

Encompass

Responsibility Report 2023





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APPENDIX



Refer to the **Appendix** for more detail on:

- » Strategy and Management Approach
- » Performance Metrics
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- » About The Caravel Group
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Message from our Chairman & CEO

Dear Stakeholders,

It is with great pride that I present to you The Caravel Group's third annual Responsibility Report. Reflecting on the past year, we have vigorously pursued our commitment to sustainability, intertwining environmental, social and economic considerations into the very fabric of our operations.

Our "Encompass" strategy steers us with integrity toward innovation in our operations, ensuring that we champion environmental protection, fully support our people and actively engage with our communities and industry peers.

This year has seen substantial progress in several vital areas. We have strengthened our supply chain through comprehensive due diligence processes, ensuring that our operations reflect our high ethical standards. Additionally, we have enhanced our NOVA analytics platform, which now delivers sharper insights, enabling us to enhance safety and reduce our environmental footprint more effectively. These tools are indispensable in our pursuit of operational excellence and environmental stewardship.

Through this report, we offer insights into the Group's impact as we go from strength to strength in addressing our operational footprint.

Our commitment to governance and transparency has never been stronger. By joining the United Nations Global Compact (UNGC) and aligning our reporting with the Sustainability Accounting Standards Board (SASB) Standards for the marine transportation sector, we have bolstered our accountability to global standards.

In navigating the complexities of new environmental regulations, we have not only advised our clients on existing requirements, but are also preparing our operations to align with upcoming rules such as the FuelEU Maritime Regulation. Through this process we remain steadfast in our efforts to address biodiversity, pollution control and waste. Looking ahead, we are preparing to undertake comprehensive assessments of our climate- and nature-related risks, reaffirming our proactive stance to further sustainability across our value chain.

On the human side of our operations, we continue to place immense value on the health, safety and development of our employees across all levels. This year, we expanded our mental health programs and continued to empower our team members through various professional development opportunities. We are dedicated to fostering an inclusive culture where every individual is respected and their potential fully nurtured.

Our commitment extends beyond our immediate operational boundaries. In a remarkable display of our values, the crew of the AFRICAN TURACO heroically rescued seven fishermen from a burning vessel in the Indian Ocean. We also remain actively involved in shaping industry standards and practices, contributing our voice and expertise to influential maritime organizations.

As we mark The Caravel Group's 10th anniversary and prepare to celebrate FLEET's 30th year in 2024, we reflect on our journey with gratitude and look towards the future with renewed determination. We are excited about the opportunities and challenges ahead, as we continue to drive value for all our stakeholders and create positive impacts for the planet and its people.

Together, we are charting a sustainable and prosperous course forward.

Warm regards,

Dr Harry Banga

Chairman & Chief Executive Officer (CEO)
The Caravel Group



About this Report

The Caravel Group is a diversified conglomerate with three key areas of business: maritime, commodities and investment management.



SCOPE

This is the third annual Responsibility Report of The Caravel Group Ltd. (referred to collectively with its subsidiaries as “The Caravel Group” or the “Group”). The report outlines our sustainability strategy, initiatives and performance for the period from 1 January 2023 to 31 December 2023. Please visit [our website](#) for the previous years’ reports.

This report covers our maritime and commodity business areas, comprising Caravel Maritime Inc. (including Fleet Management Ltd.) and Caravel Resources Inc. and their wholly owned subsidiaries¹. Select activities of The Caravel Foundation are also shared in the report.

The Caravel Group has reported in accordance with the Global Reporting Initiative (GRI)’s Standards for the period from 1 January 2023 to 31 December 2023. This report also addresses the SASB Sustainability Disclosure Topics and Accounting Metrics for the marine transportation sector. Disclosures aligning with these standards are included in this Main Report and in the [Appendix](#) document accessible on our website. Our sustainability strategy, Encompass, 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 if you have any comments.

LEGAL DISCLAIMER

While we have made reasonable endeavors to provide correct and up-to-date information as of 31 December 2023, 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. This report includes 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 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.

¹ The Group’s asset management arm is not covered in this report.



Our Strategy

- » The Caravel Group's Sustainability Strategy
- » Stakeholder Engagement
- » Assessing Materiality
- » Performance Highlights across Pillars
- » Leadership Insights
- » Sustainability Risks and Opportunities

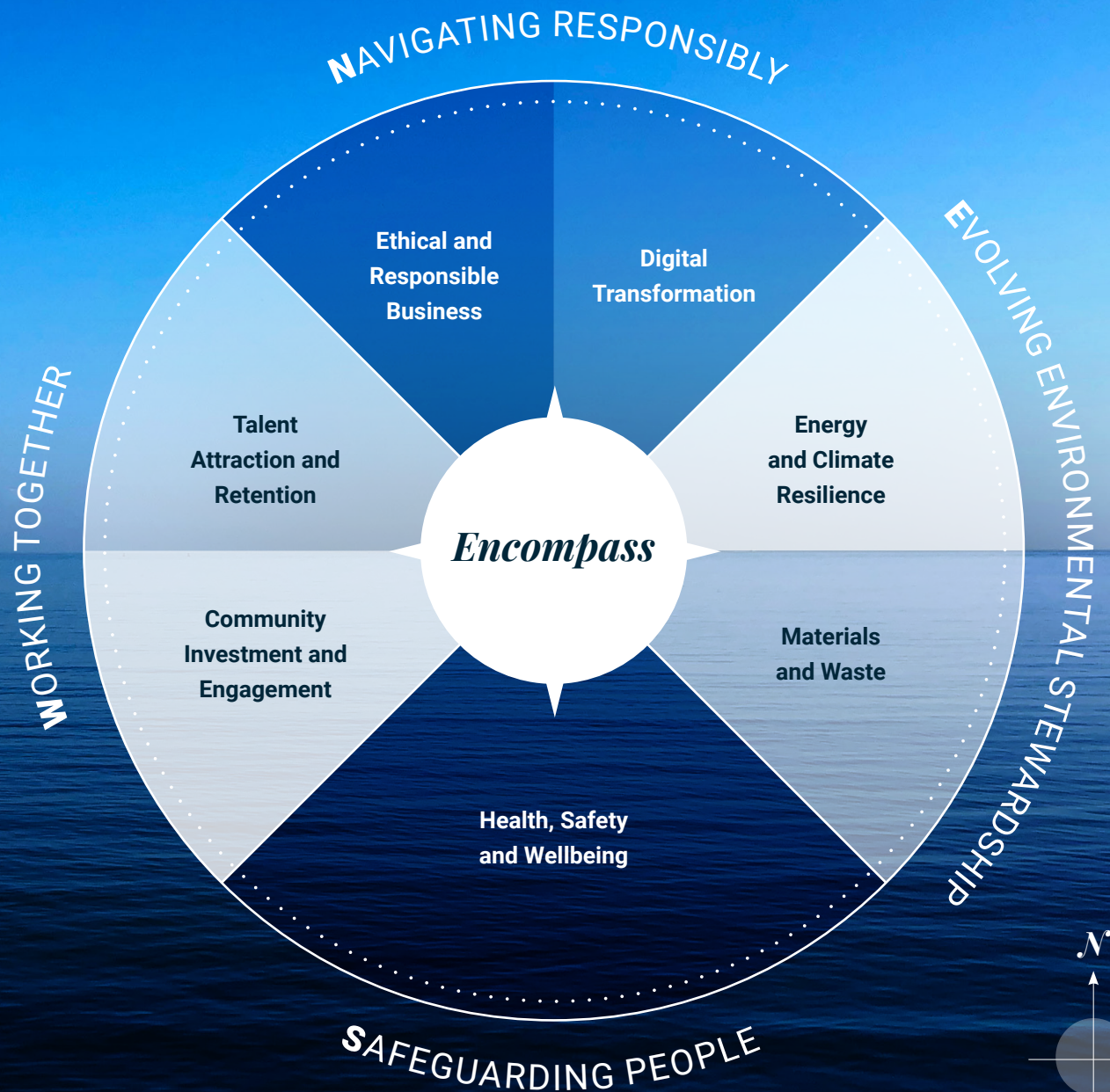


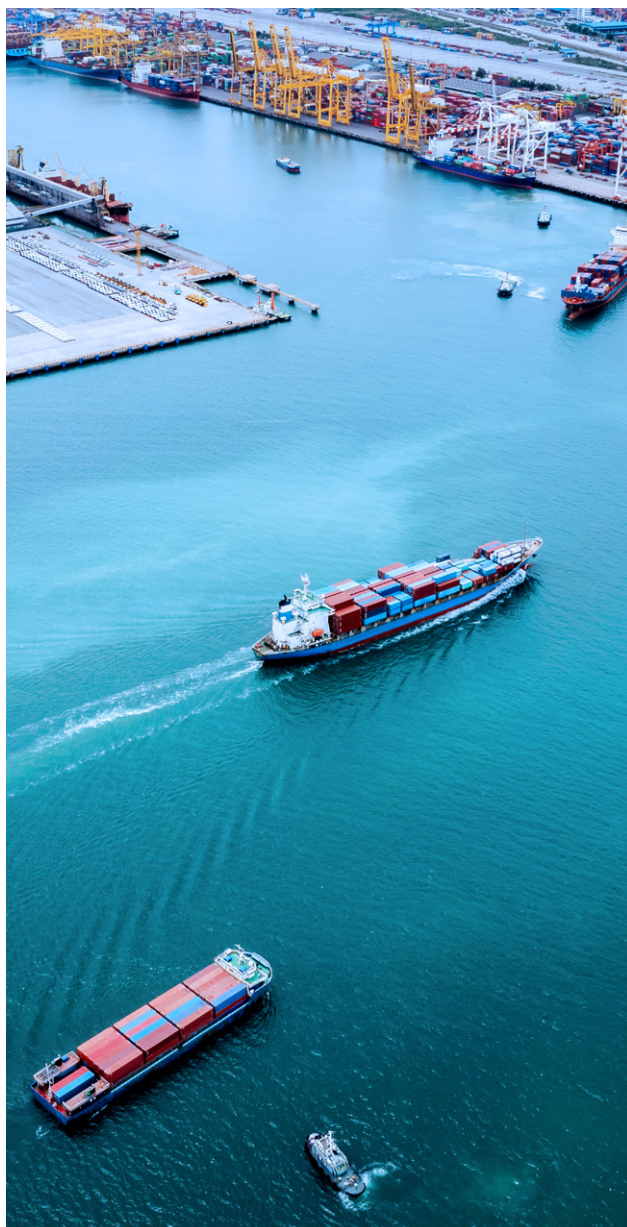
The Caravel Group's Sustainability Strategy

In 2022, the Group developed its holistic and forward-looking sustainability strategy—Encompass. Development of the strategy was informed by peer benchmarking, industry and best practice research, stakeholder engagement and materiality assessment workshops to determine the significance of the Group's impacts on the economy, environment and people.

Encompass consists of four distinct pillars—**Navigating Responsibly**, **Evolving Environmental Stewardship**, **Safeguarding People** and **Working Together**—with material topics, and goals and targets aligned to the UN SDGs within each.

This strategy guides us 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 progress towards our goals and targets is described in each pillar section of this report.



OUR STRATEGY: ENCOMPASS

Stakeholder Engagement

Engaging with our stakeholders is the foundation of our Encompass strategy. This includes understanding and addressing their concerns and expectations. In 2022, we conducted a comprehensive stakeholder engagement exercise involving 21 interviews and an online survey of 2,383 individuals representing 11 stakeholder groups to identify their key concerns and priorities.

We maintain continuous and purposeful interaction with clients, and our industry and internal stakeholders. Our Business Development department conducts an annual client satisfaction survey, and the Human Resources (HR) team runs an annual employee engagement survey. FLEET's senior representatives also actively participate and take leadership roles within industry associations to provide support on key issues affecting the shipping and broader maritime sectors. Details of our ongoing engagement methods and how the priority concerns of key stakeholder groups² are addressed can be found on p.14-15 of the [2022 Responsibility Report](#).

Assessing Materiality

A comprehensive materiality assessment was completed in 2022 in accordance with the GRI Standards' updated 2021 criteria. This included assessing the positive and negative impacts of our sustainability issues on the economy, the environment and people (including impacts on human rights), across our activities and business relationships.

Findings from research, stakeholder engagement and the materiality assessment guided the Group in determining our material topics for reporting. The Board approved seven material topics under the four pillars of our Encompass strategy during the last reporting period and, after subsequent review in 2023, has confirmed that these remain relevant for this reporting year. For more details on the process, impact descriptions and assessment results, please refer to p.16-20 of the [2022 Responsibility Report](#).

