication equipment needed to outlast an attack, is fitted on each vessel to prevent hijacking or kidnapping.

Additional measures in place to safeguard our ships and seafarers include the following SOPs for transiting through HRAs and SSAs:

- Security drills and training are conducted regularly and, from time to time, third-party security entities are included in drills, as part of crisis management exercises. These third parties include representatives from the flag state, charterers and relevant security organizations.
- Use of advanced security technology and real-time position tracking of vessels is done using Stratum Five/Fleet Operation Solution (FOS). These systems provide a live dashboard using AIS, Sat C and GPS, as applicable, providing the capability to monitor vessels as they pass through HRAs. The technology also allows us to share information about incidents to alert our vessels and ensure they give wide berth to potential piracy threats.

A key focus for 2022 was safeguarding the security of our vessels transiting the Gulf of Guinea, the Gulf of Aden, the Strait of Hormuz, the Singapore and Malacca Straits, waters around South America and the Black Sea. We are a signatory of BIMCO's Gulf of Guinea Declaration on Suppression of Piracy, which demands that no seafarer should face the grave risks of kidnapping and violence

when transporting cargo, supporting the offshore sector or fishing in the Gulf of Guinea.

Understanding that security threats are dynamic in nature and require frequent adjustments in strategy, we are constantly monitoring and adapting to changing scenarios. One recent development is the improved piracy situation in the Indian Ocean off Somalia and the Gulf of Aden. Based on the assessments of BIMCO and other industry partners, our guidelines regarding this area are being reviewed.

Robberies and drug trafficking are other areas of concern for maritime security. Global trends show that robberies have been the most significant events in Southeast Asia, whereas drug trafficking is a concern in South America and West Africa. Important controls include restricting and controlling access and building the awareness of employees and seafarers about such risks. With the ongoing war in Ukraine, the Black Sea area also remains a concern. We have implemented an SOP for ships calling to ports of the Black Sea that includes guidance on mitigating security threats due to war and reported sightings of sea mines in the vicinity.

FLEET managed to safeguard the safety & security of the seafarers and secure a piracy-free period in 2022 by conducting an effective security voyage risk assessment and deploying adequate BMP hardening and routing measures while transiting High-Risk/Security sensitive areas. Our incidents in the reporting year were limited to a single robbery in the Singapore Strait, which did not involve any harm to personnel. In response to this incident, our SOP has been enhanced to control access to vessels and regular alerts have been circulated fleetwide to implement adequate.

## Case Study

## Safely Evacuating Seafarers from Ukraine

During the early outbreak of the Ukraine war, two of our managed vessels that had embarked on a cargo operation became stranded at the port of Mykolaiv when port operations were suspended due to the escalation of military activity. The Masters on board the vessels reported their grave concerns to our onshore team, and we rapidly created a task force with shipowners and activated our networks to provide the crews with food, water and other supplies over the next few days.

As it was clear we needed to get the seafarers out as soon as possible, our manning agency, Mumbai-based Elegant Marine Services, secured assistance from the Indian embassy, which facilitated the evacuation of the 45 seafarers via bus to the Moldova border, with support from a third-party security escort. The Indian embassy then transported them to Romania, where we ensured that medical and psychological support services were available. All seafarers safely returned home to India with assistance from the Indian Air Force.



The crew displayed an enormous amount of courage and bravery, and we are very relieved that both ship's crews were safely evacuated out of Ukraine and reunited with their loved ones in India. The safety and wellbeing of our seafarers is always our top priority. This incredible feat would not have been possible without the tremendous leadership of the Indian embassy in Ukraine, who spearheaded the evacuation.

**Mr Ranvir Jatar**, Director, QHSE Tankers Division, FLEET



## Health, Safety and Wellbeing

# Wellbeing

The Caravel Group's focus on health and safety extends to championing the wellbeing of our people onshore and on board. The Group's Board of Directors is actively involved and engaged in all decision making related to improvements for enhancing wellbeing.



## PROMOTING WELLBEING ONSHORE



Our EAP, launched in 2021, is central to our wellbeing efforts. It provides confidential support services and counseling to our office-based employees and their immediate family members in all geographies to help them with a broad range of personal or professional development issues. The EAP is designed to help our people effectively manage challenges that arise in their daily lives, including relationship issues, parenting challenges, grief resulting from the loss of a loved one, stress management, emotional distress, financial and legal matters, general wellness, nutrition and more. EAP resources are available to our employees through an online web portal and mobile app.

We work closely with our EAP provider, Optum, to ensure that services are understood, and access is straightforward. Fleet Management Ltd.'s Board receives annual updates on EAP usage and any wellbeing-related themes that are emerging that may require attention.

In addition to the EAP, the Group promotes wellbeing at work by providing a variety of physical support facilities. Most geographies have nursing facilities, wheelchair access and state-of-the-art technology to cater to varying personal circumstances and abilities. The Hong Kong headquarters for our FLEET team has breakout areas throughout the office and an entertainment room with a pool table, TV, dartboard and exercise equipment to give people the space to unwind, recharge and socialize during lunchtime and after work hours.

Understanding our employees' perceptions of wellbeing and promoting awareness of this concept drives a variety of initiatives that we implement. Our annual engagement survey, reaching all employees at FLEET for the first time in 2022, included questions that explored employee perspectives on our approach to wellbeing. The results of this survey have been translated into KPIs that will be tracked annually to assess progress and used as a basis to drive improvement going forward.

Wellness is also promoted through our recently launched Udemy Business e-learning platform, which contains many resources on resilience, stress management and coping with pressure, among other relevant topics. In addition, wellbeing considerations were also added to our revised behavioral competencies for all employees and managers. These competencies will be assessed through our performance management processes, emphasizing the expectations of our leaders to support employee wellbeing going forward. Looking forward, we plan to run awareness training on wellbeing at different levels in the business.

Mental health has been an important focus for the Group in this reporting year. We recognized World Mental Health Day and ran a month-long campaign promoting our various wellbeing resources. A range of communications were also shared to raise awareness of and destigmatize mental health challenges.

## Health, Safety and Wellbeing

### WELLBEING ON BOARD



When it comes to the holistic wellbeing of our seafarers, our FLEET Care department manages a wide range of initiatives. The main objectives of this team are to focus on supporting seafarers, whether on board or on leave, and extending care to their families. The team is responsible for formulation of programs, implementation of developmental initiatives and promotion of seafarers' mental health. In 2022, the FLEET Care department expanded from nine dedicated employees to 11. While this department was initially only active in India, in this reporting year services were extended to the Philippines to support the over 3,000 Filipino seafarers who work on our ships. The FLEET Care team's diverse professional backgrounds and industry experiences spanning aviation, hospitality and psychology, allow them to better connect with our seafarers. The team is driven to do everything possible to help our seafarers thrive.

FLEET Care conducts regular outreach and hosts engagement activities with seafarers and their families to help them stay connected. The team includes two in-house clinical psychologists who provide free counseling services to seafarers seeking assistance. Welfare calls are made daily to the families of seafarers experiencing personal emergencies to check on their wellbeing, cater to their needs or respond to any queries they may have regarding their family member on board. In 2022, we stepped up our efforts to support seafarer's families, and the number of calls made to family members increased by over 43% to 16,954 calls, compared to 11,800 calls made in 2021.

If a seafarer sustains an injury while on board a ship, the FLEET Care team supports them and their family until they are medically fit to return to work. This also includes the process of ensuring covered medical claims are paid.

A monthly report of FLEET Care activities is shared with management to monitor progress and guide the team. The FLEET Care department's KPIs include:

- The number of welfare calls made to seafarers and their family each month.
- Increasing the number of members in family engagement groups by 5% every month – currently, close to 30 members are added each month.
- Establishing a connection with each immediate family member at least twice a year.
- Completing a debriefing for 90% of seafarers within 30 days of sign off.
- Conducting psychological assessments of all new cadets, TMEs and crew members who are not officers.

In 2022, the number of

**WELFARE CALLS  
MADE TO SEAFARER'S  
FAMILIES INCREASED  
BY OVER 43%.**



## Health, Safety and Wellbeing

### FAMILY PROGRAMS

#### Tea Talks

In this reporting year, another unique program called Tea Talks was launched. Tea Talks involve in-person meetings of seafarer families with FLEET Care liaison managers in our offices. We also invite seafarers' children to join and encourage them to write a 'Message in a Bottle' while in attendance, so a special drawing with a message for fathers or mothers on board can be shared with seafarers on our vessels.

This program aims to:

- Promote open communication and positive relations between families and FLEET Care, where families can raise their concerns and suggestions.
- Brief families about our medical insurance policy and the coverage and claims process.
- Discuss the impact of our Quality Catering Division's focus on providing nutritious food that promotes the health and wellbeing of our seafarers on board.
- Inform them about initiatives focused on the general safety of seafarers.
- Discuss stress management techniques for families and promote a positive state of mind.

In 2022, 40 families attended Tea Talks, with positive feedback received. Looking forward to 2023, we plan to hold one monthly session, equating to 12 sessions in a year covering all cities where FLEET has an office in India. Having only recently expanded to the Philippines, our FLEET Care team will initially hold Tea Talks in an online format for the time being.

We also continue to run activities such as Funky Fridays to help families get together in a fun, social environment, as we know spouses can become lonely while their loved ones are at sea. These virtual get-togethers, held via WhatsApp groups, connect families across India, providing an opportunity to share stories and participate in virtual games.



#### FLEET FAMILY SUPPORT GROUP

FLEET Care runs a number of family-oriented programs, one of which is the FFSG. The FFSG was created following an incident during which a seafarer's wife and young child needed urgent medical assistance. FLEET Care tried to reach out to other seafarers' family members in the vicinity, however, there was no one available to assist. As a result, FLEET's liaison manager contacted the hospital directly and arranged medical aid. Learning from this experience, and to ensure that families are always supported, we started the FFSG to provide a helping hand in the form of small regional groups.

FLEET Care maintains a database of FFSG members' expertise such as medicine, counseling and legal services so that fellow members have access to help. These support groups give families the opportunity to consult with other members who are like themselves – people who truly understand their situations and can share the type of practical insights that can only come from first-hand experience. For our seafarers' families, the benefits of FFSG are manifold. These include information sharing, anxiety and stress reduction, as well as emotional and personal support, in times of crisis. According to seafarer feedback, the FFSG has also become a referral point for potential new hires and has positively contributed to our seafarer attraction and retention efforts.

## Health, Safety and Wellbeing

### SUPPORTING MENTAL HEALTH

An important focus for the FLEET Care team is the promotion of mental wellbeing. Mental health at sea is a widely discussed issue, yet significant work in this crucial area remains to be done across the global shipping industry. Very often, impaired mental health is left unaddressed as it is mistaken for routine occupational stress or deliberately ignored due to fear of stigmatization and shame. The Group, particularly FLEET, is on a continuous journey to encourage positive mental health habits among our seafarers.

The FLEET Care team's day-to-day duties involve rolling out and managing mental health initiatives. The team is responsible for ensuring that all new seafarers and candidates ready for promotion undergo a psychometric test conducted by an external medical center to ensure they are fit for life at sea.

In addition, our two in-house psychologists first handle any psychological concerns on ships. In collaboration with the Sailors' Society, we also have a technology-assisted counseling helpline, the Crisis Response Network (CRN), that provides counseling services via telephone, email or chat messaging. This helpline is available to our seafarers 24 hours a day, seven days a week, in multiple languages including English, Hindi, Marathi, Bengali, Tamil, Telugu, Konkani, Gujarati, Mandarin, Tagalog, Korean and Turkish. In 2022, the CRN received approximately 10 calls per month.

Assessing our performance, we were pleased to see encouraging results from a health and wellness survey of almost 1,500 of our seafarers conducted in 2022 by Marine Benefits, a third-party insurance provider. Our seafarers reported lower levels of stress, less loneliness and more sleep compared to those seafarers who are insured by Marine Benefits and work for other shipowners/managers.

The survey also highlighted areas for our continued focus, including anxiety and depression among seafarers. In the reporting year, a wide range of mental health initiatives were organized to address these and other issues, as follows. In the reporting year, a wide range of mental health initiatives were organized, as follows.

#### Mental Health Campaign

The FLEET Care team marked World Mental Health Day, by conducting a week-long campaign featuring interactive mental health activities to promote awareness and positive mental health among seafarers. As part of this initiative, infographics focused on awareness building, initiatives to maintain positive mental health, socializing and roleplay activities were utilized to help seafarers improve their understanding of mental health at sea, and help them look out for the wellbeing of others.



Really appreciate this excellent mental health campaign – so vital to shipboard positivity and a sense of wellbeing.

**Captain Kartik Venugopal Subramaniam,**  
Master of Sagar Samrat



Campaign activities were met with much enthusiasm, with seafarers participating in sharing their viewpoints, best practices and thoughtful solutions to case studies. Sustaining trust by respecting confidentiality, and refraining from trivializing another person's emotional stress were also discussed.

Crew members from 10 vessels who were deemed most active in presenting original ideas to the discussions were awarded a 'Mental Health Warrior' badge. This exercise aimed to inspire fellow seafarers and instill a sense of camaraderie on mental health. The overarching aim of this campaign was to increase acceptance of mental health concerns and encourage individuals to seek help to address emotional distress and any other psychological needs. The initiative was a resounding success due to the seafarers' wholehearted and active participation.



## Health, Safety and Wellbeing

### Senior Officers' Conference

The importance of mental health was further emphasized during our Senior Officers' Conference held in Mumbai in November 2022. Attended by over 300 people, including shipowners, classification societies, flag state administrators, oil majors and a mental wellness coach, the conference featured more than 20 sessions over two days. Citing the strong correlation between the wellness quotient and performance at work, the event's key theme was "Happy Crew, Safe Ships". In his opening speech, FLEET's Managing Director, Dr Kishore Rajvanshy, spoke on the company's efforts to foster an environment that supports holistic wellbeing, including physical and mental health.



“

When seafarers are feeling well – both physically and mentally – their minds are more focused on the task at hand, which minimizes the chance of accidents, incidents and error. In addition, a greater sense of teamwork and community on board enhances communication and cooperation. The combination of these factors is essential in ensuring safe ships, and thus meeting the expectations of our owners, partners and other stakeholders. This includes our common goal for zero accidents and incidents.

Dr Kishore Rajvanshy, Managing Director of FLEET

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### Maritime and Coastguard Agency Study on Wellbeing at Sea

In this reporting year we collaborated with the Maritime and Coastguard Agency of the United Kingdom in its study on Wellbeing at Sea. The survey questionnaire for the study was designed to evaluate a range of wellbeing factors that influence seafarers on board. Acknowledging that wellbeing can be affected by a range of personal, social and job-related factors, including feelings of isolation, not getting enough rest and having conflicts with other colleagues, the study focused on indicators that create a better physical, mental and emotional environment for seafarers to thrive. Indicators included sleep, movement, mindfulness, establishing daily routines and creating a better work-life balance. By taking part in the survey, over 2,000 of our crew members worldwide were effectively encouraged to take another step towards improving their mental and physical health. Once seafarers completed the exercise, they received a link to practical and personalized advice on how they can improve their wellbeing.

The questionnaire responses helped inform strategies to improve our wellbeing initiatives. Survey responses showed that our seafarers and our organization are doing well overall, with 93% of respondents indicating that FLEET cares about their wellbeing. Results also showed that seafarers were concerned about their physical health being negatively affected by a lack of exercise, poor sleep and eating habits, and being prone to injuries or illness while at sea. In response to the survey, the FLEET Care team plans to implement additional initiatives to develop holistic and engaging wellbeing programs led by professionals promoting physical and mental wellbeing practices. Special podcasts are also being considered for easy access on vessels. The study also revealed information that helped us formulate organization-wide talent retention initiatives, as detailed within this report's [Talent Attraction and Retention](#) section.

## Health, Safety and Wellbeing

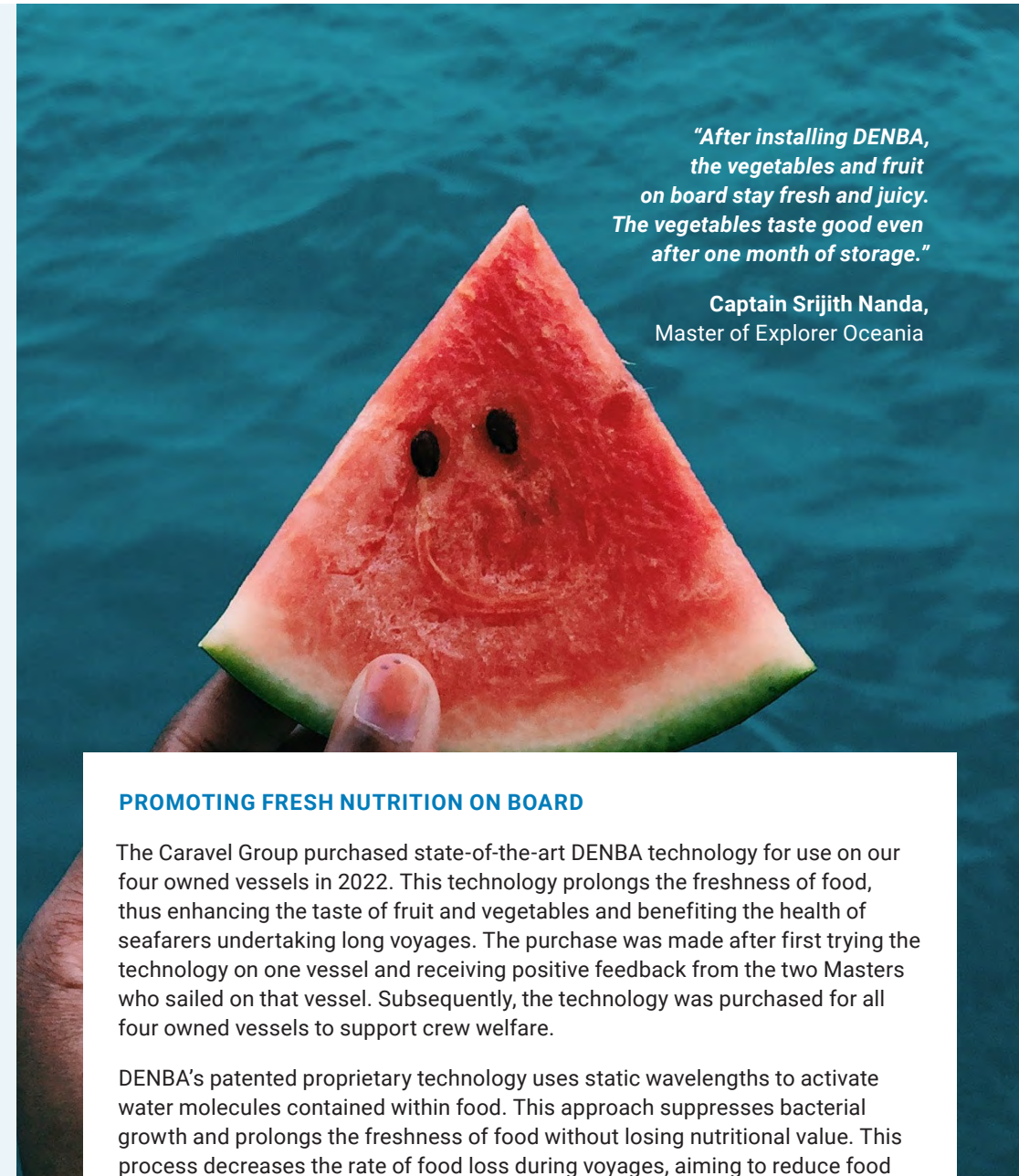
### Social Engagement Program

In 2022, the Group engaged in an extensive social engagement program for seafarers — this involved preparing an annual social engagement calendar for various activities to enhance holistic development towards wellness. The program began with fortnightly team-building sessions, and Social Days held every other month, to enhance relationships between seafarers on board our ships. Having a Social Day on board gives crew members a much-needed break from mundane, routine work, allowing them time to get to know each other. We planned fun group games and activities to encourage human interaction and breaks from digital devices to help people de-stress.

To launch the Social Day initiative, a list of activities prepared by FLEET Care staff in our Mumbai office was provided to each vessel. The Master and Chief Engineer were then asked to facilitate the activities for the rest of the crew. Approximately 10,224 seafarers across 512 vessels participated in this program. Masters across our ships saw the games and activities as rejuvenating and effective in lifting spirits and promoting harmony on board. Looking ahead, seafarers' feedback will be assessed to improve the Social Day sessions to make them more interactive and engaging.

### Crew Entertainment System

Communal entertainment facilities such as shared computers, televisions, CD/DVD players and gaming equipment have long been available in the recreation room on ships for the crew to enjoy at their leisure. This offers a brief respite from everyday life on board and presents a good way for people to come together for some fun. To improve on this and further encourage social interaction and bonding to ease stress levels on board, FLEET Care has contacted a specialized vendor to install a bespoke entertainment solution on our vessels for showcasing movies and TV shows. In the reporting year, a pilot project on 15 vessels — including The Caravel Group owned ships — was initiated, with further expansion planned in 2023.



*“After installing DENBA, the vegetables and fruit on board stay fresh and juicy. The vegetables taste good even after one month of storage.”*

**Captain Srijith Nanda,**  
Master of Explorer Oceania

### PROMOTING FRESH NUTRITION ON BOARD

The Caravel Group purchased state-of-the-art DENBA technology for use on our four owned vessels in 2022. This technology prolongs the freshness of food, thus enhancing the taste of fruit and vegetables and benefiting the health of seafarers undertaking long voyages. The purchase was made after first trying the technology on one vessel and receiving positive feedback from the two Masters who sailed on that vessel. Subsequently, the technology was purchased for all four owned vessels to support crew welfare.

DENBA's patented proprietary technology uses static wavelengths to activate water molecules contained within food. This approach suppresses bacterial growth and prolongs the freshness of food without losing nutritional value. This process decreases the rate of food loss during voyages, aiming to reduce food waste to near zero. This compact and lightweight technology is ideal for use on vessels as it is easy to install and completely waterproof. We hope to roll out this technology to our managed ships in the future so all seafarers can benefit.



## Health, Safety and Wellbeing

# Training Programs

A key part of our health and safety strategy is to invest in training and knowledge building to ensure our people have the right skills and expertise to safely manage our fleet today and in the future. In the reporting year, 20 training sessions – covering 60 topics related to safety management – were held for onshore technical teams as part of our regular Friday training sessions described in the section on [Developing our People](#).

Safety-related training for seafarers includes programs held on board and those provided by FLEET training centers in various locations.

### SafeR+ T-CUP

Our flagship program, SafeR+, promotes a strong safety culture among seafarers, helping us maintain the high safety performance of our vessels. In 2021, a new component, T-CUP (Total Control Under Pressure), was added to enhance the SafeR+ program further. This component continued to be developed in the reporting year as we emphasized the wellbeing element of safety in our protocols.

The SafeR+ T-CUP methodology is based on the belief that the right mindset generates safe behavior, allowing seafarers to control emotions and anxiety while dealing with hazardous situations under pressure. The program helps seafarers understand how mental health, adequate rest, trust-based relationships and sharing key learnings with colleagues all contribute to forging a strong safety culture on board.

Understanding the need to address and analyze the fundamental reasons for poor safety practices, we continue to enhance our work by implementing surveys on the causative factors of personal injuries. This allows us to adopt a more holistic approach to managing safety. This also emphasizes the importance of personal and mental wellbeing, which directly impacts safety.

In 2022, we trained 1,456 seafarers on the program.

## 99% OFFICERS TRAINED

from September to November 2022 said they felt confident in deploying the SafeR+ T-Cup program onboard in its principle.

We also conducted Train-the-Trainer workshops involving 20 superintendents and managers based in Singapore, the Philippines, Hong Kong SAR, Cyprus and India. This equips them to carry out training for their colleagues both onshore and on board, and drive positive, collaborative behavior when responding to and managing incidents on board.

### Safety Campaigns

At sea, training is also conducted in the form of concise safety campaigns held on a monthly basis. These campaigns are presented in online interactive form with easy to understand messaging. In 2022, we conducted campaigns on topics such as preventing injuries to hands, fingers, and eyes. Campaigns were also undertaken to serve as refreshers on PSC regulations.

## Mental Health Training

In 2022, we continued to roll out our PFA and WAS training programs to ensure our seafarers are equipped to understand the importance of mental health at sea. The programs aim to help our crew identify early warning signs of colleagues experiencing mental health challenges on board so they can act effectively in crisis situations. To date, we have trained over 1,200 seafarers among our senior ranks and over 450 cadets on these programs, with more individuals being trained each month.

As a result of increased awareness from PFA and WAS training, we have observed a steady increase in reporting concerns ranging from emotional distress to severe psychological issues. In the reporting year, there was a 15% increase in instances of on board crew reaching out to our in-house psychologists. We consider this to be an extremely positive development and reflects our encouragement of seafarers to take action to seek any support they require. At the same time, we're continuing to strive to address the causes of stress on board, including through mental and physical wellbeing initiatives.



# Working Together

We are committed to driving shared value for our stakeholders – from employees and seafarers to partners and community members – to achieve a better future for all.

Talent  
Attraction and  
Retention

Community  
Investment and  
Engagement

# Strategy and Management Approach

The Caravel Group is uniquely positioned to actively improve the lives of many people across our value chain. This includes the opportunity to positively impact our more than 27,000 seafarers and 1,190 plus shore-based employees and their families, along with our wider communities and stakeholder groups.<sup>33</sup>

To this end, we are committed to working together with all stakeholders to create shared value. Our people-centric approach is championed by the Group's Board of Directors, which sees this approach as vital to our long-term success.

## Human-Capital-Driven

At its heart, The Caravel Group is a human capital-driven business. As such, the development of all our people across the Group, from our seafarers to our employees, is paramount to business continuity. Our people management strategy is guided by policies and procedures that direct the conduct of and engagement with all employees, as described in the section on [Navigating Responsibly](#).

All employees are required to sign a declaration outlining their agreement to comply with our Code of Conduct and related policies upon joining — supporting a just, ethical, diverse and inclusive workplace. Policies covering topics ranging from human and labor rights, equal opportunity, ethical behavior, anti-corruption, health and safety, cybersecurity, social media, and more, are included in the Employee Handbook accessed via our HR platform, SuccessFactors.

The conduct of seafarers is governed by their contractual and collective bargaining agreements. Seafarer agreements incorporate the Group's policies on drug and alcohol, occupational health and safety, anti-corruption, pollution prevention and social media.

To drive further engagement across our organization, the Group adopts a 'listening strategy' designed to create a continuous, interactive dialogue with all our people and prioritize improvement initiatives that respond to business and personnel-related challenges.

## Community Focused

Given our vast reach as a diversified entity, we strongly believe that investing in community initiatives is paramount. To this end, we have cultivated long-term partnerships with several non-profit organizations through our Hong Kong registered charity, The Caravel Foundation, and via direct relationships built by individuals in senior management and our corporate entities. This enables us to give back to society in a manner that maximizes the positive impact on people's lives, communities and the environment around them.



<sup>33</sup> Seafarers are engaged by The Caravel Group on behalf of vessel owners to work onboard vessels; employees are onshore employees of Caravel Group entities.

## Working Together – Strategy and Management Approach

## Key Goals and Targets



**Achieve gender equality and empower all women and girls**



**Reduce inequality within and among countries**



**Promote inclusive and sustainable economic growth, employment and decent work for all**

We support women’s full and effective participation at work and in society, and provide equal opportunities for leadership. Recognizing that improved gender diversity, equity and inclusion helps to strengthen both organizations and communities, our Diversity Steering Committee promotes gender equality and inclusion within The Caravel Group. The Caravel Foundation also helps aspiring young women to further their education through scholarships.

We promote the social, economic and political inclusion of all, irrespective of age, gender, sexual orientation, varying ability, race, ethnicity, origin, religion, financial or other status. The Group provides employment opportunities with fair and just practices, decent working conditions, as well as training and career development.

## Goals

- Continue to provide **gender sensitization training** for **100% of seafarers** who are sailing with female officers
- **Zero** confirmed cases of **discrimination or harassment** onshore and on board our ships

## Targets

- In 2023, **train 100% of board members and people managers** on DEI issues
- In 2023, establish a Women’s Network to **build awareness of DEI issues** within the Group
- In 2023, include a review of plans for **improving gender and diversity representation** in annual succession planning processes
- In 2023, **increase the number of female seafarers on board by 15%** as compared to the previous year for owned vessels and managed ships and always encourage shipowners to follow suit

## Goals

- Ensure **equal pay** for equal work across the Group, including employees and seafarers at all levels
- **100%** of ships to be **covered by CBAs** or by service terms and conditions
- Maintain **zero** cases of **human rights violations**, including incidents of child or forced labor

## Targets

- In 2023, conduct an **engagement survey to establish a baseline wellbeing score** for Group employees
- Conduct at least one **wellbeing survey for seafarers** per year
- In 2023, **conduct 10 Tea Talks sessions** to enhance the wellbeing of seafarer families
- Provide **all** eligible onshore employees with **training on human rights** as per the Group’s new policy

## Working Together – Strategy and Management Approach

Key Goals and Targets (cont.)

**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**



**Strengthen the means of implementation and revitalize the global partnership for sustainable development**

The Group is dedicated to providing training and development opportunities to employees and seafarers. Through The Caravel Foundation, we facilitate access to affordable and quality education; we endow scholarships at leading universities, and support non-profit organizations that educate and empower underprivileged children.

## Goals

- Invest a minimum of 2% of the Group's average net profits of the preceding three years on charitable contributions, programs and community engagement each year

## Targets

- By 2025, train 100% of on board seafarers on our value added training as per our Training Matrix
- By 2023, 100% of senior employees in the Group (GM and above) to attend ESG training
- By the end of 2024, 100% of eligible employees to complete an ESG eLearning Module



### Case Study

## Enhancing Skills with Udemy Business

A key accomplishment in the reporting year was launching the eLearning platform, Udemy Business. This platform provides all employees globally with curated learning pathways and more than 8,000 courses and self-development programs. This offers opportunities for self-directed learning for employees, to pursue further training and expertise in areas of personal and professional interest, as well as enabling managers to assign training to employees to address skill gaps or future needs within their team. This initiative is an important step in allowing us to enhance enterprise knowledge and skills, and demonstrates a significant investment in our people.

Over 400 employees signed up to the platform within a few weeks of its launch and by the end of 2022, 1,100 employees had access, with more than 200 hours of learning content consumed. Looking ahead, we hope to further develop targeted learning programs for employees at all levels, focusing on a mix of specific business skills relevant to job roles, soft skills, and enterprise learning content for all.

In 2023, FLEET will leverage world-class learning content available on Udemy Business to strengthen organizational bench strength on topics such as Inclusive Leadership and ESG Awareness.

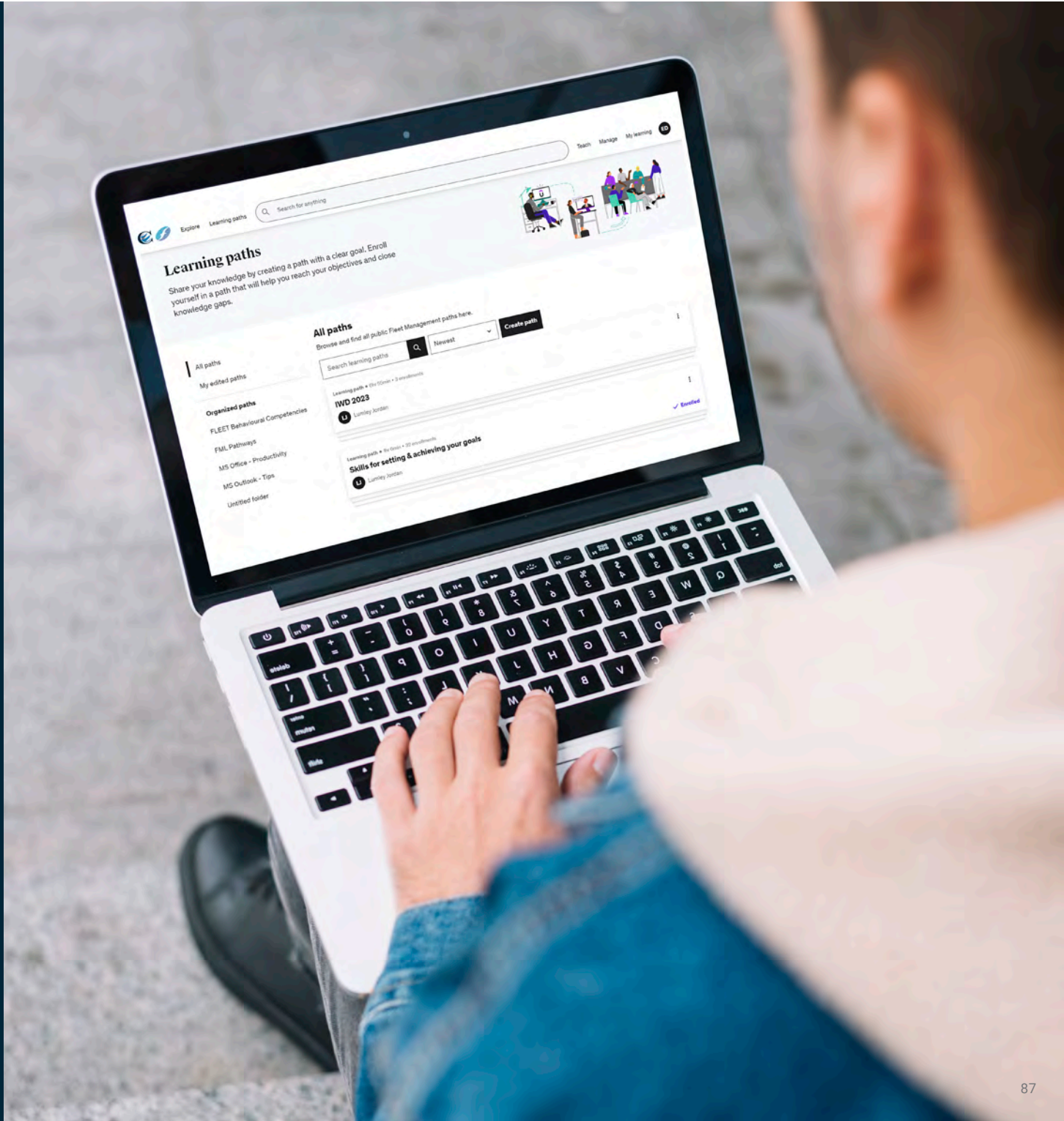
By the end of 2022,

**1,100 EMPLOYEES**

had access to Udemy, with

**> 200 HOURS**

of learning content consumed.