² Our identification of key stakeholder groups is guided by the AA1000 Stakeholder Engagement Standard (2015).

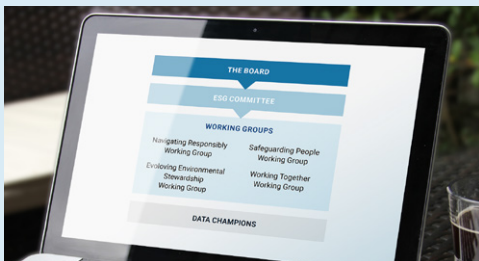
Performance Highlights across Pillars

Navigating Responsibly



DELIVERED ESG TRAINING

Trained all senior executives of the Group on environmental, social and governance (ESG) matters.



ENHANCED SUSTAINABILITY GOVERNANCE

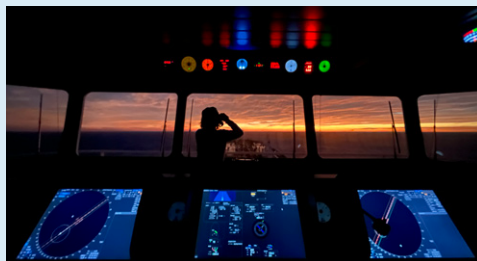
We refined our ESG governance structure to clearly align roles and responsibilities for managing sustainability-related risks and opportunities and hired our first General Manager (GM) to oversee sustainability for the Group.

Evolving Environmental Stewardship



REDUCED WASTE

Reduced waste generation and increased the amount of garbage and sludge landed to shore for proper disposal.



ENHANCED OUR DATA ANALYTICS CAPABILITIES

Upgraded our NOVA data analytics platform to be able to accurately assess and manage the fuel efficiency of our ships, comply with emission intensity standards and provide transparency to our shore-based colleagues and ship-owning clients.

Safeguarding People



CONDUCTED 16 SAFETY CAMPAIGNS

Exceeded our target of 10 by running 16 campaigns to promote safety on ships.



DELIVERED 12 FAMILY WELLBEING SESSIONS

Exceeded our target of 10 by conducting 12 Tea Talk sessions to enhance the wellbeing of seafarer families.

Working Together



LAUNCHED THE WOMEN'S NETWORK

Our DEI Steering Committee launched The Caravel Group Women's Network to support female employees globally.



DELIVERED GENDER SENSITIZATION TRAINING TO SEAFARERS

Provided 100% of seafarers sailing with female officers with gender sensitization training.

PERFORMANCE HIGHLIGHTS ACROSS PILLARS

Awards



GREEN SHIPPING COMPANY OF THE YEAR
The Maritime Standard, United Arab Emirates



TURQUOISE (Marine Welfare, Safety and Security, Environment and People Care) – SHE Company of the Year*
10th Samudra Manthan Awards, India

* This was for calendar year 2022, however awarded in 2023.



BEST PRACTICES IN SUSTAINABILITY
– Crew Welfare, Environmental and Gender Diversity Award
The Maritime SheEO conference, India



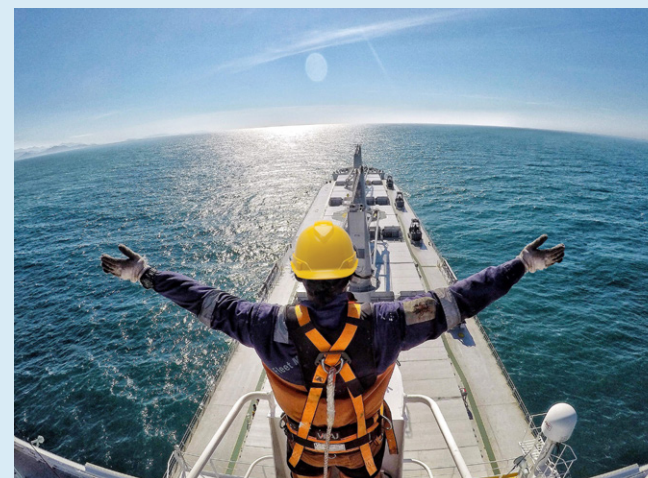
GREEN AWARD CERTIFICATION – Cyprus office
Green Award Foundation



SEAFARERS' AWARD FOR HONG KONG SHIP MANAGER
Awarded on seafarers' behalf by The Mission to Seafarers



AMVER (AUTOMATED MUTUAL-ASSISTANCE VESSEL RESCUE) AWARDS for vessels managed by the Hong Kong and Cyprus offices
U.S. Coast Guard



RANKED NO.2 IN LLOYD'S LIST "TOP 10 SHIPMANAGERS" ANNUAL LIST*
Lloyd's List

Leadership Insights



MR ANGAD BANGA
Chief Operating Officer (COO),
The Caravel Group

In this pivotal inaugural year, we've not just rolled out our Encompass strategy; we've embodied it. Our sustainability ethos transcends a mere operational component—it's the heartbeat of our evolution. By instituting robust policies like the Responsible Sourcing Policy and fortifying Caravel Resources with stringent due diligence requirements, we've championed responsible practices that extend beyond our Group's boundaries. Our steadfast commitment to aligning with ESG expectations is more than good practice—it's integral to the thriving success of our business and the communities we cherish.

This year marked a significant expansion of our technical services, with the formation of a specialized team adept in monitoring greenhouse gas (GHG) emissions, attuned to the European Union's Emissions Trading System (EU-ETS). With strategic enhancements to NOVA, including predictive analytics, a key performance indicator (KPI) dashboard, and advanced financial reporting capabilities, we've set a new standard in optimizing ship efficiency, regulatory alignment and risk transparency. This evolution is a testament to our

commitment to progress in lockstep with our clients, as we navigate the ever-evolving challenges of our industry.

At our core, our resilience and service excellence are driven by our dedicated people and cutting-edge technology. Recognizing the human element as the lifeblood of our industry, we've redoubled our efforts to provide unparalleled development opportunities for our seafarers and onshore staff. This reporting year, we've elevated technical and management training, fostering a culture where technology enhances every operation. As we journey forward, we've woven ESG principles into the very fabric of our organization, inspiring our team to pursue operational efficiencies and innovative solutions, prioritizing environmental stewardship and human wellbeing.

Our approach ensures that The Caravel Group is not merely equipped to meet current client demands, but is also positioned to enrich and sustain our collective future. Our resolute pledge to our people, customers and the planet cements our standing as a reliable, long-term partner for the years ahead.

As we uphold our role as a dependable and enduring strategic partner, our unwavering focus remains on cultivating resilience.

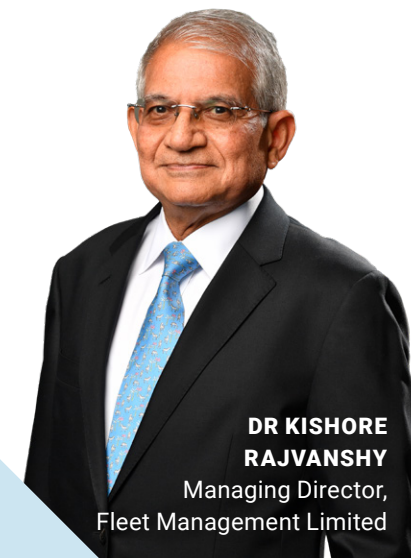
This dedication forms the essence of our Encompass strategy, which serves as our guiding light, enabling us to be adaptable amidst a dynamic global business landscape. We've taken proactive measures to build a strong workforce for the future, and I am pleased to see the ongoing growth of our wellbeing initiatives and support mechanisms for seafarers.

Our renowned FLEET Care team, recognized as an industry leader, exemplifies our dedication to prioritizing the wellbeing of our crew and their families. We have expanded support for seafarers' families in 2023 and intend to further strengthen our efforts on our signature SafeR+ program.

We firmly believe that creating a safe work environment goes hand in hand with fostering an inclusive culture. In line with the targets

set out in our Encompass strategy, we've achieved a 33% increase in the number of female seafarers on our ships. Beyond investing in our people, we are also advancing our technological capabilities and collaborating with partners to address climate change, a defining issue of our time.

I fully support FLEET's commitment to facilitating the industry's transition to sustainable future fuels. We are training our people to operate dual-fuel vessels, supervising the construction of 26 such vessels in 2023, participating in biofuel trials and exploring the feasibility of ammonia. Moreover, our adoption of energy-saving technologies, from wind propulsion solutions to ultrasonic antifouling systems and air lubrication, shows our continued support of environmentally conscious solutions. Our commitment to sustainability and resilience ensures that FLEET not only achieves significant milestones, but also contributes to pioneering progressive pathways for the maritime industry.



DR KISHORE RAJVANSHY
Managing Director,
Fleet Management Limited

Sustainability Risks and Opportunities



Our Encompass strategy guides our approach to addressing the ESG-related risks salient to the Group's business. The identified risks, based on stakeholder evaluations, peer benchmarking and our global research, are outlined below. Each risk is accompanied by a description, relevant pillars of our Encompass strategy that address them, and their potential impacts on the Group, both positive and negative. Additionally, we detail the mitigation measures implemented to manage these risks.

OCCUPATIONAL HEALTH, SAFETY AND WELLBEING (OHS)

Related pillars **S** **W**

Opportunity

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 and the right talent.

Risk

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. Neglecting the health of onshore employees could impact performance and the ability to attract and retain talent.

Mitigating Actions

- Implementation of systems including our quality and safety management system and our planned maintenance system (PMS).
- OHS 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 and Trainee Marine Engineers (TME).
- Updated standard operating procedures (SOPs) to guide our approach to evolving security concerns at sea.
- Implementation of wellness programs like FLEETFIT and Mental Health Month to encourage physical and mental wellbeing.

DIGITALIZATION AND INNOVATION

Related pillars **N** **E** **S** **W**

Opportunity

A sound information management system provides 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.

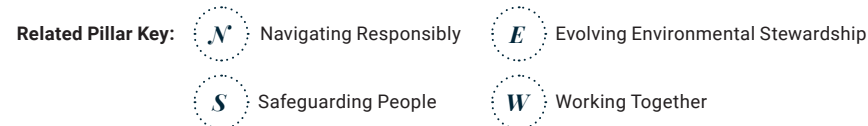
Risk

Not developing and implementing robust information management systems 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

- Planning and Reporting Infrastructure for Ships (PARIS) 2.0 ecosystem that provides online visibility of a vessel's performance, condition and operating costs to staff and clients.
- NOVA analytics platform that provides insights for operational improvements to manage safety and environmental aspects. Predictive capability to identify opportunities to reduce risk further.
- SafeView app to measure safety and environmental compliance.
- Oracle Supply Chain Management and Oracle Financials that 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.
- Enhanced analytical capabilities that allow the Group to better address regulations such as EU-ETS.

RISKS TO OPPORTUNITIES



CLIMATE CHANGE AND SEVERE WEATHER

Related pillars **N** **E**

Opportunity

A robust approach to climate action will help ensure the Group is well placed to address the adverse impacts of the climate crisis. By exploring renewable energy sources, the Group helps make our operations resilient. 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.

Risk

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 both the supply of goods required for day-to-day operations and our business prospects.

Mitigating Actions

- Plan to assess risks and opportunities in line with the Task Force on Climate-related Financial Disclosures (TCFD)³ and the Task Force on Nature-related Financial Disclosures (TNFD) recommendations.
- Adoption of alternative fuels and innovative solutions such as wind-assisted ship propulsion.
- Ballast Water Treatment Systems (BWTS) on 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.

³ While TCFD has been subsumed by the International Financial Reporting Standards' Climate-related Disclosures (IFRS S2), the recommendations provide an internationally adopted approach for disclosures.

TALENT RETENTION AND TRAINING

Related pillar **W**

Opportunity

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.

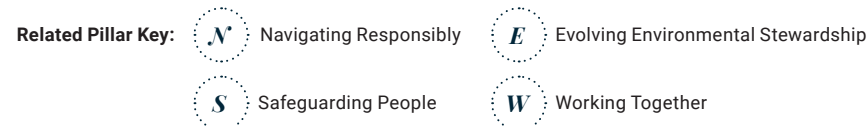
Risk

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 for seafarers, and Udemy Business for colleagues onshore.
- Santa Fe relocation and onboarding initiative for all new FLEET employees.
- Employee and seafarer surveys to gauge satisfaction and understand concerns.
- ESG and Diversity, Equity and Inclusion (DEI) training for leaders and eligible employees.
- Annual awards for roles such as best Captain and Chief Engineer to motivate seafaring personnel.
- Improved benefits including medical coverage, birthday leave and dress casual days.
- Review of all HR policies and employment agreements worldwide to ensure the protection of employees and compliance with relevant regulations.
- First succession planning exercise for onshore employees.
- Recruitment roadshows and seafarer referral program.