## Material Topic

# Talent Attraction and Retention

The Caravel Group is committed to fostering a culture that nurtures talent and helps individuals develop their potential. We champion diversity, protect human rights and provide competitive pay and benefits to our employees and seafarers.

The Group's Board of Directors is actively involved in all decision making related to talent attraction, as well as our internal talent pipeline for continued growth and positive transformation.

## Our People

While the maritime industry has traditionally been male dominated, we are proud to be actively striving to change this norm. The Caravel Group has a ratio of approximately 36% female and 64% male employees. Over 21% of our leaders, defined as those who are on the Board of Directors or head of business function roles, are female.

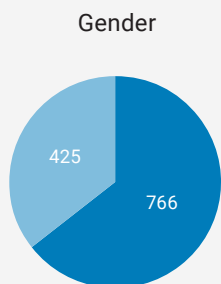
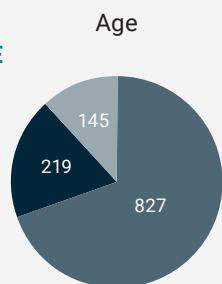
Our colleagues represent a broad mix of ethnicities and nationalities. Across The Caravel Group globally, we had

employees representing 28 different nationalities as at 31 December 2022. In our Group headquarters in Hong Kong, we had employees representing 17 different nationalities.

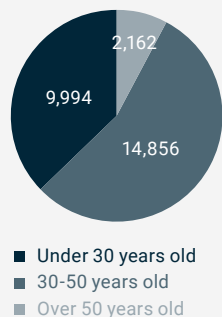
Within our subsidiary FLEET, we had employees of 27 different nationalities, including 15 different nationalities within FLEET's Hong Kong headquarters.

### PERSONNEL BY GENDER AND AGE

TOTAL EMPLOYEES  
**1,191**



TOTAL SEAFARERS  
**27,012**

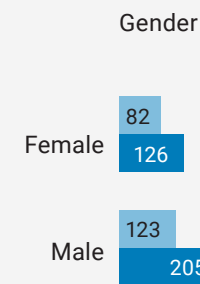
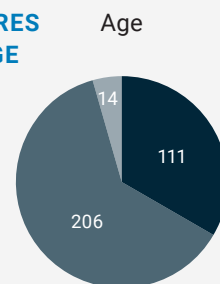


■ Under 30 years old  
■ 30-50 years old  
■ Over 50 years old

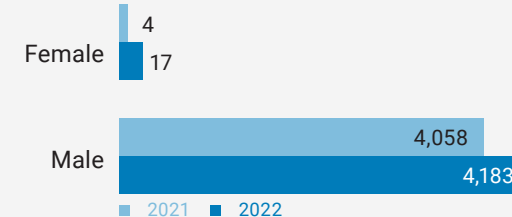
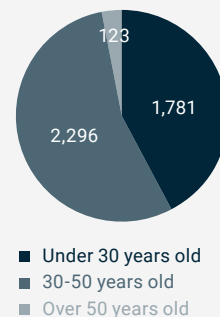
■ Male ■ Female

### NEW EMPLOYEE HIRES BY GENDER AND AGE

TOTAL EMPLOYEES  
**331**



TOTAL SEAFARERS  
**4,200**



■ Under 30 years old  
■ 30-50 years old  
■ Over 50 years old

■ 2021 ■ 2022

**AROUND 38%**  
of our new employees in 2022 were **FEMALE.**

## Talent Attraction and Retention

## People by Region

## SEAFARERS



## EMPLOYEES

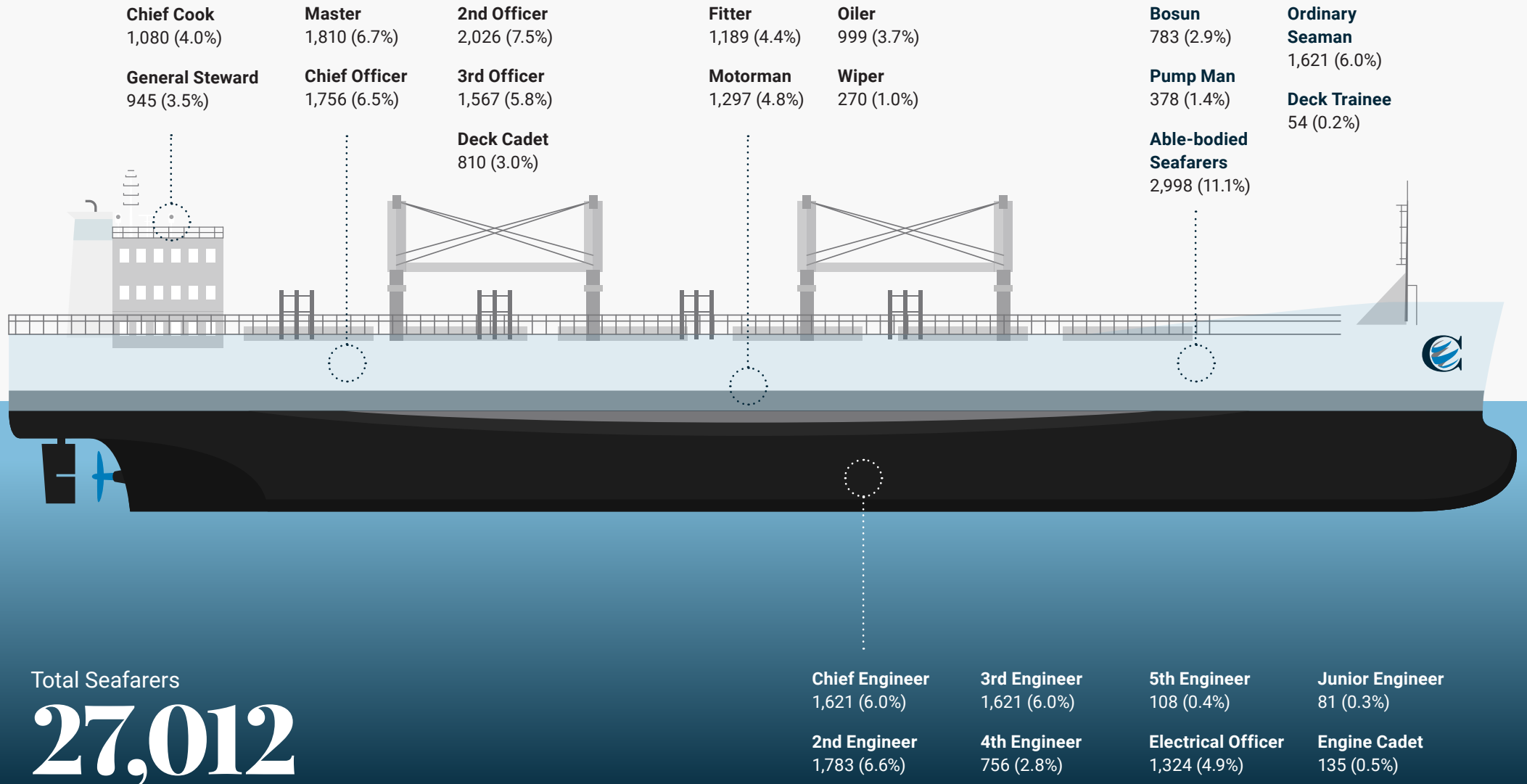
Across The Caravel Group globally,  
our employees represented

**28 DIFFERENT  
NATIONALITIES**

as at 31 December 2022.

## Talent Attraction and Retention

## Rank of Seafarers



Total Seafarers

**27,012**

## Talent Attraction and Retention

# How We Are Managing It

## Employee Welfare and Benefits

### ONSHORE



The Caravel Group provides employees with a broad range of benefits, which often go beyond regulatory requirements. Extended compassionate leave requests are considered carefully and time off awarded generously, as needed, recognizing the unique circumstances and challenges our employees face from time to time. Unpaid leave for longer periods away from work is also made available, to ensure employees are supported and reassured when they need it most. In Hong Kong SAR, employee pension contributions are matched by the Group, up to 5% of their monthly salary, and in Cyprus, 10% of employee contributions are matched.

In Hong Kong SAR and Singapore, all The Caravel Group employees have access to our medical insurance provider, AIA, via an app or website, with quick and easy claim processes in place. Other jurisdictions have their own providers, but coverage is generous for all employees and their dependents. This year, insurance limits offered to all of our FLEET employees in India, including critical illness cover, was tripled to provide more than 500 employees with additional reassurance and comfort, establishing the Group ahead of many peers in the market.

A majority of employees<sup>34</sup> are covered by private medical, critical illness and life insurance plans with various top-up options available. Examples of medical benefits provided through these plans and other support provided by the Group include:

- Voluntary membership of AIA Vitality – a reward program for employees through which they can earn points for tracking and recording regular daily step counts and other healthy living activities that contribute towards vouchers for movies, coffee or other perks. Employees are incentivized to be healthy, doubling as a preventative health management initiative for the company.
- Annual health checkups at no cost (applies to employees in most jurisdictions).
- PPE kits consisting of a boiler suit, ear and eye protection, helmet as well as a gas meter (applies to superintendents and above at FLEET's technical department).
- Face masks provided for employees at no cost.
- Indoor air sanitization provided at our Hong Kong offices six times per year.

In addition, we have continued to increase our focus on mental health and wellbeing by promoting our EAP service, as discussed in our section on [Safeguarding People](#).

**Enhanced benefits and a supportive working environment** significantly reduced attrition rates in 2022, with

**ANNUALIZED  
ATTRITION REDUCING  
FROM 27% IN THE FIRST  
QUARTER TO 20% BY  
THE END OF THE YEAR.**

In 2022, we introduced a new Birthday Leave Policy for all employees, recognizing the importance of this special annual milestone in their lives. This opportunity to spend a day with family and/or friends was extremely well received, with more than 400 birthday leave days taken in the second half of the year. Looking ahead, we are examining improvements for providing paternity and maternity leave beyond legal requirements, focusing on jurisdictions where leave entitlements are the least generous.

In the reporting year, the COVID-19 pandemic continued to present difficulties in certain countries. In recognition of these circumstances, our HR team and leaders maintained regular contact with affected employees who had to endure prolonged separation from family and friends and provided support, particularly showing flexibility around leave and travel requests.

<sup>34</sup> Employees in Cyprus are not covered by private medical insurance as state medical coverage is of a high standard.

## Talent Attraction and Retention

### ON BOARD



As we strive to increase seafarer retention, we must look beyond wages to offer increasingly compelling benefits. While seafarers are on board our managed ships, medical care and benefits are covered under the Vessel P&I club cover. In the reporting year, health insurance for Filipino seafarers and their families was changed from local to our global P&I coverage, which gave them enhanced benefits. As part of the coverage provided, seafarers have access to free healthcare services at any port visited by their vessel during the voyage. Benefits are not just for working individuals; as part of the Group's family-oriented culture, we also offer comprehensive medical insurance and care to immediate family members and seafarers on leave in some jurisdictions. This care for seafarers and their families is provided by a third-party insurance provider, Marine Benefits, that offers a dedicated website providing advice, access to and contact information for medical practitioners, and guidance on managing medical claim processes.



**86% OF NEW JOINERS**  
reported that support from the Buddy-on-Board program allowed them to manage situations better, enhancing their self-confidence on board.

In addition to these benefits, the Group is unique in providing extensive support to families while seafarers are on board. Run by our dedicated FLEET Care team, initiatives include Tea Talks and the FFSG. More detail is provided in our section on [Safeguarding People](#).

Another effective initiative in place since 2021 is our Buddy-on-Board program, which assists new joiners as they transition into their workplace and lifestyle on board our managed and owned ships. Designed to ensure that trainees have a positive experience when first sailing with us, they are assigned an experienced 'buddy' to provide mentorship. This program aims to provide new seafarers with a sense of belonging and confidence in their new environment, as well as having someone on hand for challenging moments. A recent evaluation of the program assessed the experience of 282 trainees and their buddies who participated in the 2022 program. Findings showed that close to 90% felt they could openly share their concerns with their buddies, and 86% of new joiners reported that support buddies allowed them to manage situations better, enhancing their self-confidence on board.

Employees reported a

**97% SATISFACTION RATE**  
with the support provided by our ship to shore program.

In the shipping industry, there is typically a career progression path from working as a seafarer to working onshore in offices. When seafarers are ready to move from ship to shore, we have a comprehensive program in place to ensure a smooth transition. With the support of a relocation service provider, Santa Fe, seafarers who relocate with the position of superintendent are provided with an individual needs analysis and access to an online platform to manage all their requirements.

In addition, generous support is provided to assist them and their family with settling into life in a new country, including local support for schooling, housing and banking arrangements, and cultural immersion. In 2022, there was strong progress with this initiative, with more than 40 employees availing themselves of the service and reporting a 97% satisfaction rate with the support provided.

## Talent Attraction and Retention

# A Fair and Inclusive Workplace

An important focus of our people management efforts is maintaining an impartial and inclusive environment. The Group extends opportunities for employment and advancement to qualified applicants and employees on an equal basis, regardless of an individual's age, race, ethnicity, gender identity, sexual orientation, marital or family status, pregnancy, religion, national origin, varying ability, political belief or any other class or status in accordance with applicable local laws. We are committed to equal pay for work of equal value for all employees and ensuring our people are paid in full, correctly and on time. We do not tolerate unlawful discrimination in any aspect of employment, including compensation, benefits, promotion and development, and are committed to maintaining an organization that is free from harassment, bullying, violence or retaliation of any kind.

In 2022, no reports of discrimination were reported across any of our Group offices or on board our ships. The Caravel Group respects the right of workers to join, form or not join organizations of their own choosing, including labor unions, following applicable laws, without fear of discrimination or harassment. We establish constructive dialogue with legally recognized union representatives and are committed to collective bargaining in good faith with such representatives. In 2022, 90% of our owned ships were covered under various collective bargaining agreements (CBAs). Approximately 86% of seafarers on managed ships and 100% of crew on owned ships were covered under different CBAs. The seafarers who are not covered under any particular CBA are covered by our company's service terms and conditions (STC) that provide similar protection to a CBA.



## Our New Human Rights Policy

The basic rights and freedoms outlined previously and many more are included in the Group's Human Rights Policy, developed in 2022. While these commitments have been recognized in several related documents, this Policy, which will be published in 2023, concisely outlines the Group's commitment to upholding human rights based on internationally recognized principles. The Policy applies to all employees, directors and officers, seafarers and contractors working under the supervision of The Caravel Group. We expect our suppliers and all those doing business with the Group to adhere to similar commitments. Senior management is primarily responsible for implementing this Policy with oversight from our Board of Directors.

As per this Policy, The Group aims for the following:

- Ensuring the Board of Directors of The Caravel Group has ultimate responsibility for overseeing our approach to human rights.

- Designating members of senior management to implement our approach to human rights and report to the Board on our progress.
- Maintaining a set of internal policies covering health and safety, equal opportunity, non-discrimination, non-harassment and other aspects related to human rights, aligning with the Policy to safeguard these rights for our employees and our seafarers.
- Ensuring our employees understand and value human rights and freedoms by providing training on our Policy and the topics addressed in it to all employees. New joiners receive training within one month of joining, and refresher training at least once every two years is provided all employees.
- Reporting on the implementation of our policy in The Caravel Group's annual Responsibility Report (this report).

## Talent Attraction and Retention

### Championing Diversity, Equity and Inclusion

A priority area for our business related to human rights is championing DEI across our value chain. As a global conglomerate, we are committed to DEI at all levels of our organization. We recognize that varied ethnic, age, educational and functional backgrounds bring added value to our business. There is an ongoing focus on gender inclusion, which has traditionally been a challenge for the broader maritime community. The Group is proud to take a leadership position in advocating for women in our industry.

#### ONSHORE



In 2021, The Caravel Group established a Diversity Steering Committee. In the past year, progress included confirming the Committee's Terms of Reference and identifying its representatives. The Committee comprises seven men and five women, with six employees from FLEET and six working in other entities of the Group. The Committee intends to meet regularly in 2023 to oversee progress, originate areas of improvement and support new initiatives such as establishing a Women's Network.

Other related initiatives in the reporting year included joining the All Aboard Alliance. Supported by the Global Maritime Forum, Diversity Study Group and Swiss Re, the All Aboard Alliance addresses challenges, including the global talent shortage, evolving stakeholder expectations and the need for increased innovation in the industry. As a member of the Alliance, The Caravel Group has committed to implementing

its principles into our internal policies, procedures and leadership practices. These include:

- Appointing our Group COO as the sponsor who will lead and ensure accountability of DEI within the organization.
- Educating and equipping people to understand their role in fostering a diverse, equitable, and inclusive workplace – through training sessions with senior leaders and eLearning modules for our line managers and team members.
- Acquiring relevant data and developing insights to evaluate progress through the execution of our listening strategy, which includes capturing employee data at all stages of the employee lifecycle through our annual employee engagement survey.
- Communicating commitment and progress externally on an annual basis.

The Group also established new competencies for all employees globally, setting transparent DEI expectations that will now be assessed through our annual performance management cycle. These competencies set guidelines regarding how employees across the board are expected to interact with each other concerning DEI themes such as collaboration, inclusion and empowerment. More detail about these competencies is included in the sections that follow.

Questions on diversity were included in our first, all-employee engagement survey designed to inform targeted year-on-year improvements to employee engagement efforts at FLEET. Responses to this provided useful insights for

further evaluation and improvement. We are encouraged to know that 82% of FLEET employees agree that FLEET values and promotes DEI, and 81% agree that our leaders are committed to building diverse and inclusive teams. We also have access to a wealth of resources on understanding diversity and managing a diverse workforce through our newly introduced eLearning platform, Udemy Business. We completed our first company self-assessment related to DEI at the end of January 2023 and submitted this to the International Maritime Forum as part of our All Aboard Alliance commitments for benchmarking purposes. Looking ahead, we plan to introduce new processes as part of our succession planning initiative in 2023 to ensure the Group has a healthy pipeline of diverse leadership talent.

#### ON BOARD



Gender inclusion and equality are a challenge on ships; according to the IMO, women represent just 1.2% of the world's seafarers<sup>35</sup>. In our efforts to promote gender equality, diversity, respect and acceptance on board our vessels, we continue to deploy our specially designed training module on "Gender Socialization". This module is targeted to the Master and crew to facilitate the onboarding process of female seafarers. Women working on ships have direct access to our Managing Director to raise any concerns they may have while on board. In addition, we assign a Fleet Care Liaison Manager to connect with female officers to check in with them regularly during their tenure with us. In 2022, we were pleased to have 21 female seafarers on our ships.

<sup>35</sup> IMO: <https://www.imo.org/en/ourwork/technicalcooperation/pages/womeninmaritime.aspx>.

## Talent Attraction and Retention

## Continuous Improvement

## ONSHORE



We continuously strive to enhance our approach to managing talent. One key initiative is our newly developed HR Outcome and Focus Areas Framework that guides all onshore, human capital-related activities across the Group. The Framework is organized into six outcome areas: Meaning, Clarity, Opportunity, Participation, Simplicity and Wellbeing, and the four focus areas of Data and Insights, Winning the War for Talent, Servant Leadership and Risk Management and Business Partnering. The Framework is designed to address both what employees want and what the Group is focused on offering to differentiate us from other employers. Detailed project plans sit behind these outcome and focus areas, which are shown in the diagram below.

In the reporting year, progress was achieved across all outcome areas, particularly within Opportunity, Participation, Simplicity and Wellbeing. These outcomes were enhanced through:

- The establishment of bespoke behavioral competencies through which employees gained a better understanding of what it takes to advance.
- Increased use of the company Intranet for communications.
- The introduction of new learning resources, as well as the implementation of more regular, company-wide HR forums that achieved voluntary attendance of over 50%.

In line with the Framework, 2022 saw the launch of an important initiative by FLEET in the form of our first all-employee engagement survey as described on [P.94](#). We were pleased to achieve an 86% response rate and feedback demonstrated employee belief in the organization's commitment to listening and taking action. The engagement index measured responses to 12 statements associated with business strategy and role clarity, belonging, inclusion, recognition, career development and intention to stay. The answers to questions were aggregated to create a single average percentage of 78% reflecting employees who either strongly agreed or agreed with the 12 statements. Employees could also choose to disagree with the statements, so we were pleased to see this result.

This successful initiative, planned with the oversight of Fleet Management's Ltd.'s Board, went a long way in helping employees feel included in decision making and connected to the company, cementing our commitment to working together and listening to our people. Going forward, the survey will be conducted annually, and results will be used to drive improvement across a wide range of areas such as culture, belonging, communications, wellbeing, DEI and leadership development. We also plan to progress our outcome areas by extending the survey to other Group companies.

## HR FRAMEWORK

## SIX OUTCOME AREAS

- |                 |               |
|-----------------|---------------|
| 1 Meaning       | 4 Simplicity  |
| 2 Clarity       | 5 Opportunity |
| 3 Participation | 6 Wellbeing   |

All enabled by →

## FOUR FOCUS AREAS

- |                    |   |
|--------------------|---|
| Data and Insights  | Winning the War for Talent              |
| Servant Leadership | Risk Management and Business Partnering |



## Talent Attraction and Retention

## ON BOARD



As the seafarers who manage our client's ships are on fixed-term contracts, engagement efforts for this group must be tailored to suit their particular needs and concerns. The Group is dedicated to continually improving support for seafarers as retention remains a challenge in our industry.

An example of action taken to enhance our approach to seafarer engagement was FLEET's collaboration with the Maritime and Coastguard Agency of the United Kingdom in its study on Wellbeing at Sea, discussed in depth within our section on [Safeguarding People](#). In addition to assessing wellbeing factors, the study revealed our seafarers' priorities, helping us formulate organization-wide initiatives to encourage talent retention and attraction. The results of this study also demonstrated many positives, including that 99% of respondents indicated that FLEET respects people from all cultures and backgrounds, and 96% felt that their work was valued. Those surveyed also identified several strong points for FLEET, such as the inclusion of seafarers of all religions, race and genders, hygiene

facilities on board, freedom to communicate concerns to shore-based employees including management, and clear communication from management.

The study also indicated areas for improvement. Key concerns identified by seafarers included worries about job loss and diminished opportunities to take shore leave due to faster ship turnaround requirements, and restrictions from port facilities and other rules related to the pandemic. These findings led to a clearer understanding of what the company can do and, accordingly, we revised our SOP to ensure shore leave is provided to all crew. Other possible actions include looking at appraisals from a 360-degree perspective to better understand and assess the crew's work performance and thereby reduce feelings of insecurity about their jobs. In addition, initiating discussions about shore leave concerns at the maritime industry forum level to encourage industry-wide change, and installing unlimited, higher-speed Internet on ships are being considered.

The results of this study also demonstrated many positives, including that

**99% OF RESPONDENTS INDICATED THAT FLEET RESPECTS PEOPLE FROM ALL CULTURES AND BACKGROUNDS, AND 96% FELT THAT THEIR WORK WAS VALUED.**

**Talent Attraction and Retention**

# Developing Our People

Investing in a robust learning and development program keeps people engaged and equips our business to respond quickly to the rapid transformation occurring in the maritime industry. The Group is committed to offering colleagues at all levels learning opportunities to help them advance their skills and improve their performance. Training opportunities are provided through on-the-job learning, mentoring, classes, online platforms and other learning sources.

**ONSHORE**

Training is a priority for all employees. A mandatory eLearning program is in place and was completed by all new joiners in 2022. Our regular Friday training sessions, focused on sharing best practice case studies, new regulations, projects and innovations pertaining to topical industry issues, continued for all technical teams throughout the year and were attended in-person or online by hundreds of employees. Colleagues typically lead training, and all our internal training content and presentations are easily accessible online. Other activities in the reporting year included the well-received, productivity and time management skill training, and team-building programs for targeted employee groups. We target to have 100% of senior employees attend ESG training as a first step and have all eligible employees complete an ESG eLearning module by 2024.

**PERFORMANCE MANAGEMENT**

As mentioned above, we have implemented bespoke competency frameworks for all employees globally across all The Caravel Group companies. The competencies feature a stronger emphasis on diversity, wellbeing, listening, inclusion and developing talent, and underpin our recruitment, performance management and development assessment practices. Behavioral competencies now account for 50% of year-end performance ratings – underlining our growing emphasis on behavioral skills to create the right conditions for DEI to thrive and for individuals, teams and, more broadly, our Group to succeed.

Looking ahead, we plan to implement a comprehensive succession planning process focused on the Group's top 85 roles, which will require assessing over 300 employees and developing action plans for their progress. We also intend to launch targeted leadership and management training, additional superintendent ship-shore training, and short-course leadership programs.

Behavioral competencies account for

**50% OF YEAR-END PERFORMANCE RATINGS**

to create the right conditions for DEI to thrive.





## Talent Attraction and Retention

### ON BOARD



Learning is the bedrock of our engagement strategy for seafarers. We provide possible career paths for all our deck and Engine Cadets who perform well, to rise to the rank of Master and Chief Engineer, within 15 years, and facilitate onshore job placement after that. Critical training programs focus on ensuring regulatory compliance, improving ships' commercial and operational efficiency and upholding all-important safety standards, which are discussed in the section on [Safeguarding People](#). A comprehensive curriculum is offered to seafarers through the FMTI, our maritime training center based in India as well as our training centers in the Philippines and PRC.

In the past, seafarers would attend training courses in person, or utilize our computer-based learning management system, TOLAS. In recent years, FMTI has expanded its digital training capabilities, leveraging technologies such as cloud-based simulators to keep abreast of growing demand for virtual learning. This has been extremely beneficial as cloud-based simulators can be easily recreated at any time and capacity can be scaled according to specific needs. FMTI's training team can run up to four simultaneous courses of different subjects on the cloud, plus a fifth one using the physical ship simulator, with a total capacity of 20 candidates at a time. This compares to the pre-pandemic days where the team could run only one course with four candidates, using the physical simulator. Since the onset of the pandemic in 2020, FMTI has delivered more than 23,000 hours of training using cloud-based simulators, including close to 11,000 hours in 2022.

In the reporting year, several new courses were launched, including a Narrow Channel and Canal Transit Simulator course and an Online Navigation Simulator Assessment Program to develop navigation watchkeeping competency, both of which used cloud-based simulators. Online classroom training also continued, with courses on topics such as advanced electrical skills for officers, commercial operations and SIRE 2.0, a risk-based vessel inspection program using TOLAS. In addition, 28 webinars were conducted. Our seafarer development program is designed to upgrade employee skills for continued employability. In line with this, we are also following the Fundamental Just Transition Principles<sup>36</sup> put forth by the Maritime Just Transition Task Force to ensure that shipping's response to the climate emergency puts seafarer training and skill development on the agenda.

In 2022, Indian seafarers who undertook certificate courses received an average of 37 hours of training, an increase of 53% from 24 hours of average training received by seafarers who undertook such certificate courses in 2021. The increase in the hours of training was due to the relaxation of pandemic restrictions. Filipino, Vietnamese and Chinese seafarers respectively received an average of 30, 21 and 25 training hours. This compares to 31, 21 and 25 hours on average in the previous year.

Looking forward, management training will be enhanced for senior personnel on ships on how to professionally write emails and conduct crisis management, among other skills. In the long term, we are aware that our talent development strategy must evolve to ensure that our people acquire skill sets that continue to be relevant as technology changes the nature of shipping.

#### TOTAL SEAFARER TRAINING HOURS

Region	2021	2022
Indian	296,753	441,949
Chinese	57,460	45,764
Filipino	96,852 <sup>37</sup>	94,612

#### TRANSITIONING FROM 'SHIP-TO-SHORE'

In 2022, the entire end-to-end onboarding experience for superintendents was revamped, introducing new technology and processes, as well as a mentoring program and training to ensure they are equipped with the skills and confidence to start a new career path onshore. This new onboarding program focuses on their first six months onshore with the Group and aims to set them up for a long and successful career with us. To ensure the transition assistance is holistic, the needs of their families are also taken care of, as described in our section on [Employee Welfare and Benefits](#). In 2022, over 90% of new superintendents provided positive feedback on our onboarding and training program.

<sup>36</sup> Mapping a Maritime Just Transition for Seafarers, Position Paper, November 2022 Prepared by the Maritime Just Transition Task Force Secretariat and the following members of the Task Force: the International Chamber of Shipping, the International Transport Workers' Federation, and the United Nations Global Compact.

<sup>37</sup> 2021 figure covers Filipino, Indonesian, and Vietnamese seafarers.

## Material Topic

# Community Investment and Engagement

The Caravel Group contributes to and champions thriving communities across the markets in which we operate. Since our inception in 2013, our commitment to community investment and engagement remains an unwavering focus of our people strategy and has established the Group as a respected leader in the industry.

## How We Are Managing It



In 2022, our total contributions to community programs grew to

**USD 3,245,315.**

Each year, we invest a minimum of 2% of The Caravel Group's average net profits for the preceding three years in supporting community organizations, programs and other initiatives. This total includes contributions we make to organizations directly from the Group and our subsidiary companies, as well as contributions we make to The Caravel Foundation that then allocates funding to specific projects under long-term partnerships.

In 2022, our total contributions grew to USD 3,245,315, which was an extraordinary increase over the previous year and attributed to the final contribution made to the City University of Hong Kong (CityU) to complete our endowment to the Indra and Harry Banga Gallery. Other major beneficiaries included other endowment funds within universities under our Caravel Scholars' program. It is expected that our total contributions in 2023 will return to our usual trendline.

## Community Investment and Engagement

### The Caravel Foundation

The Caravel Foundation is our Hong Kong-registered charity dedicated to improving the education and wellbeing of underprivileged children primarily in Hong Kong SAR, mainland China and India. The Foundation typically engages in long-term, multi-year partnerships, prioritizing quality over quantity.

The Foundation's Board of Directors includes Dr Harry Banga (Chair), Mrs Indra Banga and Mrs Dana Banga, who determine the Foundation's partnerships and activities. Each partnership has established KPIs and targets that must be achieved in the short, medium and long term, and partners are expected to provide detailed impact reports and updates on funded projects.

The Foundation's Board formally reviews the performance of projects on an annual basis, with additional meetings held as required to ensure that all projects collectively achieve the Foundation's overall mission. Some of the Foundation's key projects in 2022 are highlighted below.

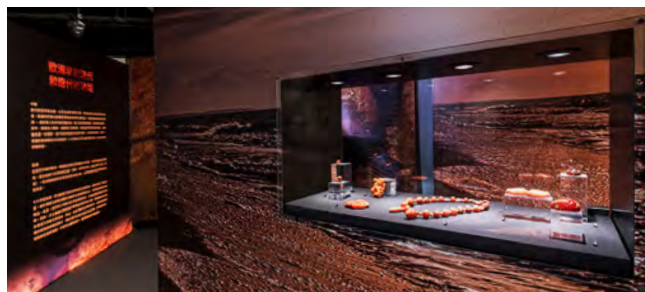
#### City University of Hong Kong Partnership

In 2022, we completed our endowment of the Indra and Harry Banga Gallery, which was fulfilled through payments made over a four-year period. The Gallery supports CityU's vision to excel in research and professional education through artistic, innovative, technology-rich and cross-disciplinary exhibitions that engage with the community. The Gallery remains open, and Mrs Indra Banga continues to serve as the Honorary Chairperson of the Gallery's Advisory Committee.

In 2022, the Gallery held four special Chinese exhibitions entitled Glories of the Celestial Empire; A Glimpse of Tang Prosperity from Murals; Hunters, Warriors, Spirits: Nomadic Art of North China; and Amber: Baltic Gold in 2022. The

latter three exhibits received more than 6,300 in-person visitors and 29,500 online views during the year.

In the reporting year, CityU awarded Mrs Indra Banga a prestigious Honorary Fellowship. This was in recognition of her extensive philanthropy and community work in Hong Kong SAR, mainland China and India.



#### Caravel Scholars

In 2022, the Foundation continued contributing to our endowment funds at three of the most respected higher education institutions in the United States – Dartmouth College, Duke University and Princeton University, which are the alma maters of the Banga family. These endowment funds provide scholarships to qualified students from India, mainland China and Hong Kong SAR who are accepted to these institutions.

Separately, in the reporting year Angad and Dana Banga served on Dartmouth College's Presidential Commission on Financial Aid (PCFA). This was a two-year assignment that has now ended, however they remain PCFA Ambassadors. In 2022, the Foundation supported the establishment of Dartmouth College's no-loan financial aid policy through its 'Call to Lead' campaign, and donated funds to help extend the benefit to the current Bachelor of Arts (AB) students. In effect, the policy removed federal and institutional loans from undergraduate financial aid awards and replaced

them with expanded scholarship grants – aiming to make a college education accessible and affordable for the most promising and talented students from around the world and from all economic backgrounds.