RISKS TO OPPORTUNITIES



WASTE, POLLUTION AND SPILLS

Related pillars **N** **E** **S** **W**

Opportunity

State-of-the-art 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.

Risk

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.

GEOPOLITICAL INSTABILITY

Related pillars **N** **S**

Opportunity

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

Risk

Adverse geopolitical events such as the security situation in the Gulf of Aden/Southern Red Sea region could result in further 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.
- Route optimization and best management practices (BMP) to ensure safety.
- Usage of advanced security technology and real-time position tracking of vessels through Stratum Five/Fleet Operation Solution (FOS).
- Provision of daily updates and weekly intelligence reports to enable the FLEET Board and senior management to make security-related decisions.
- Cooperative discussions among stakeholders including owners and charterers to manage disruptions.
- Activation of emergency response plan, coordination with regional navies and security providers, owners and charterers, and care for the health and safety of the crew immediately implemented in the event of a vessel attack. Post-incident investigations conducted with lessons learned applied to proactively prevent similar incidents from reoccurring and, should they reoccur, to minimize their impact.



RISKS TO OPPORTUNITIES



SUPPLY CHAIN MANAGEMENT

Related pillars **N**

Opportunity

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.

Risk

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

Mitigating Actions

- Supplier Onboarding Program and Supplier Code of Conduct.
- Quarterly supplier relationship meetings.
- Oracle Supply Chain Management system for processing quote requests and purchase orders.
- Responsible Sourcing Policy for Caravel Resources.
- Know Your Counterparties (KYC) vendor management process and due diligence checks.
- Prioritization of relationships with approved suppliers.
- Automated workflow solution to track supplier complaints and remediation.

COMMUNITY INVESTMENT AND ENGAGEMENT

Related pillar **W**

Opportunity

Investment can uplift communities and reduce inequality. Engagement in community and industry efforts enhances the reputation of the business, attracts talent, improves market intelligence and can be a point of differentiation for the Group.

Risk

Lack of community engagement leads to fewer opportunities to reduce inequality and support people, leading to reduced trust. Lack of participation in industry efforts is a reputational risk, which poses a threat to the financial performance of the Group.

Mitigating Actions

- Various community activities to enhance the lives of people.
- Participation in industry forums to share skills and knowledge.
- The Caravel Foundation's initiatives.



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

CASE STUDY

The Caravel Group has established a robust reputation as a responsible business through years of consistent performance and earning stakeholder trust, which is key to our success.

We adhere to regulatory standards across all jurisdictions of operation. Our commitment to sound governance and strong risk management protocols forms the core of our business practices. Our investments in digital transformation are essential for meeting evolving client demands and regulatory changes. This section details our activities under the "Navigating Responsibly" pillar for the reporting year.

For more information about our management approach for the topics of Ethical and Responsible Business and Digital Transformation, refer to the section titled Navigating Responsibly: Strategy and Management Approach in the Appendix.

From Data to Decisions – Enhancing Analytics for Operational Effectiveness

The Caravel Group's strategic enhancement of our enterprise resource planning (ERP) system, PARIS 2.0, marks a significant leap in operational effectiveness. Through the integration of NOVA, our advanced data analytics platform, we have made significant technological advancements, furthering our commitment to continuous improvement.

KEY ENHANCEMENTS

1. Predictive Analytics Integration

We now use machine learning to predict Carbon Intensity Indicator (CII) values, featuring a "what-if" analysis tool. In 2024, we plan to extend these capabilities to more dashboards, including those designed to comply with the EU-ETS.



2. KPI Dashboard Development

A new internal dashboard now tracks KPIs in six areas: customer service, financial health, operational and technical performance, employee engagement, safety protocols and environmental impact.

3. Enhanced Financial Reporting

New dashboards provide insights into annual trends and analytics, improving financial reporting for shipowners.

These upgrades ensure that the Group remains agile, better meets client needs and adapts to a dynamic regulatory environment. By enhancing our digital framework, we not only bolster our market position but also reinforce our dedication to operational efficiency, regulatory compliance and competitive performance globally.

Pillar Goals and Targets

The Group's goals and targets are mapped to the UN SDGs to which we contribute. Our progress towards these goals and targets is shown below.



We enforce a strict zero-tolerance policy against corruption and unethical behavior. We continuously enhance our due diligence to uphold ethical standards in all business engagements. Our commitment to a safe and equitable environment allows for open communication of concerns, bolstered by in-depth training on ESG best practices to reinforce our operational effectiveness, accountability and transparency.

GOALS

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

TARGETS

- Deliver biannual **anti-corruption training** to **100% of eligible employees**⁴
- ✓ **Resolve 100%** of whistleblowing cases that arise
- ✓ 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**

2023 PERFORMANCE

✓ ACHIEVED

✓ ACHIEVED

○ ON TRACK

✓ ACHIEVED

✓ ACHIEVED

○ ON TRACK



We are committed to accurately measuring and managing our environmental and social impact. By embedding advanced digital solutions and data analytics into our core operations, we aim to enhance our accountability and operational efficiency, creating value for all stakeholders.

GOALS

- ✓ **No loss** of personal or company **data** due to cyberattacks
- Drive the **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 ship-owning clients
NOVA rolled out to colleagues; clients will gain access in 2024
- By 2024, **relevant employees to be trained on applicable privacy laws**, including the General Data Protection Regulation (GDPR)

✓ ACHIEVED

○ ON TRACK

○ ON TRACK

▶ BEHIND

○ ON TRACK

⁴ This goal has been refined in 2023 to reflect the frequency of training.

MATERIAL TOPIC

Ethical and Responsible Business

Our mission is to uphold high ethical standards and conduct business responsibly across our value chain to achieve sustainable yet profitable operations. Maintaining a workplace rooted in fairness and respect is crucial for our ongoing success. This year, we joined the UNGC, reaffirming our commitment to sustainable and responsible business practices. As a signatory, we have pledged to adhere to the UNGC's ten principles. Additionally, we aim to enhance our transparency by regularly tracking and reporting on our progress for each of the ten principles.

Integrity in Leadership: Championing Good Governance and Responsible Business Conduct

At The Caravel Group, accountability isn't just a concept—it's a commitment reflected in our actions. In 2023, we revitalized our ESG Governance Structure, ensuring a tighter integration of sustainability in our core operations. This strategic update enhances our ability to manage sustainability-related risks and seize relevant opportunities more effectively. Another notable development was the appointment of a new GM for sustainability, reporting directly to the COO. This role is pivotal in driving our Encompass sustainability strategy as we continue to make progress and increase transparency on our impacts and performance. Guided by comprehensive policies, the year also marked significant advancements in our ethical

practices. We updated our Group Compliance Policy, and implemented both the [Group Human Rights Policy](#) and [Caravel Resources Responsible Sourcing Policy](#). Our refined Governance Structure and a comprehensive list of sustainability-related policies can be found in the Integrity in Leadership: Championing Good Governance and Responsible Business Conduct section in the [Appendix](#).

Leadership development was another area of focus. We provided training for our GMs and Directors on ESG principles and our Encompass strategy. Additionally, our key board members across the Group received DEI training.

Economic Performance

Steady economic performance remains a key priority as it is crucial for the continued success of the business, our clients, employees, seafarers and the wider communities that depend on us. Responsible development of our business requires vigilant oversight of commercial decisions. Notably, complying with dynamic sanctions against Russia, including halting coal purchases from the country.

Furthering our commitment to long-term value creation, we continued making deposits that support banks in funding sustainable projects. We upheld our contribution to Standard Chartered Bank's Sustainable Deposit under its Green and Sustainable Product Framework. Additionally, we expanded our investments by making deposits to ESG funds at HSBC and BNP Paribas. Our most significant contribution was in November 2023, amounting to USD 25 million⁵. These financial decisions reflect our dedication to promoting sustainable economic development and supporting projects that align with our sustainability goals.

Regulatory Landscape: Maintaining Global Standards

Regulatory Compliance

We are committed to meeting regulatory requirements including those for ethical conduct, safety and environmental management across the jurisdictions in which we operate. Our compliance procedures meet and often exceed legal requirements. In 2023, we achieved our goal with no recorded instances of non-compliance with Group policies.

The Group keeps abreast of evolving regulations and takes action to remain in compliance. Most recently, and in response to the EU's decision to expand its emission cap-and-trade system for the maritime sector, FLEET decided to expand its service portfolio to provide additional support to clients. To aid our clients in complying with this regulation, FLEET will ensure the monitoring of GHG emissions is conducted according to the EU's regulatory requirements. We have been implementing necessary revisions to client agreements to cover the expanded responsibilities of the parties involved. More details can be found in the section on [Energy and Climate Resilience](#) of this report.

COMPLIANCE CHECKS

Thorough compliance checks, focusing on voyages and third-party payments, are central to our efforts to achieve legal and regulatory compliance. In the reporting year, navigating sanctions against Russia by the United States (US), EU and United Nations continued to be a key factor in voyage planning.

⁵ The 2022 Report misstated that the highest contribution for that year was made during September and October 2022, with the amount deposited being USD 84 million. In fact, the highest contribution in 2022 was made during March and April 2022, with the amount deposited being USD 28 million.



MATERIAL TOPIC ETHICAL AND RESPONSIBLE BUSINESS

The Group has intensified both pre- and post-contractual screening of counterparties to address such risks effectively. In 2023, approximately 103 voyage compliance-related checks were conducted, involving contracting parties and vessels. Additionally, we undertook 9,209 checks on suppliers and counterparties in 2023, up from 8,643 the previous year. We also rigorously verified all suspicious invoices for validity before processing payments, ensuring financial integrity and compliance.

Anti-Corruption

To fortify our stance against corruption, we implement rigorous internal controls, including periodic reviews and audits. Mandatory anti-corruption training is a cornerstone of our onboarding process for new employees, and is also required bi-annually for all existing staff, including board members and the management team. In 2023, every eligible employee underwent this training, consistent with our strict protocols. As per our normal practice, we continue to review training content annually and refresh it when needed to ensure employees have the skills to implement responsible conduct at work. The Group has plans to update training content on anti-corruption in 2024 to ensure employees are kept abreast of the latest regulations and procedures. Policies covering anti-corruption are consistently shared with all employees and seafarers.

When it comes to external parties, our robust KYC due diligence system (overseen by our Group Financial Controller) is used. Our KYC procedures enquire if counterparties have policies on modern slavery and codes of conduct. Overall, we conducted 1,170 KYC screenings in 2023, compared to 684 in 2022, an increase of 71%. There were no reported incidents of corruption, money laundering or legal actions related to anti-competitive, anti-trust or monopolistic practices in 2023.

To address corruption on an industry level, FLEET has been a member of the Maritime Anti-Corruption Network (MACN) since 2021. We attended several meetings on the subject of anti-corruption in 2023 and intend to take a more active role with MACN in 2024.

Reporting Grievances: Strengthening Organizational Accountability

The Group's grievance procedure empowers individuals to voice concerns about policy violations or other issues, while safeguarding whistleblowers. This approach actively encourages employees, seafarers and other stakeholders to come forward with confidence.

In 2023, 433 reports from ships were received through our Open Reporting System, and all were resolved and closed. Most reports concerned conflicts among crew members and provisions on board. Reports related to the mental health of crew members were given immediate attention by our dedicated in-house psychologists. No grievances related to office matters were received during the reporting year.

Responsible Sourcing: Elevating Supply Chain Integrity

Our approach to responsible sourcing is defined by fostering long-term supplier relationships, crucial for delivering superior products and services to our clients. Collaborating closely with our key vendors, in the reporting year we continued to conduct quarterly feedback sessions as part of our ongoing relationship reviews.

In 2023, the Group focused on prioritizing relationships with approved suppliers. By ensuring spending is concentrated on FLEET's approved vendors, the risk of using non-contracted suppliers was reduced. To improve our supplier management performance, we introduced an automated workflow solution for recording and tracking vendor complaints and their remediation. In the last quarter of 2023 when the system was introduced, 24 complaints were recorded from the 60,000 transactions completed. A variety of remediations were implemented depending on the nature of the issue. This tool not only simplifies management of new vendors but also enables detailed trend analysis of supplier types and locations, providing valuable data to our strategic sourcing and category management teams.

We utilize the Oracle Supply Chain Management solution on behalf of our ships. In the reporting year, over 90 vessels went live on the platform, allowing for efficiency improvements in our end-to-end processes. All remaining vessels are expected to follow suit by September 2024.

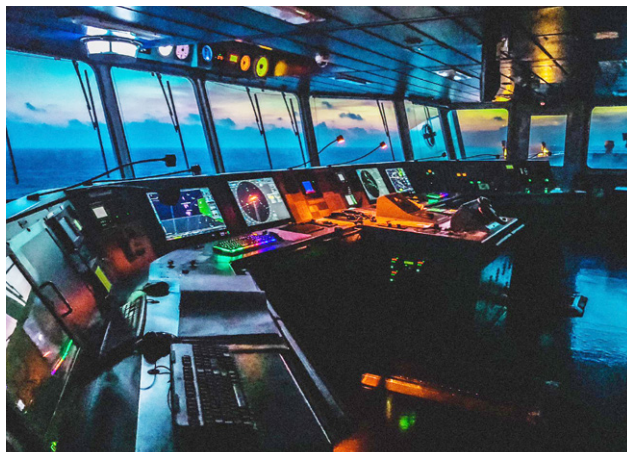
Looking forward, we aim to enhance our third-party screening process. This enhancement will include continuous monitoring of suppliers against key criteria, including if they are on sanctions and/or country-specific watch lists. One objective of this is to screen out politically exposed persons and passive holding companies. We also aim to verify the QHSE capability of suppliers by implementing a QHSE questionnaire to assess compliance prior to registering suppliers.

More detail on our compliance procedures, anti-corruption measures, grievance mechanisms and procurement policies can be found in the Ethical and Responsible Business section of the [Appendix](#).

MATERIAL TOPIC

Digital Transformation

The strategic enhancement of our digital capabilities is essential to sustaining superior safety and environmental standards, as well as for streamlining our operations, including the management of vessel journeys. This progress hinges on the robustness and reliability of our information technology (IT) processes and systems, which underpin our digital platforms and solutions.



Technological Advancement: Driving Sustainable Change

This reporting year we have made steady progress in excelling our digital capabilities, driven by our commitment to meet and exceed the expectations of our clients and stakeholders. Central to this endeavor is the strategic enhancement of our ERP platform, PARIS 2.0. This advancement signifies an important step in strengthening the operational transparency of our systems. More detail on the PARIS 2.0 platform and its features can be found in the section on Technological Advancement: Driving Sustainable Change in the [Appendix](#).

Our PARIS 2.0 platform now also incorporates advanced analytics to fulfill the regulatory requirements of the EU-ETS. The capabilities include integration with classification societies, such as ClassNK, American Bureau of Shipping (ABS) and DNV, enabling the accurate verification of voyage data. This crucial step allows for the effective assessment of our ships' fuel efficiency in compliance with CII categories, along with voyage efficiency and emission intensity standards. With the additional data captured, we have developed a new dashboard within NOVA, the data analytics platform of the PARIS 2.0 ecosystem, which enables users to see trend summaries for EU-ETS.

Other enhancements added to the PARIS 2.0 platform include:

- Ability to perform automated distance calculations using AIS satellite feeds for voyage reporting. This enhancement in measuring emissions more precisely reflects the distance traveled by vessels, thereby improving accuracy.

- Capability to provide voyage reporting data to external third parties as permitted by owners, for example, to support regulatory reporting purposes.
- Providing owners access to a detailed breakdown of financial invoices and the ability to raise queries dynamically to access monthly data updates. This functionality is being enhanced to allow more frequent access to financial data in the near future.

In 2023, FLEET witnessed a significant shift towards a more streamlined and efficient operational model, primarily driven by the wider adoption of PARIS 2.0 within our internal teams. Notably, the roll out of our SafeView⁶ app to the quality management system (QMS) team was a key development. We also started to move shipowner clients onto the PARIS 2.0 platform after a successful pilot was completed in the last quarter of 2023. This pilot phase was instrumental in introducing the new financial reporting feature, designed to provide comprehensive and granular insights to owners. As part of this, we also developed dashboards to provide trend analysis, which will be further enhanced based on feedback from owners.

A number of important upgrades were made to the NOVA analytics system; details are provided in the case study on [p.14](#). In 2023, NOVA was rolled out to all employees with the appropriate level of control based on their role within the Group. All clients with access to PARIS 2.0 automatically gain access to NOVA. By the end of 2023, 15 of our shipowner clients with a total of 129 ships had access to PARIS 2.0 and NOVA services. Initial feedback has been positive, providing new visibility on data insights, with clients offering valuable feedback for enhancing the system. We are in the process of completing the roll out of NOVA and expect this to be available to all clients by end March 2024.

⁶ The SafeView mobile application, a key feature of PARIS 2.0, provides full end-to-end capability for conducting vessel inspections, thereby enabling data to be analyzed and recommendations to be provided to vessel owners.

MATERIAL TOPIC DIGITAL TRANSFORMATION

Our digital enhancements also extend to our seafarers. Although there has been a delay in the implementation of a Seafarer Portal on the PARIS 2.0 platform, it continues to hold significant importance as we strive to increase engagement with our seafarers. This portal will allow each seafarer to have individual access to information such as their personal details, training records and other essential information in one easy-to-find location.

As we move forward, embracing technological advances remains a priority. We began work on developing a comprehensive policy that sets forth clear guidelines and best practices for responsible and secure use of artificial intelligence in our work. The aim is to allow us to enhance our performance while maintaining high ethical standards. In addition, we are continuing to design new analytical capabilities to assist in operational decision making, including in areas such as procurement and finance. Our focus will be on creating a new common KPI scorecard utilizing dynamic data for use across FLEET.

Ensuring the security of data and intellectual property is a fundamental aspect of operational integrity, both at sea and onshore.

Data Stewardship: Upholding Privacy and Security

Our digital advancements are grounded in sophisticated IT systems that prioritize data security and the management of cyber risks. Guiding our management of IT risks are FLEET's Security and Cybersecurity Policy and IT Risk Register. More detail on our approach to information management systems, including data privacy and cybersecurity, can be found in the section on Data Stewardship: Upholding Privacy and Security in the [Appendix](#).

Data Privacy

Ensuring the security of data and intellectual property is a fundamental aspect of operational integrity, both at sea and onshore. In the reporting year, no complaints regarding privacy breaches or loss of confidential company data were reported. Management stays actively engaged in monitoring any changes to the policies and systems pertaining to data privacy, ensuring we continue to comply with the various privacy laws in all jurisdictions where we operate.

In 2023, the Group took steps to further fortify its data protection protocols, placing a strong emphasis on employee training to heighten awareness of data privacy issues. This initiative saw the successful implementation of GDPR training for all newly onboarded employees, complemented by specialized GDPR training conducted by our Group Data Processing Officer (DPO) for select staff members. Impressively, 890 employees completed the essential GDPR training.

Furthermore, we mandate biannual refresher courses for our existing workforce. Our target is to extend comprehensive training on relevant privacy laws to all pertinent employees by the close of 2024.



As we look to the future, the Group is actively preparing to comply with India's Digital Personal Data Protection Act of 2023, which is expected to be enforced in phases from the year 2024 onward. In the reporting year, we initiated a preliminary review of our data management practices in India. In 2024, we will conduct an in-depth analysis to formulate our approach to meeting the stringent obligations concerning the collection, utilization and sharing of personal data that are expected to be implemented.

MATERIAL TOPIC DIGITAL TRANSFORMATION**Cybersecurity**

In an era where digital threats are constantly evolving, the Group's proactive approach to cybersecurity has never been more vital. To assess and improve our overall cybersecurity policies and procedures across the business, we are in the process of recruiting a dedicated in-house cybersecurity team for the Group.

ONSHORE

At present, our IT team oversees cybersecurity across our offices globally. Clear KPIs are set as part of our cybersecurity strategy for the year. In 2023, our KPIs remained focused on "Keeping our Systems Secure". We continued to remove equipment older than five years—replacing routers, switches, personal computers—and assessed servers. This helped reduce the risk of attacks arising from vulnerabilities. We run periodic phishing tests for our office staff to evaluate the impact of the training we conduct on this topic. One such campaign in December 2023 for all FLEET staff found some areas for improvement, with affected users given extra training to learn how to recognize phishing attempts and subsequent tests to verify comprehension.

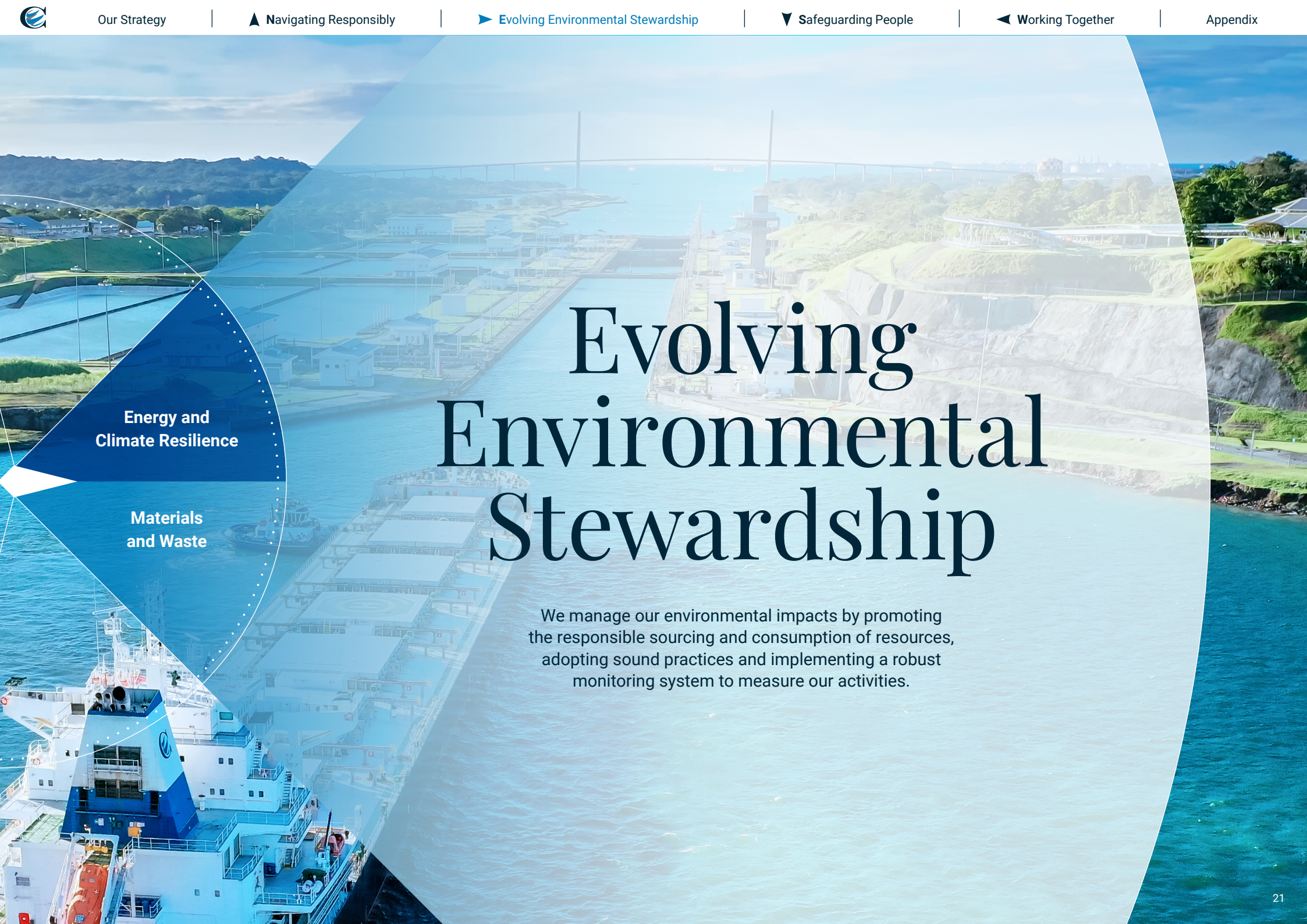
ON BOARD

Effective cyber risk management and compliance with the International Safety Management (ISM) Code are achievements we proudly uphold across our fleet. A dedicated cybersecurity plan that includes crisis management procedures to handle cyberattacks is provided to each of our vessels.