#### Supporting Integrated Brilliant Education (IBEL)

Mrs Indra Banga continued in her role as Patron of IBEL for the second year in 2022. IBEL plays a vital role in educating and empowering children of ethnic minorities to help them and their families build a better and brighter future in Hong Kong.

IBEL's Education Centres remained open every single school day throughout the pandemic. This ensured that the children stayed socially connected and didn't miss a moment of learning Chinese, which is of utmost importance to their future success in the city. The IBEL Board, teachers and the community also rallied together to ensure that the children had laptops and other devices to support their education.

IBEL's 2022 achievements included:

- 244 students per month on average were enrolled at IBEL's two EDB-registered learning centers.
- Over 300 families were served through 344 classes and activity sessions monthly; the centers were open from Monday to Saturday for 540 hours per month.
- 250 volunteer hours were logged per month at the centers, supported by 30 IBEL staff members.
- In the Yau Tsim Mong District and Sham Shui Po districts in Hong Kong, IBEL was involved in 45 social impact programs, supported by 30 IBEL staff members.

The next significant project for IBEL will be the opening of its kindergarten. In early 2023, IBEL secured suitable premises and will begin the work needed for its establishment and functional operation.

## Community Investment and Engagement

### Cricket Hong Kong

The Caravel Foundation has partnered with Cricket Hong Kong over the past few years to reinvigorate primary and secondary School Cricket and the Youth Development Pathway Program in Hong Kong. This ultimately aims to foster emerging talent and the future development of Hong Kong's standing in international cricket rankings, while providing a fantastic opportunity for children and teenagers to build their teamwork and social skills. In 2023, The Caravel Foundation and Cricket Hong Kong aim to enhance these two programs and hire a full-time head coach.



#### Youth Development Pathway Program and Caravel All Stars – 2021/2022 Season Summary

- The first-ever under-16 trials were held with 88 youth players nominated from clubs.
- Following the trials in June 2021, three squads of 14 each were selected.
- The Caravel Group sponsored three All-Star Under 16 (U16) Series matches as pre-tournament training and the result was a win by the Kowloon Lions U16 team.

#### School Cricket – 2021/2022 Season Summary

- Support from The Caravel Foundation revived this program, which was first played in 1976-77, and the beloved Ted Wilson trophy.
- For the primary school league, 46 schools signed up and an additional 16 schools opted in for the School Fun Day program.
- For the secondary school league, 16 schools signed up and an additional five schools joined beginner programs.

#### Cricket Hong Kong – Additional Statistics

- Hong Kong Cricket ranked #21 for both the Men's and Women's National teams in the ICC World Ranking.
- The Hong Kong Men's National team qualified for the Asia Cup 2022.
- The Hong Kong Men's Under 19 team qualified for the World Cup Qualifiers – Division 1, 2023.
- League participation numbers increased to 3,042 in 2022 from 1,309 in 2018.



### International Yoga Day

The Foundation continued supporting the Indian government's International Yoga Day initiative through providing T-shirts and yoga mats for events held in Hong Kong SAR, Beijing, Shanghai and Guangzhou. The tradition of yoga combines physical and mindfulness techniques, such as breathing exercises, meditation and strength work, to promote health and wellness.

In Hong Kong, more than 500 people from different yoga academies participated in the event held at the Hong Kong Convention and Exhibition Centre. We have been a key sponsor of this community event since its establishment in 2016.

## Community Investment and Engagement

# Other Community Engagement Initiatives

We strive to support industry and community initiatives particularly in India, mainland China and the Philippines where many of our employees and seafarers hail from, as well as other markets in which we operate that have pressing needs. Initiatives proposed to the Group's businesses, or brought to light by employees, are considered by management and a decision is quickly made on whether to proceed with support. Some highlights in 2022 are shared below.

## Restoring Natural Capital

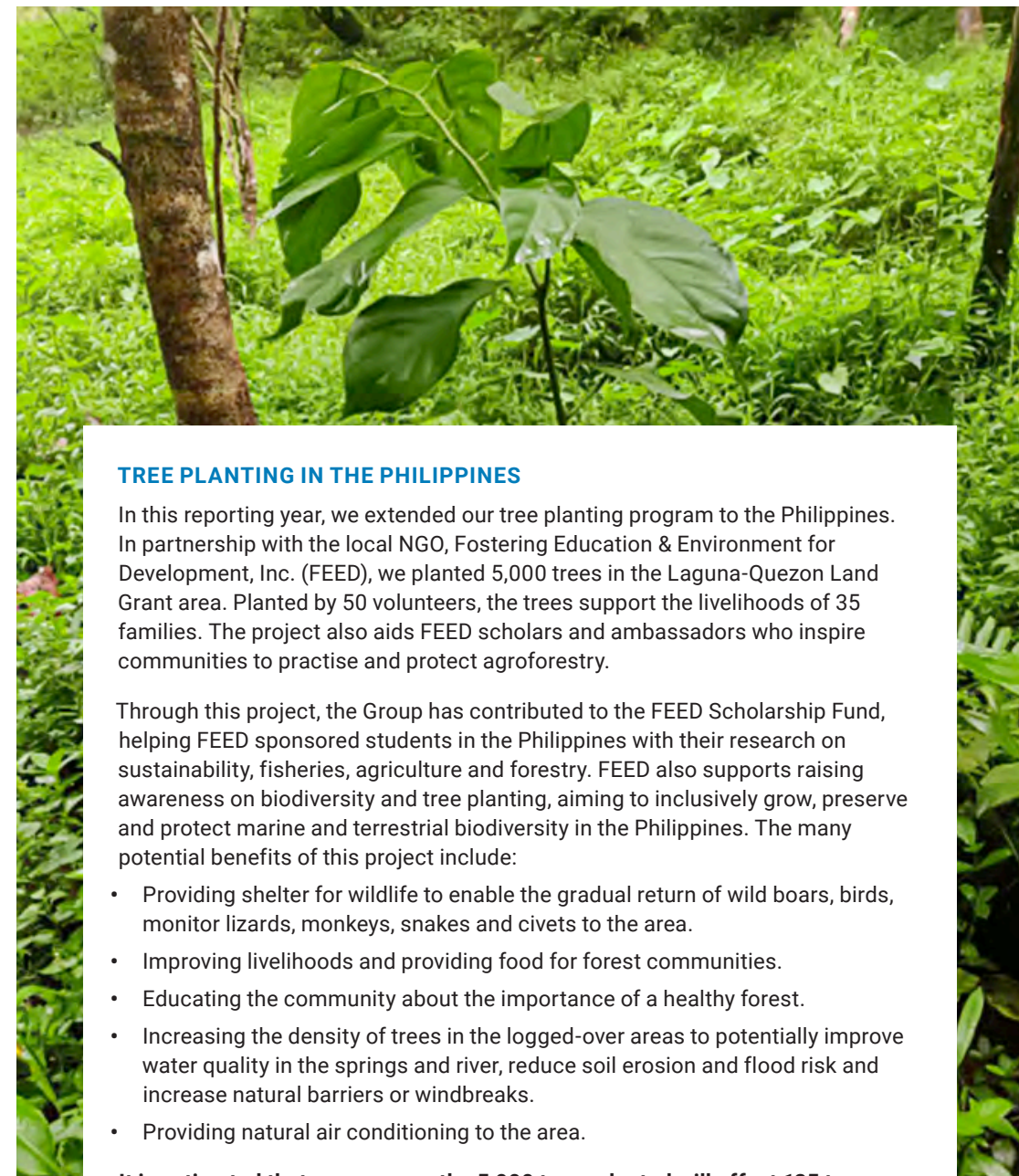
### GIFTING A GREEN LIFE PROGRAM

Our Gifting a Green Life program, in partnership with an India-based NGO, the SankalpTaru Foundation, provided 10,000 fruit-bearing tree saplings to marginalized farmers in the rural areas of Maharashtra, Punjab and Rajasthan in India. Launched in 2021, this program has created sustainable opportunities for the region's struggling farmers and allowed us to give planted saplings to seafarers as a gift in honor of their birthday or a career milestone.

The SankalpTaru Foundation has estimated that assuming an average lifespan of a fruit-bearing tree is 20 years, these 10,000 saplings can generate 19,980 tonnes of oxygen and sequester 10,424 tonnes of CO<sub>2</sub> throughout their lifespan.

In 2022, we organized annual site visits to the locations where the trees were planted to check their progress. Farmers reported that the trees had reached maturity and nearly 100% are thriving. New saplings were planted to replace any trees that didn't survive. Our goal for this program is to be able to fully offset the Group's Scope 2 emissions going forward and contribute to the restoration of natural capital wherever we can.

Our NGO partner, the SankalpTaru Foundation will be applying for the Quality Council of India certification for this carbon sequestration project in 2023.



### TREE PLANTING IN THE PHILIPPINES

In this reporting year, we extended our tree planting program to the Philippines. In partnership with the local NGO, Fostering Education & Environment for Development, Inc. (FEED), we planted 5,000 trees in the Laguna-Quezon Land Grant area. Planted by 50 volunteers, the trees support the livelihoods of 35 families. The project also aids FEED scholars and ambassadors who inspire communities to practise and protect agroforestry.

Through this project, the Group has contributed to the FEED Scholarship Fund, helping FEED sponsored students in the Philippines with their research on sustainability, fisheries, agriculture and forestry. FEED also supports raising awareness on biodiversity and tree planting, aiming to inclusively grow, preserve and protect marine and terrestrial biodiversity in the Philippines. The many potential benefits of this project include:

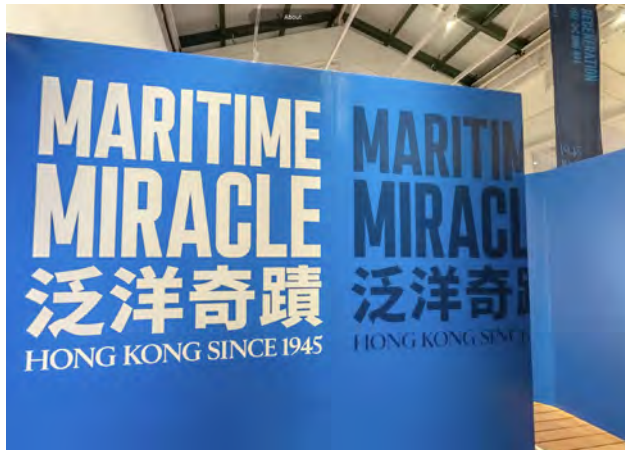
- Providing shelter for wildlife to enable the gradual return of wild boars, birds, monitor lizards, monkeys, snakes and civets to the area.
- Improving livelihoods and providing food for forest communities.
- Educating the community about the importance of a healthy forest.
- Increasing the density of trees in the logged-over areas to potentially improve water quality in the springs and river, reduce soil erosion and flood risk and increase natural barriers or windbreaks.
- Providing natural air conditioning to the area.

**It is estimated that, on average, the 5,000 trees planted will offset 125 tonnes of CO<sub>2</sub> annually. This is planned to be a certified project by July 2023.**

**Together, the tree planting programs in India and the Philippines will offset 646 tonnes of CO<sub>2</sub> annually.**

## Community Investment and Engagement

### Supporting the Hong Kong Maritime Museum



In the reporting year, the Group contributed more than USD110,000 to the Hong Kong Maritime Museum. The Group was one of the platinum sponsors of the Hong Kong Maritime Museum's special exhibition entitled Hong Kong's Maritime Miracle: The Story of Our City since 1945, and also supported the Museum's annual fundraising dinner to support ongoing museum operations.

The Maritime Miracle exhibition, which coincided with the 25th anniversary of the establishment of the Hong Kong SAR, featured the city's miraculous transformation from the ashes of World War II into a global maritime hub, in a selection of 25 representative exhibits. Spanning five chronological phases of the city's story, the exhibition engaged audiences through a new immersive experience using art tech, documenting the city's evolution and vision for a new sustainable future. Despite being held while strict pandemic restrictions were in place, 23,481 visitors attended the exhibition in person and 10,577 participated virtually through six live talks.

### Hong Kong Community Chest Dress Casual Day

The Caravel Group participated in the Community Chest Dress Casual Day fundraising event in October. Donations from all team members were matched dollar-for-dollar by our Chairman and CEO Dr Harry Banga, with no cap applied. This fundraising event benefited more than 160 social welfare organizations in Hong Kong, including programs for the elderly and youth, family and child welfare, medical and healthcare initiatives, rehabilitation and aftercare programs and other community development initiatives.



### Other Initiatives



Other examples of our subsidiary FLEET's activities included donating to Jan Jagrati Sevarth Sansthan – a charity focused on human welfare projects, including education and related activities – and running a blood donation drive in our Mumbai office for the UN's World Blood Donor Day, where 280 employees participated. Fifteen children suffering from blood diseases such as Thalassemia Major were among those who benefited from this initiative.

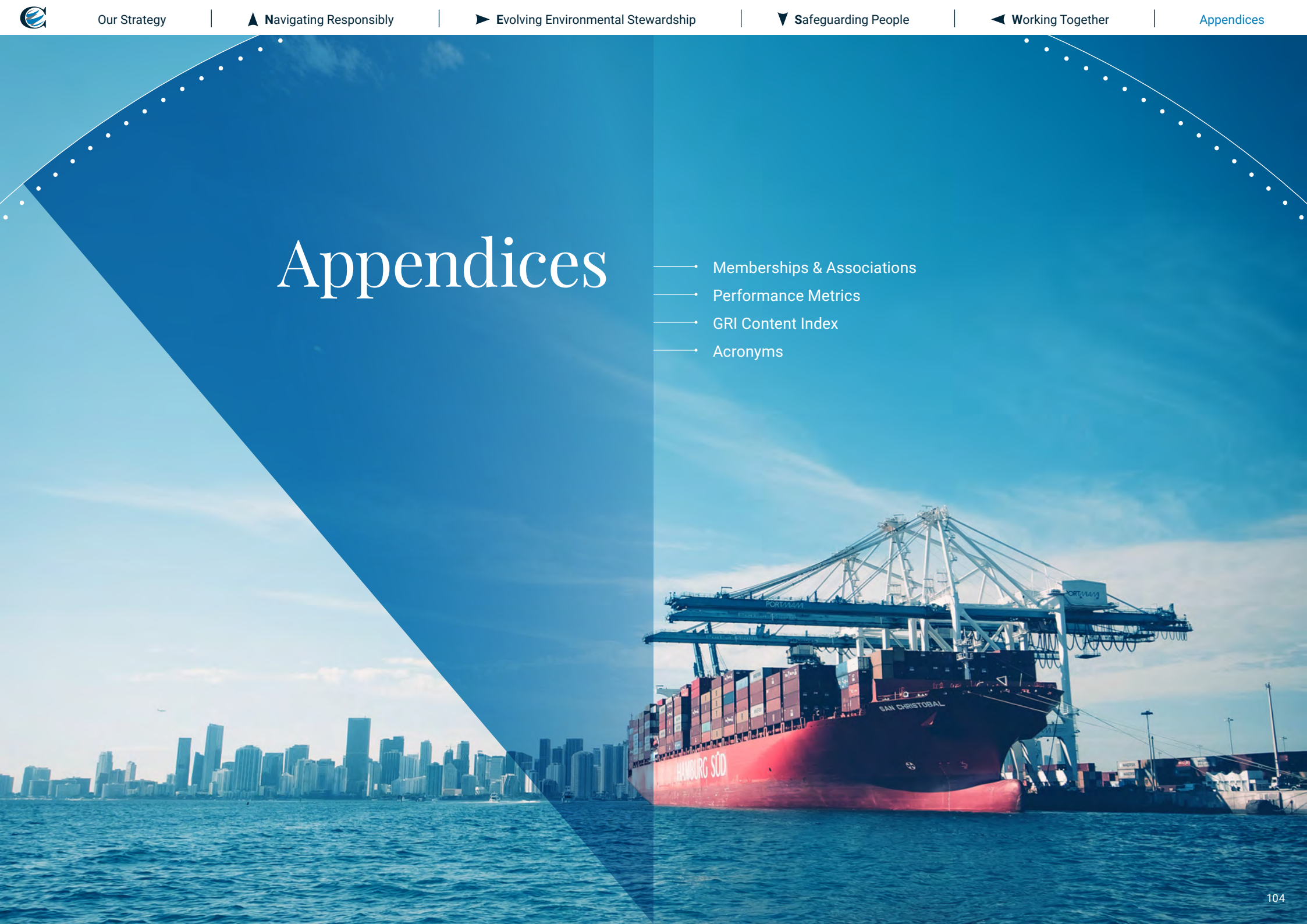
In addition, we are proud of our seafarers consistently upholding the maritime tradition of rescuing people in distress. In the reporting year, crews aboard our managed vessels deployed their skills and training in successfully embarking on three challenging rescue operations. The lives of seven people and a dog were saved due to these efforts.