In 2023, our cybersecurity plan and ship-specific risk assessments were enhanced and then subsequently underwent a thorough review process. This important undertaking was conducted in collaboration with the classification society, ABS, providing an external perspective on our adherence to industry best practices. As a result of these efforts, 67% of our fleet received a Statement of Compliance for cybersecurity measures. This covered all our ships managed in the Hong Kong SAR and will be extended to include our remaining ships managed in Singapore, Cyprus and other areas.

Monitoring data and IT systems for detection of suspicious cyber activity across our large number of ships remains a challenge. To better manage legacy equipment and software on vessels, in 2022, we conducted a pilot project to implement software that allows us to track inventory and push software updates and patches that can be controlled remotely. We have since reviewed the necessary bandwidth needed to rollout this software update to ships, and target to implement this on more vessels in 2024.

Another challenge is managing satellite connectivity on vessels as we strive to provide higher speed and bandwidth securely. In 2023, we worked with major suppliers to identify a strategic solution that enabled the rollout of Starlink satellite capabilities to ships while ensuring that the additional bandwidth required was delivered in a secure manner by upgrading our core vessel services.



Energy and
Climate Resilience

Materials
and Waste

Evolving Environmental Stewardship

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

CASE STUDY

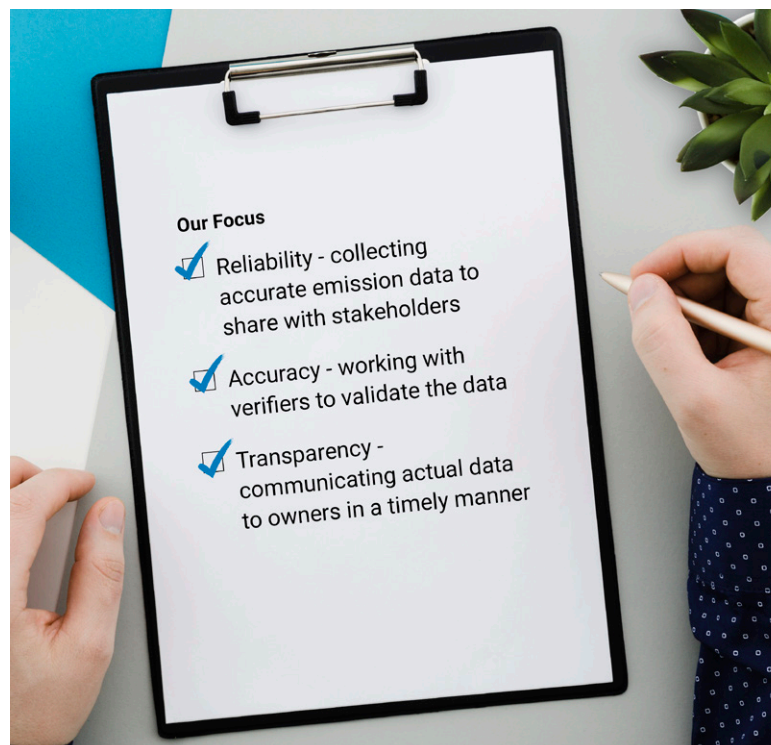
The future is marked by climate change-related extreme weather, biodiversity loss and resource shortages, bringing operational and regulatory challenges that we must navigate.

The Group is dedicated to reducing our environmental footprint across all business lines. Accordingly, we plan to conduct assessments of our climate and nature-related risks as we embrace innovation in line with our comprehensive sustainability strategy, Encompass. In evolving our approach to environmental stewardship, the Group emphasizes resource efficiency, biodiversity protection, pollution prevention and waste management.

This section outlines our programs and performance in the reporting year, with more detail on our management approach to these topics available in the section on Evolving Environmental Stewardship: Strategy and Management Approach in the [Appendix](#).

Building Climate Resilience – Addressing EU-ETS

As a significant part of our Group operates within the maritime industry, which accounts for 3% of global GHG emissions⁷, we are committed to addressing climate change. This year, we have focused on helping our FLEET clients comply with the EU-ETS, which is now applicable to maritime transport. In 2023, FLEET expanded our service portfolio to provide comprehensive support specifically for monitoring, reporting and verifying GHG emissions⁸. As a part of this expanded service, we have formed a dedicated EU-ETS team, drawing experts from our technical, QHSE, legal, insurance and accounting departments, to assist our clients in meeting the requirements. We have also enhanced our innovative technology platform, PARIS 2.0, to accurately assess and manage the fuel efficiency of our ships, assist in complying with emission intensity standards and ensure transparency in our reporting.



Extending the EU-ETS to the maritime sector incentivizes investment in carbon reduction technologies, driving innovation and encouraging the adoption of environmentally responsible practices. Understanding the significance of this, we engaged with industry associations such as BIMCO, InterManager and INTERCARGO in the reporting year to help enhance the industry's understanding of this critical regime.

⁷ IMO: <https://www.imo.org/en/ourwork/Environment/Pages/Fourth-IMO-Greenhouse-Gas-Study-2020.aspx>.

⁸ This will cover CO₂ emissions until 2025 and CO₂, CH₄ and N₂O from 2026 onwards.

Pillar Goals and Targets

The Group's goals and targets are mapped to the UN SDGs to which we contribute. Our progress towards these goals and targets is shown below.



The Caravel Group is dedicated to formulating a strategic roadmap that strengthens resilience and adaptability in response to climate risks and natural catastrophes. Our approach is based on enhancing resource efficiency and reducing emissions. In collaboration with partners, we are exploring more sustainable fuel options. This commitment is integral to our active contribution to global endeavors aimed at climate change mitigation.

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 CII categories towards "A"**
- Encourage **use of reduced-impact fuels** on all ships⁹
- ✓ **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"**
We are actively collaborating with shipowners to develop a customized plan designed to improve CII ratings
- Conduct a **climate-related 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 and **implement an energy reduction plan** in 2024

2023 PERFORMANCE

○ ON TRACK

○ ON TRACK

○ ON TRACK

✓ ACHIEVED

▶ BEHIND

○ ON TRACK

○ ON TRACK



The Group actively works to lessen our operational impact on marine ecosystems through strategic vessel routing and judicious material utilization, aimed at preventing pollution and reducing 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 **BWTS installed on all vessels** by 2024

✓ ACHIEVED

○ ON TRACK

✓ ACHIEVED

✓ ACHIEVED

★ AHEAD

✓ ACHIEVED

○ ON TRACK

⁹ This goal was expanded in 2023 to cover all ships under our management.

MATERIAL TOPIC

Energy and Climate Resilience

The Group supports the IMO in its GHG reduction plans for 2050. We are implementing robust energy management measures, and actively working towards reducing emissions of our owned and managed vessels through retrofits and integration of innovative technologies that prioritize reduced energy consumption.

Propelling Change: Assessing our Energy and Emission Journey

The Group's Energy and Emission Impact

We continuously monitor our energy consumption and emissions from ships and our global offices to support our efforts to reduce our impact.

ON BOARD

Our comprehensive policies to manage energy consumption and emissions from our shipping operations can be found in the Environmental Policies and Systems section of the [Appendix](#). Key to monitoring our impact, we routinely measure fuel consumption on all owned, JV-owned and managed ships, with verification by classification societies as per regulatory requirements. Emissions generated are also systematically recorded.

In 2023, our total energy consumption from ships decreased due to the effective use of energy-saving devices (ESDs), voyage optimization practices and good maintenance systems such as regular hull cleaning. Our energy intensity also decreased in the reporting year due to the success of our energy-saving measures, despite the fact that we managed more ships compared to the previous year.

With the reductions in energy consumption and intensity, we also saw related decreases in GHG emissions on both an absolute and intensity basis. Apart from GHG emissions, we also track SOx and NOx emissions.¹⁰

TOTAL GHG EMISSIONS ON SHIPS (TONNES OF CO₂e)

	2021	2022 ¹²	2023
Scope 1	76,039	90,215	85,916
Scope 3	12,478,030	13,028,328	12,901,632

TOTAL ENERGY CONSUMPTION ON SHIPS (MJ)

2021	2022 ¹¹	2023
164,048,716,238	171,130,368,355 ¹³	169,927,181,799

¹⁰ Energy and emission figures were based on 663 owned, JV-owned and managed vessels in 2023, compared to 631 vessels in 2022.

¹¹ Energy and emission figures based on 631 ships in 2022, restated from 692 ships published in 2022.

¹² Ibid.

¹³ 2022 figure restated to include renewable energy.

MATERIAL TOPIC ENERGY AND CLIMATE RESILIENCE

ON BOARD (Cont.)

Our Path to a Lower-carbon Future

We optimize energy efficiency on owned and managed ships through a blend of operational efficiency measures, energy-saving devices, innovative technology, alternative fuels and cold-ironing facilities at ports that have Alternate Marine Power (AMP) facilities.

In 2023, our actions involved implementing Ship Energy Efficiency Management Plans (SEEMP), verified by a classification society, to guide our clients towards meeting IMO's energy efficiency standards. Our NOVA CII dashboard provided near-real-time calculation of each ship's CII rating, helping us chart a course towards improved ratings for all ships. In instances of rating declines, we proactively recommended maintenance and upgrades to shipowners. Our collaborative efforts with shipowners interested in investing in technology to enhance energy efficiency underscore our environmental stewardship efforts. FLEET's adherence to energy-efficient measures throughout the year ensured compliance with the required Energy Efficiency Existing Ship Index (EEXI) for each vessel at the time of its first periodical survey conducted in 2023.

More information can be found in the section titled Our Path to a Lower-carbon Future in the [Appendix](#).

Maximizing Energy Efficiency on Owned Ships

Our owned ships were upgraded in 2022 to improve their attained EEXI. Alterations made resulted in a reduction of fuel consumption by approximately 23% in 2023 as compared with 2022.

In the reporting year, the GHG intensity decreased for our wholly owned ships compared to the previous year, with one

ship improving its CII rating significantly from D to B due to retrofits and the implementation of good maintenance systems. However, the CII rating of another ship declined as a result of more time spent at port. This ship was consuming fuel while movement was limited, resulting in a lower rating. The CII ratings for two wholly owned ships and our JV-owned vessel remained at C and we acquired a new ship rated D. We continue to work towards improving ratings for these ships.

CII VALUES FOR OWNED SHIPS¹⁴

Ship	2021	2022	2023
Ship 1	4.15	4.00 (C)	4.05 (C)
Ship 2	4.22	4.07 (C)	3.86 (C)
Ship 3	5.27	5.10 (D)	4.25 (B)
Ship 4	4.87	4.85 (C)	5.13 (D)
Ship 5	—	—	5.06 (D)
JV-owned Ship	13.21	14.21 (C)	14.51 (C)

Maximizing Energy Efficiency on Ships We Manage

A comparison of year-on-year data shows a decrease in the percentage of managed ships achieving the A and B CII categories in 2023. However, we did achieve an over 2% reduction in carbon intensity for managed ships in 2023 when compared to the previous year, in line with our efforts to attain at least a 2% reduction compared to the previous year for ships in category C and above. 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. To enhance ratings, we collaborate with vessel owners to develop a customized plan that incorporates the use of biofuels or drop-in fuels. We also work closely with charterers and owners to optimize voyages by adjusting factors such as RPM, ship speed and the number of port stays.

PERFORMANCE OF MANAGED SHIPS

2023 CII Rating

74% C or above 13.8% D 9.4% E

PERCENTAGE OF MANAGED SHIPS BY CII CATEGORY*

CII CAT	2021	2022	2023 (projected)	2023 (actual)
A	10.8	20.1	18.0	16.4
B	17.5	25.6	25.4	25.5
C	33.8	31.5	34.8	32.1
D	27.4	14.8	13.7	13.8
E	10.5	8.0	8.2	9.4

* Figures have been rounded up.

¹⁴ 2021 and 2022 values have been restated.

MATERIAL TOPIC ENERGY AND CLIMATE RESILIENCE**ON BOARD (Cont.)**

Demonstrating our Commitment to Environmental Protection

In the reporting year, we were proud to receive the coveted Green Award certification renewal for nine oil/chemical tankers and two dry bulk carriers managed by our offices in the Hong Kong SAR and Cyprus. Presented to us by the Green Award Foundation, this quality assessment certification by an independent, international non-profit organization, reflects the high standards we continue to maintain.

"I am extremely proud of our team that helped us achieve the renewal of the Green Award for our office. At FLEET, we are committed to responsible shipping and caring for our environment, people and broader communities. This award is a testament to our ongoing commitment to prioritizing environmental stewardship and managing our impact across our operations."

Mike Bradshaw, Director for FLEET Cyprus

Furthermore, over 80 vessels under the management of FLEET maintained an Environmental Ship Index (ESI) Score exceeding 30. This score signals performance surpassing IMO standards. A higher score in the voluntary ESI framework reflects good environmental performance and reduced expenses at participating ports. Additionally, 7% of the vessels managed by FLEET have obtained certification from the E-Zero program. This initiative by the US Coast Guard recognizes vessels that consistently adhere to stringent environmental protocols.

Actioning Trailblazing Solutions for the Future

In pursuit of groundbreaking solutions to optimize efficiency, this reporting year we made strides with the installation of eConowind VentiFoil¹⁵ on our client Chemship's M/T Chemical Challenger vessel. These innovative aero foils (collapsible and upright aircraft wings) are designed for high propulsion and efficiency, and are estimated to yield a 12% fuel saving and an average 10% reduction in CO₂ emissions. As a result, an annual CO₂ reduction of 850 tonnes, the equivalent yearly CO₂ emissions of over 500 passenger cars, is anticipated. In 2024, the ship will conduct sea trials to assess the performance and efficiency of its newly installed system.

In parallel, we're advancing renewable energy use by installing photovoltaic (PV) panels on a client's ship, with completion anticipated in 2024. The daily energy generated from this project will contribute 100 kilowatt hours for lighting in the accommodation and common areas. This will result in the avoidance of around 3% in fuel consumption. Other new technologies being tested on selected vessels under our management include an ultrasonic antifouling system and air lubrication technology. The ultrasonic antifouling system deters marine growth using high-frequency sound, reducing the need for chemicals. Concurrently, we are testing air lubrication to minimize hull drag. Together, these innovative approaches aim to enhance the energy efficiency and sustainability of our shipping operations. The trials will inform decisions on expanding these technologies across our fleet.

Building Energy Efficiency into Ship Design

Our newbuilding supervision team, overseeing client ship construction at third-party shipyards, is dedicated to adopting environmental performance features in new vessels. The team actively researches the latest advancements in technology and regulations, including future fuels and emission treatment methods, and engages with technology providers. This proactive approach empowers them to integrate energy efficiency and emission reduction into the design and assembly of ships, furthering our commitment to operational excellence.

The newbuilding supervision team has implemented several environmental initiatives between 2022 to 2023 to enhance energy efficiency. These include:

- Installing LED lighting on bulk carriers and containers.
- Applying rudder bulbs to improve hydrodynamic efficiency and reduce fuel consumption and emissions.
- Incorporating fan ducts to enhance propulsion efficiency by minimizing energy loss and improving the flow of water around the propeller.
- Applying Propeller Boss Cap Fins (PBCF) to reduce energy loss and improve propeller efficiency by reducing swirl and turbulence around the propeller boss.
- Implementing air lubrication systems to reduce friction between the hull and water, enabling smoother vessel movement and reduced energy consumption.

Based on initial estimates, it is anticipated that energy savings of approximately 3 to 10% can be achieved from these initiatives.

¹⁵ The propulsion force of a VentiFoil unit is equal to a sail of 160 to 360m², and its power is equal to that of 1,000 to 2,000 solar panels.

MATERIAL TOPIC ENERGY AND CLIMATE RESILIENCE**ON BOARD (Cont.)****Fueling the Future Sustainably**

As the industry works to reduce GHG emissions, liquefied natural gas (LNG), methanol (a low-flash point fuel), liquefied petroleum gas (LPG), ethane and ammonia are some of the future fuel options that are being considered. In addition, biofuels are another alternative that the industry is exploring. In the reporting year, we increased the usage of biofuels, utilizing this cleaner option on five ships.

FLEET continued to take a proactive approach to embracing the transition to future fuels through our technical management and newbuilding supervision. We had **48 dual-fuel vessels** across our portfolio in 2023, with 22 vessels under our technical management (up from 15 in 2022) and 26 more under our newbuilding supervision pipeline.

DUAL-FUEL VESSELS

Department	2022	2023
Newbuilding	21	26
Technical Management	15	22

All vessels delivered under FLEET’s newbuilding supervision in 2023 complied with EEDI Phase II or the more stringent Phase III requirements.

By investing in targeted programs and enhancing our capabilities, we have developed expertise in future fuel systems, including the handling of methanol. Detail can be found in the section on Future Fuels—Training in the [Appendix](#). To build our capacity, we have trained 950 people between 2022 to 2023. In the reporting year, 25 superintendents were trained on the International Code of Safety for Ships using Gases or Other Low-flashpoint Fuels (IGF code) requirements. We plan to further increase the total number of dual-fuel trained individuals to 1,200 by 2025.

Championing Green Ammonia Studies

FLEET has actively engaged with industry partners to propel the use of ammonia as a maritime fuel. As part of an ongoing feasibility study to develop an ammonia bunker supply chain in Singapore, we collaborated with partners to identify potential ammonia supply sources and indicative costs. We also undertook the preliminary design and cost analysis for critical infrastructure for this project, including ammonia storage tanks and a bunkering vessel.

In addition, in 2023, we signed a Memorandum of Understanding to jointly conduct a feasibility study with partners to establish a comprehensive and competitive supply chain for the provision of green ammonia ship-to-ship bunkering on the east coast of the US. This study will be conducted at one of the busiest gateways for containerized trade in America. FLEET’s role in this collaborative effort will be to develop safe and reliable ammonia bunkering procedures from a ship manager’s point of view and provide technical support in the design of ammonia-fueled vessels and an ammonia bunkering articulated tug-barge.

We have built our capabilities in designing dual-fuel vessels and conducting safe and reliable ammonia bunkering. This aims to benefit not just our clients, but the decarbonization pathway for the broader shipping industry.

Dr Kishore Rajvanshy

Managing Director, Fleet Management Limited

In a separate project, FLEET is collaborating with Seaspan Corporation, the Maersk Mc-Kinney Moller Center for Zero Carbon Shipping (MMMCZCS) and Foreship on the design of a 15,000 twenty-foot equivalent unit (TEU) ammonia-powered container vessel. The project started in 2022 and sought to address safety objectives, and identify both the potential hazards and impact on vessel performance of using ammonia fuel. FLEET’s main role was assisting in the development of the ammonia fuel gas supply system. We contributed to the analysis of risk at each stage of the system.

MATERIAL TOPIC ENERGY AND CLIMATE RESILIENCE**ONSHORE**

Apart from addressing the impact of ships, we are putting more effort into the management of energy consumption and emissions at our offices. In the reporting year, we established a standardized methodology for collecting energy consumption data across all offices to ensure consistency.

ENERGY CONSUMPTION

at our offices in 2023 was

7,791,271 MJ

This year's figure includes fuel used for company vehicles in addition to the electricity usage of 25 offices reported last year.¹⁶

GHG EMISSIONS

from 25 offices in 2023 amounted to

1,738 TONNES OF CO₂e

taking into account energy consumption of offices and vehicles.

This is more than the 1,344 tonnes of CO₂e¹⁷

(Scope 2) reported last year as only emissions from office electricity consumption were considered in 2022.¹⁸

OFFICE EMISSION INTENSITY¹⁹

amounted to

1.32 TONNES OF CO₂e

per employee in 2023 compared to

1.34 tonnes per employee in 2022.

**Implementing Sustainable Practices**

FLEET's premises in the Hong Kong SAR as well as at our Seawoods office in Mumbai are fitted with electricity-saving motion sensors. The Hong Kong office also has an automated "lights off" function, printer regulator, air conditioning cut off and elevator frequency measures.

In the newly added floors of our Andheri office in Mumbai, we implemented the following measures:

- Installed energy-efficient lighting system and controls with daylight utilization and occupancy ON/OFF control sensors, achieving a lighting connected load of less than 0.5W per sq.ft. for new floors.
- Opted for heating, ventilation and air conditioning (HVAC) systems with a coefficient of performance (COP) of four or above at 100% load to ensure efficient air conditioning and ventilation.

We also applied for Leadership in Energy and Environmental Design (LEED) certification (LEED v4 ID +C: commercial interiors) for our office in Andheri with the goal of achieving LEED Gold certification or higher. Initiatives implemented in line with LEED include the enhancement of indoor air quality (IAQ), usage of lower-emission, reduced impact building materials that are free from hazardous chemicals and are responsibly sourced. These materials are carefully selected by our procurement team, who verify their sustainability attributes based on manufacturer-provided documentation and certifications, such as lifecycle assessments that confirm the absence of hazardous chemicals and provide detail on volatile organic compound (VOC) content. We also installed energy and water consumption meters to improve data collection accuracy.

¹⁶ Energy consumption data does not include data from the office in Indonesia and the shared office spaces in the United Kingdom. It also does not include information on energy consumption from offices that were closed during the reporting year.

¹⁷ 2022 data restated due to update on CO₂e conversion factors.

¹⁸ Covers emissions from office consumption including heating and cooling.

¹⁹ Intensity figures are based on total scope 1 and 2 emissions per employee.

MATERIAL TOPIC

Materials and Waste

Effectively managing the use of shared resources, from water to the commodities we trade, is a cornerstone of our environmental strategy. Equally important is reducing waste generated across our operations, from ship-generated bilge and sludge to everyday refuse like food and general office materials. Through mindful consumption and responsible procurement, we strive to safeguard biodiversity, efficiently consume resources and minimize potential adverse environmental impacts arising from our business activities.

Resource Stewardship: Prioritizing Responsible Material Use

Implementing Sound Water Management Practices

Our water management practices demonstrate our commitment to conserving this valuable resource, which is vital for maintaining our license to operate at sea. In 2023, less water was utilized on our ships; 562 ML compared with 661 ML in 2022. The total amount of greywater discharged²⁰ to sea in 2023 was 559 ML compared to 658 ML in 2022, which is a 15% reduction over the previous year.

When it comes to onshore operations, water supply is typically controlled by property owners, however, we have taken proactive steps to manage consumption in our offices. As an example, in our new office in Mumbai we stopped using plastic bottles for water consumption, instead utilizing

glass bottles in each meeting room and in the common areas. Water fixtures have been replaced with new, efficient alternatives to conserve water, with potential water savings estimated at 33%. We also promote the usage of refillable glass bottles at our offices in the Hong Kong SAR.

Safeguarding Natural Habitats

Conserving marine biodiversity is a key focus, particularly as diverse ocean ecosystems play a vital role in climate regulation and building resilience to climate change disruptions. We continuously utilize BWTS as mandated by international regulations. In 2023, the number of ships fitted with BWTS was 516 compared to 384 in 2022, an increase of 34%.

We prioritize wildlife protection and actively support the US National Oceanic and Atmospheric Administration (NOAA)'s program to safeguard the North Atlantic right whales. Our US calling checklist incorporates a dedicated section specifically addressing right whale guidelines, addressing both federal and California regulations. To facilitate compliance, we provide ships calling to relevant ports with specific guidelines.

Building on our efforts, in 2023 we also implemented a geofence solution on our ships. This advanced system enables real-time tracking and generates alerts when ships enter ecologically sensitive areas. It's particularly instrumental in safeguarding marine habitats, for example, by issuing alerts when ships enter the habitat of the endangered North Atlantic right whales, prompting them to reduce speed. Additionally, alerts remind ships to make the necessary adjustments when traveling in waters with stringent fuel quality standards.

Responsible Commodity Trading

We carefully balance the necessity of trading commodities like iron ore and coal for the global economy with awareness of their environmental and social impacts. Caravel Resources, our subsidiary, operates under a diligent framework guided by our [Responsible Sourcing Policy](#). This policy, implemented in 2023, is now integral to our Group's operations, ensuring that all relevant personnel adhere to the highest standards of ethical sourcing. To reinforce the guidelines outlined in our policy, we continue to remind traders of their responsibility to comply with the stipulations, underlining the importance of ethical decision making and accountability in our business practices.

In 2023, we improved our SOP on KYC. It mandates the approval of new counterparties with whom Caravel Resources can enter commodity sale and purchase contracts. As part of this process, we conduct ESG due diligence, review financial statements, company records and any connection to conflict-affected and high-risk areas along with other relevant information.

Detail on how we manage water, marine ecosystems and commodities can be found in the section on Materials and Waste in the [Appendix](#).



²⁰ Greywater discharge is calculated by subtracting drinking water from our total water consumption figure.

MATERIAL TOPIC MATERIALS AND WASTE



Reducing our Footprint: Adopting Responsible Waste Management Strategies

The Group manages our waste responsibly and encourages employees and seafarers to support us on our waste reduction journey. In addition to protocols on ships and in offices, we also have procedures in place for managing waste in line with regulations at shipyards where new builds are constructed.