# Appendices

- Memberships & Associations
- Performance Metrics
- GRI Content Index
- Acronyms



## Memberships and Associations

Given the importance of working together to address many global challenges, we participate in various associations, industry bodies and committees to share our experience and learn from others. We actively engage in open dialogue and take a leadership role in many of the following organizations to encourage collaborative action.

Membership and Association	Position
<b>HONG KONG SHIPOWNERS ASSOCIATION</b>	Deputy Chairman
	Executive Committee member
	Chairman, Marine Sub-committee
	Member, Technical Sub-committee
	Member, Insurance and Liability Sub-committee
	Member, Maritime Personnel, Education and Training
<b>HONG KONG SHIPPING BODIES</b>	Member, Hong Kong Maritime and Port Board (HKMPB)
	Member, HKMPB – Maritime and Port Development Committee
	Member, HKMPB – Promotion and External Relations Committee
	Member, HKMPB – Manpower Development Committee
	Member, Fundraising Committee, Hong Kong Maritime Museum
	Member, HKSAR Seafarers’ Advisory Board

Membership and Association	Position
<b>BIMCO</b>	Chairman, Ship Manager Advisory Panel
	Member, Committee for Revision of Management Agreements
	Member, Maritime Safety & Security Committee
<b>WEST OF ENGLAND P&amp;I CLUB</b>	Vice-Chairman, West of England P&I
<b>INTERCARGO</b>	Member, Executive Committee
	Member, Technical Sub-committee
<b>INTERMANAGER</b>	Member, Executive Committee
<b>CLASS NK</b>	Member, Technical Committee
	Member, Environment Committee
	Member, Chemical Tanker Committee
	Observer, Safety & Technical Committee
	Observer, Nautical Sub-committee
<b>INTERTANKO</b>	Observer, Human Element in Shipping Committee
	Member, Insurance and Legal Committee
	Observer, Gas Tanker Committee



## Memberships and Associations

Membership and Association	Position
<b>SHELL</b>	Maritime Partners in Safety
<b>CHEMICAL DISTRIBUTION INSTITUTE (CDI)</b>	Member
<b>METHANOL GROUP</b>	Member
<b>CLASSIFICATION SOCIETIES</b>	Chairman, Llyod's Register – Asian Shipowners Committee
	Member, ABS Technical Sub-committee
	Member, BV Technical Committee
	Member, NK Technical Committee
<b>GLOBAL MARITIME FORUM</b>	Member, CCS Technical Committee
	Member, Getting to Zero Coalition
<b>MARITIME ASSOCIATION OF SHIPOWNERS SHIP-MANAGERS AND AGENTS (MASSA)</b>	Member, Neptune Declaration Crew Change Indicator
	Member
<b>TRAINING SHIP RAHMAN (T.S. RAHMAN)</b>	Governing Council
<b>SINGAPORE SHIPPING ASSOCIATION</b>	Member
<b>CYPRUS SHIPPING CHAMBER</b>	Member
<b>CYPRUS MARINE ENVIRONMENT PROTECTION ASSOCIATION (CYMEPA)</b>	Member

Membership and Association	Position
<b>CYPRUS MARINE CLUB</b>	Member
<b>BALTIC EXCHANGE – OPERATING EXPENSE INDEX</b>	Panellist
<b>MARITIME ANTI-CORRUPTION NETWORK (MACN)</b>	Member
<b>RIGHTSHIP</b>	Member
<b>INTEGRATED BRILLIANT EDUCATION</b>	Patron
	Member of the Court of CityU
<b>CITY UNIVERSITY OF HONG KONG</b>	Honorary Vice President of CityU Foundation
	Member of Steering Committee of the Capital Campaign Program for CityU
<b>DUKE UNIVERSITY</b>	Board of Visitors, The Trinity College of Arts and Sciences
<b>DARTMOUTH COLLEGE</b>	Board of Visitors of The John Sloan Dickey Centre for International Understanding
	Presidential Commission for Financial Aid

# Performance Metrics

## ENVIRONMENTAL PERFORMANCE

Indicators	2021	2022
<b>ENERGY CONSUMPTION<sup>1</sup></b>		
<b>Total Energy Consumption (MJ)</b>		
<b>Non-renewable Energy Consumption</b>	<b>164,048,716,238</b>	<b>171,116,165,315</b>
Office	–	7,573,680
Electricity consumption	–	7,422,480
Heating consumption	–	5,760
Cooling consumption	–	145,440
<b>Owned &amp; JV Owned Ships<sup>2</sup></b>	<b>2,022,159,380</b>	<b>1,821,056,679</b>
<b>Managed Ships<sup>3</sup></b>	<b>162,026,556,858</b>	<b>169,287,534,956</b>
<b>Renewable Energy Consumption<sup>4</sup></b>	<b>–</b>	<b>21,776,720</b>
Managed Ships	–	21,776,720
<b>Energy Intensity<sup>5</sup></b>		
Office (MJ/sq. Ft)	–	34
Owned & JV Owned Ships (MJ/DWT-Mile)	0.12	0.09
Managed Ships (MJ/DWT-Mile)	0.06	0.06
<b>GREENHOUSE GAS (GHG) EMISSIONS<sup>6,7</sup></b>		
<b>Direct GHG Emissions (Scope 1) (Tonnes of CO<sub>2</sub>e)<sup>8,9,10</sup></b>	<b>76,039</b>	<b>90,215</b>
Owned Ships	41,677	70,014
JV Owned Ships	34,362	20,201
<b>Indirect GHG Emissions (Scope 2) (kg of CO<sub>2</sub>e)<sup>11,12</sup></b>	<b>1,106</b>	<b>1,540</b>
Office	1,106	1,540
<b>Other indirect GHG Emissions (Scope 3) (Tonnes of CO<sub>2</sub>e)<sup>13, 14, 15, 16</sup></b>	<b>12,478,030</b>	<b>13,028,328</b>
Owned & JV Owned Ships	78,612	49,702
Managed Ships	12,399,418	12,978,626
<b>GHG emissions Intensity<sup>17</sup></b>		
Office (kg of CO <sub>2</sub> e per gross floor area (sq.ft.))	8.02	6.92
Owned & JV Owned Ships (Tonnes of CO <sub>2</sub> e per mile) <sup>18,19</sup>	8.95	6.81
Managed Ships (Tonnes of CO <sub>2</sub> e per mile) <sup>20,21</sup>	5.34	4.63

Indicators	2021	2022
<b>NITROGEN OXIDES (NOx) AND SULFUR OXIDES (SOx) EMISSIONS<sup>22</sup></b>		
<b>NOx emissions (kg)</b>	<b>564,020,110</b>	<b>470,061,640</b>
Owned & JV Owned Ships	2,716,050	2,550,580
Managed Ships	561,304,060	467,511,060
<b>NOx intensity (g of NOx per DWT-mile)<sup>23</sup></b>	<b>–</b>	<b>–</b>
Owned Ships	0.08	0.08
JV Owned Ships	0.25	0.24
Managed Ships	0.18	0.16
<b>SOx emissions (kg)</b>	<b>55,383,880</b>	<b>69,999,590</b>
Owned & JV Owned Ships	343,880	371,900
Managed Ships	55,040,000	69,627,690
<b>SOx intensity (g of SOx per DWT-mile)</b>	<b>–</b>	<b>–</b>
Owned Ships	0.01	0.01
JV Owned Ships	0.07	0.04
Managed Ships	0.02	0.01
<b>EMISSIONS OF ODS (kg OF CFC-11 EQUIVALENT)<sup>24, 25</sup></b>		
Owned & JV Owned Ships	0	0
Managed Ships	6.70	3.10
<b>CARBON INTENSITY (ANNUAL EFFICIENCY RATIO [AER]) (g OF CO<sub>2</sub> PER METRIC TON-MILE)<sup>26</sup></b>		
Owned & JV Owned Ships	8.95	6.81
Managed Ships	5.33	4.62
<b>WATER CONSUMPTION (ML)<sup>27</sup></b>		
Owned Ships & JV Owned Ships	3	4
Managed Ships	694	657

## Performance Metrics

Indicators	2021	2022
<b>WASTE (m<sup>3</sup>)</b>	<b>137,290</b>	<b>167,600</b>
<b>Owned &amp; JV Owned Ships</b>	<b>1,483</b>	<b>1,406</b>
Sludge	892	749
Bilge water	449	545
Garbage	142	112
<b>Managed Ships</b>	<b>135,807</b>	<b>166,194</b>
Sludge	48,403	58,411
Bilge water	69,002	88,805
Garbage	18,402	18,978
<b>Hazardous waste</b>	<b>103,950.20</b>	<b>128,505.00</b>
<b>Owned Ships</b>	<b>292.60</b>	<b>739</b>
<b>JV Owned Ships</b>	<b>217.60</b>	<b>649</b>
<b>Managed Ships</b>	<b>103,440</b>	<b>127,117</b>
<b>Non-Hazardous waste</b>	<b>15,131.80</b>	<b>18,330</b>
<b>Owned Ships</b>	<b>54.80</b>	<b>64.40</b>
<b>JV Owned Ships</b>	<b>110</b>	<b>49.60</b>
<b>Managed Ships</b>	<b>14,967</b>	<b>18,216</b>
<b>Waste diverted from disposal</b>	<b>18,932</b>	<b>17,851</b>
<b>Hazardous waste diverted from disposal</b>	<b>18,932</b>	<b>17,851</b>
<b>Owned Ships</b>	<b>75</b>	<b>134</b>
Sludge evaporation	39	87
Bilge water evaporated	36	47
<b>JV Owned Ships</b>	<b>0</b>	<b>7</b>
Sludge evaporation	0	7
Bilge water evaporated	0	0
<b>Managed Ships</b>	<b>18,857</b>	<b>17,710</b>
Sludge evaporation	15,155	14,111
Bilge water evaporated	3,702	3,599

Indicators	2021	2022
<b>Waste directed to disposal</b>	<b>101,021</b>	<b>128,984</b>
<b>Hazardous waste directed to disposal</b>	<b>85,889.20</b>	<b>110,654.00</b>
<b>Owned Ships</b>	<b>217.60</b>	<b>605.00</b>
Sludge Incineration (without energy recovery)	29.60	50.00
Sludge Landed	99	216
Bilge water discharged	89	339
<b>JV Owned Ships</b>	<b>1,088.60</b>	<b>642.00</b>
Sludge Incineration (without energy recovery)	1.60	13.00
Sludge Landed	762	470
Bilge water discharged	325	159
<b>Managed Ships</b>	<b>84,583</b>	<b>109,407</b>
Sludge Incineration (without energy recovery)	9,177	6,603
Sludge Landed	27,838	43,663
Bilge water discharged	47,568	59,141
<b>Non-hazardous waste directed to disposal</b>	<b>15,131.80</b>	<b>18,330.00</b>
<b>Owned</b>	<b>54.80</b>	<b>64.40</b>
Garbage Incineration (without energy recovery)	6.50	0.40
Garbage Landed	48.30	64.00
<b>JV Owned Ships</b>	<b>110.00</b>	<b>49.60</b>
Garbage Incineration (without energy recovery)	16.00	1.60
Garbage Landed	94	48
<b>Managed Ships</b>	<b>14,967</b>	<b>18,216</b>
Garbage Incineration (without energy recovery)	1,475	90
Garbage Landed	13,492	18,126

<sup>1</sup> Fuel consumption in MT was multiplied with the conversion values given below, to obtain energy consumption in MJ. Ships energy values taken from IMO Resolution MEPC.281(70).

<sup>2</sup> Fuel types include: Heavy fuel oil, Light Fuel oil, Diesel Fuel.

<sup>3</sup> Fuel types include: Heavy fuel oil, Light Fuel oil, Diesel Fuel, Natural gas, LPG Butane, LPG Propane, Methanol.

<sup>4</sup> Renewable energy figure consists of biofuels used in trials during the reporting year.

<sup>5</sup> Energy intensity for offices is based on electricity, heating and cooling and ships is based on fuel consumption.

<sup>6</sup> 2021 emission figures updated to include refrigerants.

<sup>7</sup> Base year for calculations is 2021.

## Performance Metrics

- <sup>8</sup> Scope 1 emissions for 2021 include 41,677 metric tonnes of CO<sub>2</sub>e from owned ships and 34,362 metric tonnes of CO<sub>2</sub>e from JV ships with 30.42% ownership. Emissions for 2022 include 70,014 metric tonnes of CO<sub>2</sub>e from owned ships and 20,201 metric tonnes of CO<sub>2</sub>e from JV ships with 28.898% ownership.
- <sup>9</sup> Gases included in the calculation include CO<sub>2</sub> and Refrigerants (HCFCs).
- <sup>10</sup> Source for CO<sub>2</sub> emission factors is the IMO ([https://www.wcdn.imo.org/localresources/en/KnowledgeCentre/IndexofIMOResolutions/MEPCDocuments/MEPC.281\(70\).pdf](https://www.wcdn.imo.org/localresources/en/KnowledgeCentre/IndexofIMOResolutions/MEPCDocuments/MEPC.281(70).pdf)) and for Global Warming Potential (GWP) of refrigerants is GOV.UK (<https://www.gov.uk/guidance/calculate-the-carbon-dioxide-equivalent-quantity-of-an-f-gas>).
- <sup>11</sup> Based on electricity consumption including heating and cooling.
- <sup>12</sup> Emission factors for CO<sub>2</sub> equivalent of electricity consumption taken from government data available online for each country.
- Cyprus, Statista – Free statistics website: <https://www.statista.com/statistics/1290157/carbon-intensity-power-sector-Cyprus/>
  - Hong Kong SAR: Official website of the Power Supplier: <https://www.hkelectric.com/en/customer-services/carbon-calculator>
  - India, South Korea, Philippines, Türkiye, United Arab Emirates: Our World in Data – Free statistics website: <https://ourworldindata.org/grapher/carbon-intensity--electricity?tab=table&region=Asia&country=~KOR>
  - Mainland China: Document (page 11) uploaded in official website of Ministry of Ecology and Environment of the People's Republic of China: <https://www.mee.gov.cn/xxgk/xxgk06/202112/W020211202787049808223.pdf>
  - Singapore, Official website of Energy Market Authority: <https://www.ema.gov.sg/Singapore-energy-statistics/Ch02/index2>
  - United States, Carbonfund – Free statistics website: <https://carbonfund.org/calculation-methods/>
- <sup>13</sup> Scope 3 emissions for 2021 include 69.58% of emissions from JV ships. Emissions for 2022 include 71.02% of emissions from JV ships.
- <sup>14</sup> 2021 Scope 3 emission figures have been restated.
- <sup>15</sup> Gases included in the calculation include CO<sub>2</sub> and Refrigerants (HCFCs).
- <sup>16</sup> Source for CO<sub>2</sub> emission factors is the IMO and for GWP of refrigerants is GOV.UK.
- <sup>17</sup> The GHG emissions intensity figures for owned & JV owned and managed ships have been calculated using cargo carrying capacity instead of actual cargo carried.
- <sup>18</sup> Intensity ratio includes Scope 1 (for owned ships and owned portion of JV ships) and Scope 3 (managed portion of JV ships).
- <sup>19</sup> Gases included in the calculation include CO<sub>2</sub> and Refrigerants (HCFCs).
- <sup>20</sup> Intensity ratio includes Scope 3 emissions.
- <sup>21</sup> Gases included in the calculation include CO<sub>2</sub> and Refrigerants (HCFCs).
- <sup>22</sup> Source of emission factors for NO<sub>x</sub> is Engine International Air Pollution Prevention (EIAPP) certificates and SO<sub>x</sub> is our purchase documentation for bunker fuel (i.e. Bunker Delivery Notes).
- <sup>23</sup> 2021 figures for NO<sub>x</sub> intensity have been restated.
- <sup>24</sup> R-22 included in the calculation, source of emission factors is EPA.gov.
- <sup>25</sup> Calculation methodology: ODP (Montreal protocol) of Monochlorodifluoromethane (R-22) = 0.055, ODP of CFC-11 = 1
- <sup>26</sup> 2021 figures for AER have been restated.
- <sup>27</sup> The Group did not consume water from water stress area in the reporting period.