Tackling Shipboard Waste

In 2023, the total waste generated on ships increased as there were more ships under our management. Waste generation was kept in check primarily through increased environmental awareness and reduced consumption of water in disposable bottles resulting from campaigns on reducing single-use plastics.²¹ We also used more treated desalinated water on ships in place of freshwater.

WASTE ON SHIPS (m ³) ²²			
Total Waste	2021	2022 ²³	2023 ²⁴
Owned and JV-owned Ships	1,547	1,520	1,300
Managed Ships	118,407	149,138	158,097
Total	119,954	150,658	159,397

BILGE WATER

Bilge water comprises fresh water, sea water, oily wastewater, chemicals and/or various other fluids that typically accumulate beneath the floorboards and under the engine of ships. Bilge Water Management Systems (BWMS) prevent the contamination of the marine environment and maintain the safety of ships.

In 2023, 18% of our managed ships were fitted with both an evaporation tank and a clean drain tank. 26% of managed ships were fitted with an evaporation tank only and 51% were fitted with a clean drain tank only. We are able to fit these once we gain approval from the ship's owner.

The bilge water evaporated by ships in 2023 decreased compared to 2022. Despite a decrease in the amount of bilge water discharged to sea by JV-owned vessels in 2023, discharge increased for owned and managed vessels due to factors such as an increased number of vessels and trading area considerations. For instance, higher humidity in certain areas can result in increased bilge water generation and subsequent discharge.

BILGE WATER (m ³)			
	2021	2022	2023
Evaporated	3,738	3,646	2,752
Discharged	47,982	59,639	65,549

²¹ Waste data covered 663 vessels in 2023, compared to 631 vessels in 2022.

²² 2021 and 2022 waste figures restated as they were incorrect.

²³ 2022 figures based on 631 ships in 2022, restated from 692 ships published in 2022.

²⁴ Figures included food waste in 2023.

MATERIAL TOPIC MATERIALS AND WASTE

SLUDGE

We effectively manage sludge arising from the operation of engines and various types of machinery, and the handling of fuel oil on ships. In 2023, more sludge was generated overall due to the increase in the number of ships managed.

SLUDGE (m ³)			
	2021	2022	2023
Evaporated	15,194	14,205 ²⁵	16,502
Incinerated	9,209	6,666	6,936
Landed	28,699	44,349	44,855

GARBAGE²⁶

On board our ships, garbage encompasses a diverse array of waste, including operational refuse from plastic and cargo residues to metal generated during the normal operation of the ship. This reporting year, we developed a plan to install water purification units on all ships, aiming to minimize the use of plastic bottles. We collaborated with our procurement department to choose authorized and approved vendors to execute this initiative and communicated the plan to all teams. To date, 48% of FLEET's vessels have a water purification system on board, compared to 55% in 2022. This has decreased because some ships fitted with the system were no longer under our management in 2023, and newly taken over ships did not have systems fitted. We are installing water purification systems on these new ships; all owned ships already have these systems installed.

²⁵ There was a typographical error in the 2022 sludge evaporated figure in the previous report. The figure has been corrected.

²⁶ The term "garbage" is used to describe solid waste in line with the IMO's terminology. Food waste is not included under garbage for ships.

²⁷ 2022 published figure is not included as it was incorrect and cannot be accurately tracked.

²⁸ Waste figures cover Fleet Management Limited; FML Ship Management Limited; Fleet Management Middle East DMCC and Gold Fleet Shipping Co. China Ltd.

²⁹ Recycled waste includes paper, metal, plastic, glass and food.

In 2023, more garbage was produced than in the previous year due to the increase in the number of ships managed.

GARBAGE FROM SHIPS (m ³)			
	2021	2022	2023
Incinerated	1,498	— ²⁷	1,335
Landed	13,634	18,238	19,112

FOOD WASTE

We actively prevent food waste by emphasizing the preparation of appropriate quantities from the outset. Our culinary teams on board receive extensive training in inventory management and waste minimization, integrating these skills into their professional development. Effective waste management is also a key criterion in their performance evaluations, furthering accountability and continuous improvement in our sustainability efforts. This year, we have begun reporting our food waste based on estimating the volume generated. Going forward we intend to implement a more systematic process to measuring this waste in order to manage it better.

FOOD WASTE FROM SHIPS (m ³)			
	2021	2022	2023
Discharged	—	3,913	2,356

Our approach to managing the different waste streams on board our ships can be found in the section on Tackling Shipboard Waste in the [Appendix](#).

Implementing Office Waste Solutions

We are working to enhance our waste management systems in our global offices. In 2023, 181 m³ of waste was recorded at four of our offices²⁸, with 80 m³ recycled²⁹; 44% of useful materials was diverted from our waste stream.

In the reporting year, we implemented paper recycling and food waste reduction campaigns at FLEET's office in the Hong Kong SAR. To raise awareness about paper recycling, we launched targeted campaigns and strategically placed recycling bins near printers for convenient collection. For food waste collection, we continued our participation in a project managed by the Hong Kong Productivity Council (HKPC) and Swire Properties. We increased food waste recycling by engaging with our employees to raise awareness and dispel any hygiene concerns. We ensured effective communication about the initiative through posters, emails and the intranet. In 2023, 6 m³ of food was collected, representing a 3% increase over 2022. The waste was sent to O PARK 1, Hong Kong's renewable energy resource plant that turns the waste to energy. Additionally, we introduced a "bring your own cutlery and cup" policy, progressively replacing plastic tableware with alternatives like bamboo cutlery.

Our Mumbai office also implemented waste management initiatives. We segregated construction waste material for recycling, resulting in a significant reduction of 98% from 2.5 pounds per square foot to 0.042 pounds per square foot during a renovation project conducted in 2023. Additionally, our new office space in Mumbai contains separate bins for glass, paper, metal, plastic and e-waste on each floor.



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.

CASE STUDY

Our workforce's health, safety and wellness aren't just priorities, but pillars of our operational ethos.

Our strategy, applied equally across our offices and vessels, intertwines robust policies, in-depth training and proactive risk management to create a working environment that's not only safe but also empowering. Beyond physical wellness, we're pioneering mental health support with initiatives like our Employee Assistance Program (EAP) for all staff and specialized care through our FLEET Care team for seafarers.

This section offers a snapshot of our programs and performance in the reporting year, with more detail on our management approach in the section titled Safeguarding People: Strategy and Management Approach in the [Appendix](#).



Nurturing Wellness – The Group's Holistic Approach Onshore and at Sea

The Group continues to place immense importance on the health and wellbeing of our employees and seafarers. In 2023, we organized several bespoke initiatives for our onshore employees and seafarers.



WELLNESS ONSHORE

At FLEET, we set aside a two-week period, called FLEETFIT, to focus on internal wellness and urge employees to look after both their physical and mental wellbeing. In 2023, FLEET sponsored a global, six-week step challenge to encourage employees to stay active, with more than 300 employees participating. In addition, external experts were brought in to provide wellness sessions, such as stretching, yoga and sound bathing, both virtually and in face-to-face settings. Our wellness courses on Udemy Business and a wellbeing training podcast were also promoted as part of the FLEETFIT initiative. Looking ahead to 2024, the Board made the decision to extend the weekly delivery of fruit baskets to all office locations to foster healthy eating habits.

WELLNESS AT SEA

At sea, social initiatives remain integral to boosting wellbeing. Our extensive social engagement program for seafarers is designed to give them reprieve from work on board and provide opportunities to interact with others. A social engagement calendar is carefully prepared by the FLEET Care team and shared with all vessels. In 2023, social days and sporting events were organized on ships every other month. These events offered crew members the chance to bond, fostering unity and teamwork that contributes to a positive working environment.

Through these programs, the Group reaffirms its dedication to fostering a culture of wellness, recognizing that the prosperity of our business is intrinsically tied to the health and happiness of our employees and seafarers.

Pillar Goals and Targets

The Group's goals and targets are mapped to the UN SDGs to which we contribute. Our progress towards these goals and targets is shown below.



The Group proudly maintains a suite of initiatives dedicated to bolstering the physical and mental health and wellness of our colleagues and seafarers. Our robust OHS infrastructure, comprehensive insurance coverage, expanding initiatives aimed at enhancing mental health and our specialized FLEET Care team for seafarers are cornerstones of this effort.

GOALS

- ✓ **Target zero catastrophic accidents and incidents** on board our ships³⁰
- ✓ **Target zero work-related fatalities and catastrophic injuries** on ships³¹
 - 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%**
Going forward this target will be extended to achieve a 10% increase in the number of FFSG members by the year 2025³²
- ★ In 2023, **run 10 campaigns** to promote safety on ships
Going forward our target will be to run 12 safety campaigns on ships each year
- ✓ In 2023, conduct an **engagement survey** to establish a **baseline wellbeing score** for Group employees
Going forward our target will be to improve the Group's wellbeing score to 78% by 2028
- ✓ Conduct at least one **wellbeing survey for seafarers** per year
- ★ In 2023, **conduct 10 Tea Talk sessions** to enhance the wellbeing of seafarer families
Going forward our target will be to conduct 12 Tea Talk sessions each year

2023 PERFORMANCE

- ✓ ACHIEVED
- ✓ ACHIEVED
- ON TRACK
- ON TRACK
- ✓ ACHIEVED
- ✓ ACHIEVED
- ★ AHEAD
- ★ AHEAD
- ✓ ACHIEVED
- ✓ ACHIEVED
- ★ AHEAD

³⁰ This goal was refined in 2023 to focus on zero catastrophic accidents and incidents.

³¹ This goal was refined in 2023 to focus on zero work-related fatalities and catastrophic injuries.

³² Beneficiaries of the FFSG include any crew or family members who reach out for assistance from FFSG. Members are those who sign up to be part of the FFSG.

MATERIAL TOPIC

Health, Safety and Wellbeing

While the health and safety of seafarers continues to be an important focus, we are also making significant strides in refining our systems for onshore employees. A more comprehensive understanding of our policies and procedures can be found in the section titled **Safeguarding People: Strategy and Management Approach in the Appendix**.



Charting a Safe Course: Our Commitment to Health and Safety at Work

Our OHS management system is pivotal in ensuring high safety standards across all managed and owned ships. Embracing a collaborative approach, we evolve our policies and manuals, integrating learnings from incidents, third-party inspector insights and stakeholder feedback to elevate onboard safety. This year's updates reflect our strategic approach to continually improving safety practices.

Harnessing Technology to Advance Safety

We have recently adopted a new software solution that provides Captains with access to real-time weather information, enabling them to make informed decisions and aiding them in navigating away from severe weather. This helps minimize the risk of potential accidents or damage caused by adverse weather conditions. Additionally, to further improve operational safety and reliability, we are implementing new digital features within our PARIS 2.0 platform that analyze machinery-related trends. Set for release in 2024, these features will enable our crew to identify and address engine defects and other issues earlier, helping to prevent breakdowns and enhancing overall operations.

Capabilities will include:

- Incident Analytics - provides details of incidents and their causes to help prevent these going forward.
- SafeView Analytics - gathers vessel inspection report data from our SafeView app along with other reported defects and PMS data onto a dashboard to enable identification of potential concerns before they become serious.

Enhancing our Health and Safety Performance

The Group continues to track numerous KPIs as part of our effort to evaluate and improve our health and safety performance. Incidents recorded over the last few years are included in the following table.

INCIDENTS RECORDED

	2021	2022	2023
Fire (Class A/B) ³³	0	1	0
Fire (Class C) ³⁴	2	0	1
Fire (Minor)	3	4	2
Incident near miss per month per vessel	8.17	7.57	6.95
Safety campaigns	12	13	16

³³ 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.

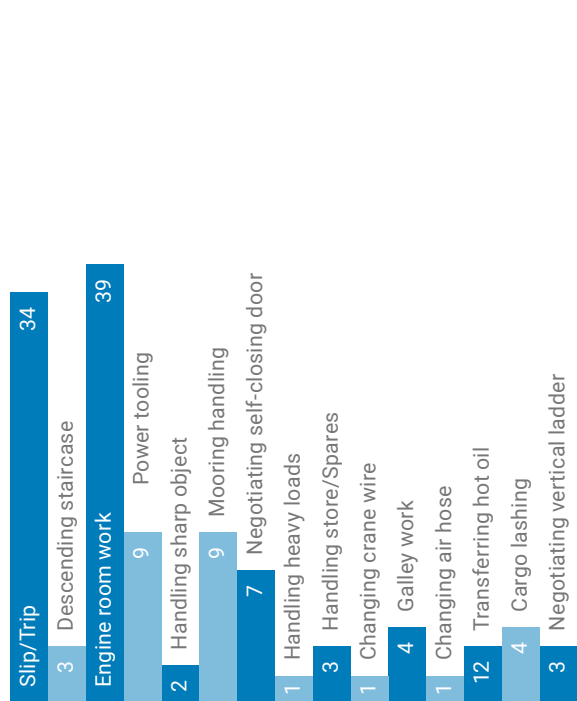
³⁴ Class C: Fires involving gases such as methane, liquid gas, etc.