## SOCIAL PERFORMANCE

Indicators	2021	2022
<b>EMPLOYEES AND SEAFARERS STATISTICS (HEADCOUNT)<sup>1</sup></b>		
<b>Number of employees<sup>2</sup></b>	<b>1,046</b>	<b>1,191</b>
<b>By gender</b>	–	–
Female	380	425
Male	666	766
<b>By region</b>	–	–
Cyprus	33	32
Denmark	1	0
India	475	564
Mainland China and Hong Kong SAR	381	395
Netherlands	5	0
Philippines	42	55
Singapore	93	116
South Korea	4	8
Türkiye	0	10
United Arab Emirates	2	3
United Kingdom	4	4
Others	6	4



## Performance Metrics

Indicators	2021	2022
<b>Permanent employees</b>	<b>1,046</b>	<b>1,187</b>
<b>By gender</b>	<b>-</b>	<b>-</b>
Female	380	425
Male	666	762
<b>By region</b>	<b>-</b>	<b>-</b>
Cyprus	33	32
Denmark	1	0
India	475	564
Mainland China and Hong Kong SAR	381	392
Netherlands	5	0
Philippines	42	54
Singapore	93	116
South Korea	4	8
Türkiye	0	10
United Arab Emirates	2	3
United Kingdom	4	4
Others	2	4
<b>Temporary employees</b>	<b>5</b>	<b>4</b>
<b>By gender</b>	<b>-</b>	<b>-</b>
Female	4	0
Male	1	4
<b>By region</b>	<b>-</b>	<b>-</b>
Mainland China and Hong Kong SAR	1	3
Philippines	3	1
Singapore	1	0

Indicators	2021	2022
<b>Number of seafarers<sup>3,4</sup></b>	<b>23,820</b>	<b>27,012</b>
<b>By gender</b>	<b>-</b>	<b>-</b>
Female	4	21
Male	23,816	26,991
<b>By region</b>	<b>-</b>	<b>-</b>
Bangladesh	235	227
India	14,962	17,590
Indonesia	337	818
Latvia & Lithuania	48	41
Mainland China and Hong Kong SAR	3,193	3,097
Myanmar	93	200
Pakistan	46	25
Philippines	3,048	3,478
Romania & Bulgaria	120	169
Russia	120	105
Sri Lanka	286	357
Türkiye	266	334
Ukraine	555	99
Vietnam	373	336
Others	138	136
<b>Number of Other Workers<sup>5</sup></b>	<b>-</b>	<b>80</b>



## Performance Metrics

Indicators	2021	2022
<b>NEW HIRES (HEADCOUNT/%)</b>		
<b>Employees</b>	<b>205 (100)</b>	<b>331(100)</b>
<b>By age group</b>	-	-
Under 30 years old	74 (36)	111 (33.5)
30-50 years old	125 (61)	206 (62.2)
Over 50 years old	6 (3)	14 (4.3)
<b>By gender</b>	-	-
Female	82 (40)	126 (38)
Male	123 (60)	205 (62)
<b>By region</b>	-	-
Cyprus	3 (0.01)	2 (0.06)
India	130 (0.63)	181 (54)
Mainland China and Hong Kong SAR	62 (30)	93 (28)
Netherlands	1 (0.01)	0 (0)
Philippines	2 (0.01)	13 (3.9)
Singapore	6 (0.03)	26 (8)
South Korea	1 (0.01)	5 (2)
Türkiye	0 (0)	10 (3)
United Arab Emirates	0 (0)	1 (0.03)
<b>Seafarers<sup>6</sup></b>	<b>4,062 (100)</b>	<b>4,200 (100)</b>
<b>By age group</b>	-	-
Under 30 years old	1,491 (36.71)	1,781 (42.4)
30-50 years old	2,352 (57.9)	2,296 (54.67)
Over 50 years old	219 (5.39)	123 (2.93)
<b>By gender</b>	-	-
Female	4 (0.1)	17 (0.4)
Male	4,058 (99.9)	4,183 (99.6)

Indicators	2021	2022
<b>By region</b>	-	-
Bangladesh	70 (1.72)	15 (0.36)
India	1,656 (40.77)	2,181 (51.93)
Indonesia	45 (1.11)	445 (10.59)
Latvia & Lithuania	0 (0)	79 (1.88)
Mainland China and Hong Kong SAR	1,332 (32.79)	818 (19.47)
Myanmar	0 (0)	152 (3.62)
Pakistan	0 (0)	24 (0.57)
Philippines	322 (7.93)	40 (0.95)
Romania & Bulgaria	68 (1.67)	49 (1.17)
Russia	0 (0)	33 (0.79)
Sri Lanka	88 (2.17)	20 (0.48)
Türkiye	70 (1.72)	67 (1.6)
Ukraine	214 (5.27)	31 (0.74)
Vietnam	84 (2.07)	156 (3.71)
Others	113 (2.78)	90 (2.14)



## Performance Metrics

Indicators	2021	2022
<b>TURNOVER (HEADCOUNT/%)</b>		
<b>Employees</b>	<b>188 (100)</b>	<b>222 (100)</b>
<b>By age group</b>	-	-
Under 30 years old	54 (28.7)	74 (33.3)
30-50 years old	115 (61.17)	129 (58.1)
Over 50 years old	19 (10.1)	19 (8.6)
<b>By gender</b>	-	-
Female	124 (66)	92 (41.4)
Male	64 (34)	130 (58.6)
<b>By region</b>	-	-
Cyprus	8 (4.2)	5 (2.3)
India	83 (44.1)	110 (49.5)
Mainland China and Hong Kong SAR	63 (33.5)	80 (36)
Netherlands	1 (0.05)	3 (1.4)
Philippines	1 (0.05)	4 (0.18)
Singapore	10 (0.5)	14 (6.3)
South Korea	14 (7.4)	2 (0.09)
Türkiye	8 (4.2)	2 (0.09)
Others	0 (0)	2 (0.09)
<b>Seafarers</b>	<b>557 (100)</b>	<b>825 (100)</b>
<b>By age group</b>	-	-
Under 30 years old	150 (26.93)	207 (25.09)
30-50 years old	359 (64.45)	538 (65.21)
Over 50 years old	48 (8.62)	80 (9.7)
<b>By gender</b>	-	-
Female	0 (0)	1 (0.12)
Male	557 (100)	824 (99.88)

Indicators	2021	2022
<b>By region</b>	-	-
Bangladesh	5 (0.9)	9 (1.09)
India	282 (50.63)	442 (53.58)
Indonesia	22 (3.95)	9 (1.09)
Mainland China and Hong Kong SAR	177 (31.78)	281 (34.06)
Philippines	36 (6.46)	36 (4.36)
Sri Lanka	6 (1.08)	4 (0.48)
Türkiye	3 (0.54)	6 (0.73)
Ukraine	6 (1.07)	6 (0.73)
Vietnam	15 (2.69)	15 (1.82)
Others	5 (0.9)	17 (2.06)
<b>PARENTAL LEAVE (HEADCOUNT)<sup>7</sup></b>		
<b>Employees that took parental leave</b>	<b>35</b>	<b>38</b>
<b>By gender</b>	-	-
Female	14	18
Male	21	20
<b>Employees that returned to work in the reporting period after parental leave ended</b>	<b>35</b>	<b>38</b>
<b>By gender</b>	-	-
Female	19	18
Male	21	20
<b>Employees that returned to work after parental leave ended that were still employed 12 months after their return to work</b>	<b>26</b>	<b>23</b>
<b>By gender</b>	-	-
Female	9	6
Male	17	3
<b>Return to work and retention rates of employees that took parental leave (%)</b>	-	-
<b>By gender</b>	-	-
Female	0.47	100.00
Male	0.65	100.00



## Performance Metrics

Indicators	2021	2022
<b>PERFORMANCE REVIEWS (%)</b>		
<b>Employees who received regular performance reviews and career development</b>	-	-
<b>By gender</b>	-	-
Female	99	99
Male	99	99
<b>By employee category</b>	-	-
Director or Above	99	99
Managerial	99	99
General Employee	99	99
<b>Seafarers who received regular performance reviews and career development</b>	-	-
<b>By gender</b>	-	-
Female	100	100
Male	100	100
<b>By employee category</b>	-	-
Director or Above	100	100
Managerial	100	100
General Employee	100	100

Indicators	2021	2022
<b>DIVERSITY (%)</b>		
<b>Directors and Heads of Business</b>	-	-
<b>By gender</b>	-	-
Female	-	21.21
Male	-	78.79
<b>By age group</b>	-	-
Under 30 years old	-	0
30-50 years old	-	51.52
Over 50 years old	-	48.49
<b>General Employees</b>	-	-
<b>By gender</b>	-	-
Female	-	36.19
Male	-	63.81
<b>By age group</b>	-	-
Under 30 years old	-	18.78
30-50 years old	-	69.81
Over 50 years old	-	11.41
<b>Nationalities represented (Number)</b>	-	<b>28</b>
<b>Seafarers</b>		
<b>By gender</b>	-	-
Female	-	0.08
Male	-	99.92
<b>By age group</b>	-	-
Under 30 years old	-	0.37
30-50 years old	-	0.55
Over 50 years old	-	0.08
<b>Nationalities represented (Number)</b>	-	<b>18</b>

**Performance Metrics**

Indicators	2021	2022
<b>TRAINING AND EDUCATION</b>		
<b>Training on anti-corruption (Number/%)</b>	–	<b>1,011 (84.32)</b>
<b>By employee category</b>	–	–
Director or Above	–	12 (67.67)
Managerial	–	362 (87.23)
General Employee	–	245 (85.06)
<b>By region</b>	–	–
Cyprus	–	22 (81.48)
India	–	446 (79.64)
Mainland China and Hong Kong SAR	–	365 (89.90)
Philippines	–	44 (81.48)
Singapore	–	109 (87.90)
South Korea	–	8 (100)
Türkiye	–	9 (90)
United Arab Emirates	–	3 (100)
United Kingdom	–	2 (66.67)
Others	–	3 (100)
<b>Training sessions on health and safety for employees (Session(s))</b>	–	<b>20</b>
Number of topics covered	–	60
<b>Average hours of training for seafarers (Hour(s))</b>	–	–
<b>By gender</b>	–	–
Female	25.00	31.00
Male	25.00	24.50
<b>By category</b>	–	–
Senior officer	30.20	29.50
Other officers	25.80	25.50
General personnel (Ratings)	19.20	20.75

Indicators	2021	2022
<b>OCCUPATIONAL HEALTH AND SAFETY<sup>8,9</sup></b>		
Fatalities as a result of work-related injury (Number/%)	3 (0.03)	0 (0.00)
High-consequence work-related injuries (excluding fatalities) (Number/%)	7 (0.09)	8 (0.07)
Recordable work-related injuries (Number/%)	62 (0.52)	71 (0.65)
Number of hours worked (Hour(s))	112,903,226	109,677,419
Lost Time Injury Frequency (LTIF) (%)	0.31	0.31
Recordable Case Frequency (TRCF) (%)	0.52	0.65
Fatalities as a result of work-related ill health (Number)	0	0
Recordable work-related ill health (Number)	0	0
<b>SUPPLY CHAIN<sup>10</sup></b>		
Number of approved suppliers	1,026	811
<b>COMMUNITY<sup>11</sup></b>		
Amount contributed for community development globally (USD)	1,000,000	3,224,315

<sup>1</sup> All employees work full-time. The Group did not employ part-time, non-guaranteed hours employees/workers in the reporting period.

<sup>2</sup> The full year 2021 headcount number was updated after the 2021 report was published.

<sup>3</sup> Seafarers are workers who are not employees and whose work is controlled by the organization.

<sup>4</sup> The full year 2021 headcount number was updated after the 2021 report was published.

<sup>5</sup> Other workers who are not employees and whose work is controlled by the organization include new building project consultants and office and facility administrative staff on third party payroll.

<sup>6</sup> 2021 figures have been updated.

<sup>7</sup> All employees are entitled to parental leave.

<sup>8</sup> Health and safety data applies to seafarers.

<sup>9</sup> Rates have been calculated based on 1,000,000 hours worked.

<sup>10</sup> Approved suppliers mean those who have undergone third party checks by MCaaS.

<sup>11</sup> Excludes community contributions made by The Caravel Foundation.



# GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
<b>GRI 2: GENERAL DISCLOSURES 2021</b>			
1. The organization and its reporting practices			
2-1	Organizational details	<p>About The Caravel Group</p> <p>Locations of operating legal entities include Cyprus, India, Indonesia, Japan, mainland China and Hong Kong SAR, Netherlands, Philippines, Singapore, South Korea, Switzerland, Türkiye, United Arab Emirates, United Kingdom. Our entities in Japan, Netherlands, and Switzerland ceased operations in 2022.</p>	
2-2	Entities included in the organization's sustainability reporting	<p>About this Report</p> <p>The Caravel Group is a private entity and financial statements or financial information are not filed on public record.</p>	
2-3	Reporting period, frequency and contact point	<p>About this Report</p> <p>The Caravel Group has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022. This report was published on 20 July 2023.</p> <p>The Caravel Group is a private entity and financial statements or financial information are not filed on public record.</p>	
2-4	Restatements of information	<p>Evolving Environmental Stewardship</p> <p>Performance Metrics</p> <p>Due to changes to our data collection approach in 2022 or previous typographical errors, the following have been corrected:</p> <p>2021 figures of GHG emissions have been restated to include refrigerants.</p> <p>2021 emission figures have been restated to accurately reflect the emissions that fall under Scope 1 and Scope 3 for JV owned ships.</p> <p>Number of ships reported on in 2021 has been corrected.</p> <p>All NOx data from 2021 restated due to a typographical error.</p> <p>The figure reported for number of managed ships that ran on dual fuel in 2021 has been restated.</p> <p>2021 energy and emission data for offices not included as our calculation methodology has been revised.</p>	



## GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
2-5	External assurance	Our main subsidiary FLEET's operations are certified to the ISO 14001: Environmental Management System and ISO 50001: Energy Management System standards.  Certain members of the Caravel Group Limited's Board reviewed and approved the 2022 Responsibility Report.	
<b>GRI 2: GENERAL DISCLOSURES 2021</b>			
2. Activities and workers			
2-6	Activities, value chain and other business relationships	About The Caravel Group Our Strategy – Our Stakeholders Our Strategy – Assessing Materiality Ethical and Responsible Business – Supply Chain Management  There are no significant changes in activities, value chain or business relationships compared to the previous reporting period.	
2-7	Employees	Performance Metrics  There were no significant fluctuations in the number of employees during the reporting period.	
2-8	Workers who are not employees	Working Together – Talent Attraction and Retention  Performance Metrics  Seafarers are engaged by The Caravel Group on behalf of vessel owners to work on vessels. There were no significant fluctuations in the number of seafarers during the reporting period.	
3. Governance			
2-9	Governance structure and composition	Navigating Responsibly – Governance Structure  More details about the members of the leadership teams of The Caravel Group and FLEET can be found on their respective websites:  <a href="https://www.caravel-group.com/about-us/our-leadership">https://www.caravel-group.com/about-us/our-leadership</a>  <a href="https://www.fleetship.com/leadership/">https://www.fleetship.com/leadership/</a>	
2-10	Nomination and selection of the highest governance body		Not applicable. Directors of The Caravel Group Ltd. are the members of the Group's promoter family and comprise Dr Harry Banga, Mrs Indra Banga and Mr Angad Banga. The Group is a private entity and does not publish nomination and selection criteria.

## GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
2-11	Chair of the highest governance body	Navigating Responsibly – Governance Structure Dr Banga and Mr Banga are members of the Group’s promoter family and are deeply involved in the running of the Group in their roles as Chairman & CEO, and Chief Operating Officer (COO), respectively.	Not applicable. Conflicts of interest mitigation measures not publicly available as the Group is a private entity.
2-12	Role of the highest governance body in overseeing the management of impacts	Navigating Responsibly – Governance Structure Our Strategy – Our Stakeholders Our Strategy – Sustainability Risks and Opportunities Our Strategy – Assessing Materiality	
2-13	Delegation of responsibility for managing impacts	Navigating Responsibly – Governance Structure	
2-14	Role of the highest governance body in sustainability reporting	Navigating Responsibly – Governance Structure	
2-15	Conflicts of interest	As a private entity, the Board conducts periodic reviews to ensure any conflicts of interest are prevented and mitigated. The Group follows all relevant regulations to ensure conflicts of interest are prevented and mitigated at the Director level.	
2-16	Communication of critical concerns	Navigating Responsibly – Governance Structure	Information incomplete. The total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period will be recorded going forward.
2-17	Collective knowledge of the highest governance body	Navigating Responsibly – Governance Structure	
2-18	Evaluation of the performance of the highest governance body		Information unavailable. Processes for evaluating the performance of the highest governance body and approaches to respond to the evaluations to be developed.
2-19	Remuneration policies		Confidentiality constraints. Information is considered private.

## GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
2-20	Process to determine remuneration		Information unavailable/incomplete. We use data from multiple external consultancies annually to determine our salary ranges for all roles across all geographies. And that we intend to review our approach to remuneration governance in 2023.
2-21	Annual total compensation ratio		Confidentiality constraints. Information is considered private.
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from our Chairman & CEO	
2-23	Policy commitments	Navigating Responsibly Evolving Environmental Stewardship Safeguarding People Working Together  The precautionary principle informs The Caravel Group's risk assessment and management of its operations. The Group's relevant policies are aligned to the Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, ILO Declaration on Fundamental Principles and Rights at Work, the Maritime Labour Convention, OECD, RBA and RMI guidance, among other global standards .	
2-24	Embedding policy commitments	Navigating Responsibly Evolving Environmental Stewardship Safeguarding People Working Together  We describe our processes for embedding policy commitments throughout this report. For our subsidiary, FLEET, the implementation of policies and procedures is verified through internal and external audits. In addition, stakeholder inspections from entities including oil majors and commercial operators serve to ascertain compliance levels. Training needs are actioned by our training institute FMTI.	
2-25	Processes to remediate negative impacts	Navigating Responsibly – Governance Structure Navigating Responsibly – Reporting Grievances	



### GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
2-26	Mechanisms for seeking advice and raising concerns	Navigating Responsibly – Reporting Grievances	
2-27	Compliance with laws and regulations		Information unavailable/incomplete. Information will be collated for future disclosure.
2-28	Membership associations	Memberships and Associations	
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Our Strategy – Our Stakeholders	
2-30	Collective bargaining agreements	Working Together – Talent Attraction and Retention	
<b>GRI 3: MATERIAL TOPICS 2021</b>			
3-1	Process to determine material topics	Our Strategy – Our Stakeholders Our Strategy – Assessing Materiality	
3-2	List of material topics	Our Strategy – Assessing Materiality	
<b>PILLAR: NAVIGATING RESPONSIBLY</b>			
<b>MATERIAL TOPIC: ETHICAL AND RESPONSIBLE BUSINESS</b>			
<b>GRI 3: MATERIAL TOPICS 2021</b>			
3-3	Management of material topics	Our Strategy – Assessing Materiality Our Strategy – Sustainability Risks and Opportunities Navigating Responsibly – Strategy and Management Approach Navigating Responsibly – Ethical and Responsible Business	
<b>GRI 205: ANTI-CORRUPTION 2016</b>			
205-1	Operations assessed for risks related to corruption		Information unavailable/incomplete. Information will be collated for future disclosure.





## GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
205-2	Communication and training about anti-corruption policies and procedures	<p>Policies covering anti-corruption are shared with all employees and seafarers. Anti-corruption is also covered in a mandatory e-learning course that forms part of our new joiner's program for employees. We target to train 100% of eligible employees on anti-corruption.</p> <p>FLEET's Supplier Code of Conduct outlines our expectations and obligations, including those related to anti-corruption, to our suppliers.</p>	Information unavailable/incomplete. Information on percentage of governance body members and employees trained is being collated for future disclosure. Total number and percentage of new business partners that the organization's anti-corruption policies and procedures have been communicated to will be collated.
205-3	Confirmed incidents of corruption and actions taken	<p>Navigating Responsibly – Ethical and Responsible Business</p> <p>There were no reported incidents of corruption or money laundering, or legal actions taken related to anti-competitive, anti-trust or monopolistic practices in 2022.</p>	
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<p>Navigating Responsibly – Ethical and Responsible Business</p> <p>There were no reported incidents of corruption or money laundering, or legal actions taken related to anti-competitive, anti-trust or monopolistic practices in 2022.</p>	
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>			
308-1	New suppliers that were screened using environmental criteria	Ethical and Responsible Business – Supply Chain Management	Information unavailable/incomplete. We plan to implement changes in our supplier selection and registration process to expand our structured efforts for furthering responsible procurement.
308-2	Negative environmental impacts in the supply chain and actions taken	Ethical and Responsible Business – Supply Chain Management	Information unavailable/incomplete. We plan to implement changes in our supplier selection and registration process to expand our structured efforts for furthering responsible procurement.
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>			
414-1	New suppliers that were screened using social criteria	Ethical and Responsible Business – Supply Chain Management	Information incomplete. We plan to implement changes in our supplier selection and registration process to expand our structured efforts for furthering responsible procurement.
414-2	Negative social impacts in the supply chain and actions taken	Ethical and Responsible Business – Supply Chain Management	Information incomplete. We plan to implement changes in our supplier selection and registration process to expand our structured efforts for furthering responsible procurement.



### GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
<b>MATERIAL TOPIC: DIGITAL TRANSFORMATION</b>			
<b>GRI 3: MATERIAL TOPICS 2021</b>			
3-3	Management of material topics	Our Strategy – Assessing Materiality Our Strategy – Sustainability Risks and Opportunities Navigating Responsibly – Strategy and Management Approach Navigating Responsibly – Digital Transformation	
<b>GRI 418: CUSTOMER PRIVACY 2016</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Navigating Responsibly – Digital Transformation In the reporting year, no complaints concerning breaches of customer privacy were received.	
<b>PILLAR: EVOLVING ENVIRONMENTAL STEWARDSHIP</b>			
<b>MATERIAL TOPIC: ENERGY AND CLIMATE RESILIENCE</b>			
<b>GRI 3: MATERIAL TOPICS 2021</b>			
3-3	Management of material topics	Our Strategy – Assessing Materiality Our Strategy – Sustainability Risks and Opportunities Evolving Environmental Stewardship – Strategy and Management Approach Evolving Environmental Stewardship – Energy and Climate Resilience	
<b>GRI 302: ENERGY 2016</b>			
302-1	Energy consumption within the organization	Evolving Environmental Stewardship – Energy and Climate Resilience Performance Metrics	
302-3	Energy intensity	Evolving Environmental Stewardship – Energy and Climate Resilience Performance Metrics The ratio uses energy consumption within the organization.	
302-4	Reduction of energy consumption	Evolving Environmental Stewardship – Energy and Climate Resilience Performance Metrics	

## GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
<b>GRI 305: EMISSIONS 2016</b>			
305-1	Direct (Scope 1) GHG emissions	Evolving Environmental Stewardship – Energy and Climate Resilience Performance Metrics	
305-2	Energy indirect (Scope 2) GHG emissions	Evolving Environmental Stewardship – Energy and Climate Resilience Performance Metrics	
305-3	Other indirect (Scope 3) GHG emissions	Evolving Environmental Stewardship – Energy and Climate Resilience Performance Metrics	
305-4	GHG emissions intensity	Evolving Environmental Stewardship – Energy and Climate Resilience Performance Metrics	
305-5	Reduction of GHG emissions	Evolving Environmental Stewardship – Energy and Climate Resilience Performance Metrics	
305-6	Emissions of ozone-depleting substances (ODS)	Performance Metrics	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Evolving Environmental Stewardship – Energy and Climate Resilience Performance Metrics	
<b>MATERIAL TOPIC: MATERIALS AND WASTE</b>			
<b>GRI 3: MATERIAL TOPICS 2021</b>			
3-3	Management of material topics	Our Strategy – Assessing Materiality Our Strategy – Sustainability Risks and Opportunities Evolving Environmental Stewardship – Strategy and Management Approach Evolving Environmental Stewardship – Materials and Waste	
<b>GRI 301: MATERIALS 2016</b>			
301-1	Materials used by weight or volume	Evolving Environmental Stewardship – Materials and Waste	Not applicable. Our primary products are not packaged materials.



## GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
<b>GRI 303: WATER AND EFFLUENTS 2018</b>			
303-5	Water consumption	Evolving Environmental Stewardship – Materials and Waste Performance Metrics Most fresh water used on our ships is generated from the sea, using waste heat recovery, an energy-efficient process that generates minimal emissions, while simultaneously ensuring that water resources on land are not depleted.	Information not available. Consumption from areas of water stress not monitored.
<b>GRI 304: BIODIVERSITY 2016</b>			
304-2	Significant impacts of activities, products and services on biodiversity	Evolving Environmental Stewardship – Materials and Waste	Information unavailable/incomplete. Approach to monitoring significant direct and indirect positive and negative impacts on species, extent of areas, duration and irreversibility of the impacts yet to be developed.
304-3	Habitats protected or restored	Working Together – Community Investment and Engagement	
<b>GRI 306: WASTE 2020</b>			
306-1	Waste generation and significant waste-related impacts	Our Strategy – Assessing Materiality Our Strategy – Sustainability Risks and Opportunities Evolving Environmental Stewardship – Strategy and Management Approach Evolving Environmental Stewardship – Materials and Waste	
306-2	Management of significant waste-related impacts	Our Strategy – Assessing Materiality Evolving Environmental Stewardship – Strategy and Management Approach Evolving Environmental Stewardship – Materials and Waste	
306-3	Waste generated	Evolving Environmental Stewardship – Materials and Waste Performance Metrics	
306-4	Waste diverted from disposal	Evolving Environmental Stewardship – Materials and Waste Performance Metrics	
306-5	Waste directed to disposal	Evolving Environmental Stewardship – Materials and Waste Performance Metrics	

## GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
<b>PILLAR: SAFEGUARDING PEOPLE</b>			
<b>MATERIAL TOPIC: HEALTH, SAFETY AND WELLBEING</b>			
<b>GRI 3: MATERIAL TOPICS 2021</b>			
3-3	Management of material topics	Our Strategy – Assessing Materiality Our Strategy – Sustainability Risks and Opportunities Safeguarding People – Strategy and Management Approach Safeguarding People – Health, Safety and Wellbeing	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>			
403-1	Occupational health and safety management system	Safeguarding People – Strategy and Management Approach Safeguarding People – Health, Safety and Wellbeing	
403-2	Hazard identification, risk assessment, and incident investigation	Safeguarding People – Strategy and Management Approach Safeguarding People – Health, Safety and Wellbeing	
403-3	Occupational health services	Safeguarding People – Strategy and Management Approach Safeguarding People – Health, Safety and Wellbeing	
403-4	Worker participation, consultation, and communication on occupational health and safety	Safeguarding People – Strategy and Management Approach Safeguarding People – Health, Safety and Wellbeing	
403-5	Worker training on occupational health and safety	Safeguarding People – Strategy and Management Approach Safeguarding People – Health, Safety and Wellbeing Performance Metrics	
403-6	Promotion of worker health	Safeguarding People – Strategy and Management Approach Safeguarding People – Health, Safety and Wellbeing Working Together – Talent Attraction and Retention	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safeguarding People – Strategy and Management Approach Safeguarding People – Health, Safety and Wellbeing	



## GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
403-8	Workers covered by an occupational health and safety management system	Safeguarding People – Strategy and Management Approach Safeguarding People – Health, Safety and Wellbeing All personnel working on ships are covered by our robust health and safety management system based on compliance with legal requirements and/or recognized standards. The Group is developing a more robust system for onshore employees.	
403-9	Work-related injuries	Safeguarding People – Health, Safety and Wellbeing Performance Metrics There were no work-related injuries recorded for employees. Detail on seafarers can be found in the report locations listed.	
403-10	Work-related ill health	Safeguarding People – Health, Safety and Wellbeing Performance Metrics	
<b>PILLAR: WORKING TOGETHER</b>			
<b>MATERIAL TOPIC: TALENT ATTRACTION AND RETENTION</b>			
<b>GRI 3: MATERIAL TOPICS 2021</b>			
3-3	Management of material topics	Our Strategy – Assessing Materiality Our Strategy – Sustainability Risks and Opportunities Working Together – Strategy and Management Approach Working Together – Talent Attraction and Retention	
<b>GRI 401: EMPLOYMENT 2016</b>			
401-1	New employee hires and employee turnover	Working Together – Talent Attraction and Retention Performance Metrics	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working Together – Talent Attraction and Retention	
401-3	Parental leave	Performance Metrics	



## GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
<b>GRI 404: TRAINING AND EDUCATION 2016</b>			
404-1	Average hours of training per year per employee	Working Together – Talent Attraction and Retention Performance Metrics	
404-2	Programs for upgrading employee skills and transition assistance programs	Working Together – Talent Attraction and Retention	
404-3	Percentage of employees receiving regular performance and career development reviews	Working Together – Talent Attraction and Retention Performance Metrics	
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>			
405-1	Diversity of governance bodies and employees	Working Together – Talent Attraction and Retention Performance Metrics	
<b>GRI 406: NON-DISCRIMINATION 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	Working Together – Talent Attraction and Retention In 2022, no reports of discrimination were received across any of our Group offices or on board our ships.	
<b>GRI 408: CHILD LABOR 2016</b>			
408-1	Operations and suppliers at significant risk for incidents of child labor	Talent Attraction and Retention – A Fair and Inclusive Environment Ethical and Responsible Business – Supply Chain Management	
<b>GRI 409: FORCED OR COMPULSORY LABOR 2016</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Working Together Talent Attraction and Retention – A Fair and Inclusive Environment Ethical and Responsible Business – Supply Chain Management	



### GRI Content Index

GRI Standard	Disclosure	Location(s)	Reason for Omission
<b>MATERIAL TOPIC: COMMUNITY INVESTMENT AND ENGAGEMENT</b>			
<b>GRI 3: MATERIAL TOPICS 2021</b>			
3-3	Management of material topics	Our Strategy – Assessing Materiality Our Strategy – Sustainability Risks and Opportunities Working Together – Strategy and Management Approach Working Together – Community Investment and Engagement	
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>			
203-1	Infrastructure investments and services supported	Our Strategy – Assessing Materiality Working Together – Community Investment and Engagement	
203-2	Significant indirect economic impacts	Our Strategy – Assessing Materiality Working Together – Community Investment and Engagement	
<b>GRI 413: LOCAL COMMUNITIES 2016</b>			
413-1	413-1 Operations with local community engagement, impact assessments, and development programs	Working Together – Community Investment and Engagement	



## Acronyms

ABS	American Bureau of Shipping	EEA	European Economic Area	IGF code	International Code of Safety for Ship Using Gases or Other Low-flashpoint Fuels
ACT	Account Compliance Team	EEDI	Energy Efficiency Design Index	IMO	International Maritime Organization
AER	Annual Efficiency Ratio	EEOI	Energy Efficiency Operational Indicator	ISM	International Safety Management
AIP	Approval In Principle	EEXI	Energy Efficiency Existing Ship Index	ISPS	International Ship and Port Facility Security Code
AMP	Alternate Marine Power	EGR	Exhaust Gas Recirculation	KYC	Know Your Counterparties
BIMCO	Baltic and International Maritime Council	ERP	Enterprise Resource Planning	LGIM	Liquid Gas Injection – Methanol
BWMC	The International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004	ESDs	Energy-saving Devices	LNG	Liquefied Natural Gas
BWTS	Ballast Water Treatment Systems	ESI	Environmental Ship Index	LOPC	Loss of Primary Containment
CAHRAs	Conflict-affected and High-risk Areas	EWC	ESG Working Committee	LPG	Liquefied Petroleum Gas
CBM	Cubic Meter	FFSG	FLEET's Family Support Group	LTIF	Lost-time Injury Frequency
CDI	Chemical Data Institute	FMTI	Fleet Management Training Institute	M-SCAT	Marine Systematic Cause Analysis Technique
CII	Carbon Intensity Indicator	FOS	Fleet Optimization Solution/Fleet Operation Solution	MACN	Maritime Anti-Corruption Network
CIRT	Cyber Incident Response Team	GAR	Gross as Received	MARPOL	The International Convention for the Prevention of Pollution from Ships, 1973
CRN	Crisis Response Network	GDPR	European Union's General Data Protection Regulation 2016/679	MCaaS	Marcura Compliance As A Service
DPA	Designated Person Ashore	GRI	The Global Reporting Initiative	MFA	Multi-factor Authentication
DPO	Data Processing Officer	HAZID	Hazard Identification Study	MJ	Megajoule
DWT	Deadweight Tonnage	HRAs	High-risk Areas	ML	Megaliter
EAP	Employee Assistance Program	HVAF	Hub Vortex Absorbed Fin	MLC	Maritime Labour Convention, 2006

**Acronyms**

MMSL	MMSL Pte. Ltd.	SEEMP	Ship Energy Efficiency Management Plans	TEU	Dimension of a container (1 TEU = 20-foot-long)
MR	Medium-range	SIRE	Ship Inspection Reporting	VCT	Voyage Compliance Team
Oracle SCM	Oracle Supply Chain Management	SOLAS	The International Convention for the Safety of Life at Sea, 1974	VECP	Voluntary Environmental Compliance Program
OT	Operational Technology	SOP	Standard Operating Procedures	WAS	Wellness at Sea
P&I	Protection and Indemnity	SMS	Safety Management System		
PARIS	Planning and Reporting Infrastructure for Ships	SRM	Supplier Relationship Management		
PCFA	Presidential Commission on Financial Aid	SSAs	Security Sensitive Areas		
PFA	Psychological First Aid	STC	Service Terms and Conditions		
PIPL	The China Personal Information Protection Law	SUP	Single-use Plastic		
PMS	Planned Maintenance System	T-CUP	Total Control Under Pressure (a component of FLEET's SafeR+ safety program)		
PMSCs	Private Maritime Security Companies	TCFD	Task Force on Climate-related Financial Disclosures		
PSC	Port State Control	TME	Trainee Marine Engineers		
QHSE	Quality, Health, Safety and Environment	TMSA	Tanker Management and Self-Assessment		
QMM	Quality Management Manual	TOLAS	Training on Land and Sea		
R-O	Reverse-Osmosis	TRCF	Total Recordable Case Frequency		
SCR	Selective Catalytic Reduction				