MATERIAL TOPIC HEALTH, SAFETY AND WELLBEING

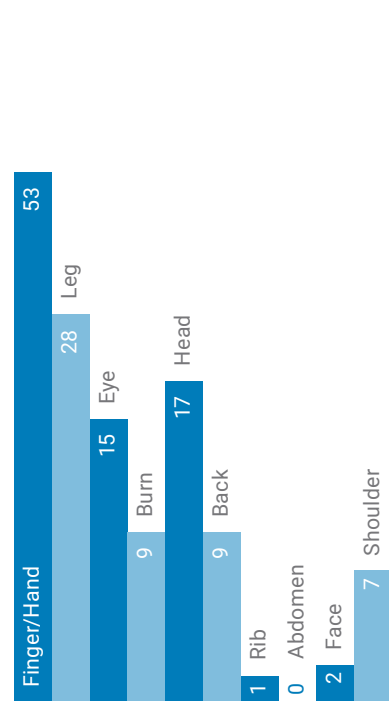
In 2023, no fatalities from work-related injuries were recorded. Tragically, four seafarers lost their lives due to other causes, including suicide and going missing at sea. In response to these deeply concerning incidents, we remain committed to providing mental health support to all. The number of such cases has decreased compared to the eight reported in the previous year, as we continue our ongoing efforts to emphasize the importance of mental health and wellbeing among all employees and seafarers. One case of work-related ill health was recorded, and a total of 132 injuries were reported, higher than the number documented across our ships in 2022. However, none of these injuries were classified as catastrophic. High-pressure-related incidents³⁵, as well as eye and hand/finger injuries, were the most frequently occurring concerns in the reporting year. All incidents were investigated as per our procedures and dedicated safety campaigns, focused on equipment training, were conducted to help prevent reoccurrence. Specific information about the safety campaigns implemented in the reporting year is provided below.

2023 Performance Metrics

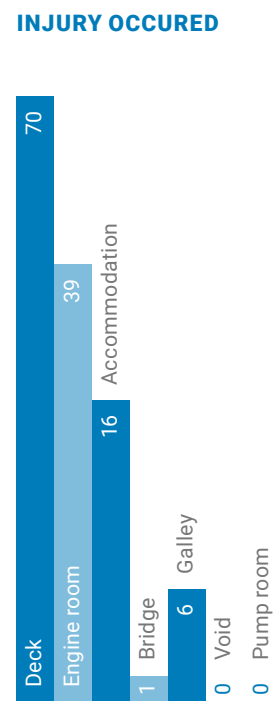
ACTIVITIES CAUSING INJURIES



BODY PARTS INJURED



LOCATIONS WHERE INJURY OCCURED



An important initiative to highlight in this reporting this year was the expansion of our practice to retrieve and analyze data from voyage data recorders (VDRs) on all our tankers after every voyage. This effort was focused on evaluating safety and technical performance on our ships, with insights shared directly with the Captains for both continuous improvement and the opportunity to commend good performance. The implementation of VDRs helped to result in a 17% reduction in navigation issues in 2023, as compared to the previous year. In 2024, we plan to extend this practice to the dry side of our fleet and thereby implement a holistic enhancement plan across all our vessels.

In addition to ships, we keep a close eye on the safety protocols of our shipyard operations where new builds are assembled. To prioritize the safety and wellbeing of our representatives in these locations, we have a set of protocols that outline requirements for:

- Distributing a Health, Safety and Environment (HSE) manual that is accessible to everyone, with a copy available at the site office.
- Providing personal protective equipment (PPE) to them.
- Conducting regular audits and visits by our newbuilding supervision team to verify compliance with safety protocols, such as the use of proper ventilation in confined spaces, safe scaffolding practices and adequate illumination.
- Refraining from conducting audits if a shipyard is deemed unsafe. In 2023, monthly patrols were conducted to ensure safety and quality standards for ships and inspectors, and we were pleased to record no incidents or near misses related to safety in shipyards.

For an in-depth view of our OHS protocols refer to the section on Charting a Safe Course: Our Commitment to Health and Safety at Work in the [Appendix](#).

³⁵ High-pressure incidents occur from working with high-pressure machinery and vessels such as boilers as well as pressurized pipelines. These incidents can lead to injuries or damage as a result of the force and speed of pressurized water.

**MATERIAL TOPIC HEALTH, SAFETY AND WELLBEING****Safety Measures on High-risk Routes**

We are committed to safeguarding our seafarers and ensuring the smooth operation of our ships in high-risk areas at sea. Our protocols for managing security are detailed in the section on Safety Measures on High-risk Routes in the [Appendix](#).

In light of the recent security challenges in the Gulf of Aden and Southern Red Sea region, all relevant shipowners have been strongly advised to consider suspending transit or re-routing as a precaution. With owners' consent, we have re-routed many of our managed ships through the Cape of Good Hope to avoid the Red Sea transit. For ships planning passage through the Gulf of Aden and the Southern Red Sea, a thorough threat and risk assessment specific to the vessel and voyage is conducted, incorporating guidance from the flag state. We also consult with regional naval and coalition forces, provide briefings to seafarers on vessels travelling through this region, hire armed guards and/or take other protective measures specific to the vessel and route. Additionally, we continue to provide psychological support for seafarers, including after any incidents.

We have also taken the following actions to manage other security risks in this reporting year.

- The SOP for the Strait of Hormuz has been revised to follow a routing in accordance with the updated industry guidance.
- In the Singapore and Malacca straits security precautions have been strengthened. Our SOP now includes hardening doors and accommodations, deploying razor wires in vulnerable areas, rigging fire hoses and enhancing awareness on board through frequent reminders.
- Despite a decline in piracy in West Africa, security guards and escort vessels continue to be utilized to help ensure the safety of seafarers and prevent losses.

- Growing concern about drug trafficking in South America has led to the enhancement of security watch protocols. Enhanced searches and underwater inspections have been incorporated into our SOPs as a result.
- Vessels to the Black Sea and Israel are constantly monitored and guided in line with precautions in place due to the current geopolitical crisis.
- Since the termination of the safe grain corridor arrangement between Russia and Ukraine, we have not made any calls into Ukrainian ports.

There were no significant piracy incidents reported in 2023. The incidents that did occur were cases concerning robberies and stowaways. Attempted attacks were successfully prevented due to the implementation of our rigorous security measures.

**Empowering Excellence:
Elevating OHS Skills**

Investment in training ensures our personnel are equipped with the necessary skills and expertise for the safe management of our vessels. During the reporting year, 21 training sessions—covering 49 topics related to safety management—were held for onshore technical teams. We also expanded our mental health training to include onshore employees, with a Board mandate requiring general managers and directors to participate. This initiative saw 86% of general managers and all directors completing mental health first aid training. We plan to extend this training to additional colleagues in 2024.

Safety-related training for seafarers includes programs held on board and those provided at FLEET training centers in various locations. Our SafeR+ program together with T-CUP emphasizes the wellbeing element of safety in our protocols. In 2023, our training programs were made

compulsory, reaching a remarkable 12,308 individuals through 309 sessions, a significant increase from the 1,456 seafarers trained in 2022. This year, we also launched a 31-day Challenge Campaign, designed to increase awareness and foster participation, encouraging more vessels to follow the program. In addition, new training courses focused on operating LNG engines, improving practices on the bridge to reduce navigational errors, and oil and chemical tanker and cargo operational safety were introduced in the reporting year.

As part of the SafeR+ program, surveys to understand the cause and number of safety incidents continue to be conducted. The results have demonstrated a 28% reduction in lost-time injuries from 54 cases in 2019 to 39 cases in 2023. We continuously refine our training programs, drawing on diverse feedback to enhance their effectiveness.

More details on safety training can be found in the section on Empowering Excellence: Elevating OHS Skills in the [Appendix](#).

Mental health continues to be a key component of training for seafarers. In 2023, we surpassed our target of conducting 18 PFA and 12 WAS training sessions, providing a total of 72 and 13 sessions for seafarers, respectively. These programs are designed to equip our crew with the skills to recognize and respond to mental health issues among their colleagues, to help prevent and effectively manage potential crises. Increased awareness from PFA and WAS training has resulted in more individuals seeking help for mental health concerns. In the reporting year, there were 90 cases of onboard crew reaching out to our in-house psychologists; this was a significant increase from 46 instances in the previous year.

MATERIAL TOPIC HEALTH, SAFETY AND WELLBEING

Implementing Campaigns for a Safer Tomorrow

During the reporting year, we placed strong emphasis on safety campaigns to reduce the number of serious injuries and detentions. Our efforts resulted in the successful implementation of 16 safety campaigns, exceeding our original target to run 10. These included four campaigns on mental health, covering both existing issues and potential incidents. In addition, these campaigns covered a wide range of topics, such as Port State Control regulations, bunkering and communication, security and cybersecurity, navigation, health and safety with an emphasis on building immunity, drug and alcohol awareness, mooring, permit to work systems, nutritional health and safety, fire safety and injury prevention. The injury prevention campaigns focused on the most prevalent injuries seen throughout the year.

In our safety campaigns, Captains led topic-specific discussions and training sessions, followed by quizzes for seafarers to assess their comprehension. The campaign content was regularly reviewed in daily toolbox talks and monthly safety meetings. Based on quiz results, additional training was provided to target knowledge gaps. We also displayed posters in key areas on board as constant reminders of safety practices. After the campaigns were completed, we witnessed a substantial reduction in the overall number of incidents. As such, while the total number of incidents in 2023 amounted to 59, as the year progressed, the number recorded in Q4 was only seven. Safety campaigns targeting detentions implemented from April to June yielded positive results, with no detentions reported during that period. However, upon the conclusion of the campaigns, detentions, mostly related to technical deficiencies, resurfaced. To address this, we are committed to conducting safety campaigns again in 2024 to ensure sustained progress.

Thriving Together: Supporting Wellbeing across our Businesses

Wellbeing initiatives for our global workforce are resolutely supported by the Board. Our global HR team headquartered in the Hong Kong SAR manages wellbeing strategies for all employees, while local HR teams are responsible for adapting and rolling these out to their regions. The FLEET Care department specifically focuses on the holistic wellbeing of our seafarers. More detail on our approach to enhancing wellbeing both onshore and onboard be found in the section on Thriving Together: Fostering Wellbeing across our Business in the [Appendix](#).

ONSHORE

The results of our 2023 engagement survey have been used to enhance elements of our wellbeing framework for colleagues onshore. This new framework is organized under four wellbeing focus areas including physical, emotional, financial and social aspects. As a result of survey findings and the Group's commitment to improving the wellbeing of employees, medical insurance cover has been extended to include psychological counseling in most of our geographical locations, with the claim threshold for this increased in India, where approximately half of our employees are located.

Enhancing support for mental health was an important initiative in this reporting year. Understanding that stigma and fear of judgment are still the biggest obstacles for those with mental health concerns to seeking treatment, the Group organized a Mental Health Month around World Mental Health Day to raise awareness and highlight the 2023 theme, "Mental health is a universal human right." As part of this, we sponsored a Hong Kong-based charity, OCD & Anxiety Support HK, and its green ribbon campaign. Webinars were held to help colleagues identify signs of anxiety and better support colleagues, and to help reduce social stigma surrounding mental health issues. Our EAP service was also promoted as part of our campaign activities. In addition, FLEETFIT, our campaign to encourage employees to stay active as a way to boost mental and physical health was launched. More details can be found in the case study on [p.33](#) of this report.

"I have thoroughly enjoyed the 2023 wellness activities because they are excellent for physical and mental wellbeing. These initiatives demonstrate the company's commitment to the health of its employees, improving flexibility, enhancing happiness and fostering stronger bonds among colleagues."

Jasmine Tay, FLEET, Singapore

MATERIAL TOPIC HEALTH, SAFETY AND WELLBEING

ON BOARD

The wellbeing of seafarers is a priority for the Group and is managed by our dedicated FLEET Care team. In 2023, the number of calls made to support the family members of seafarers increased to 17,245 from 16,954 in 2022. We also exceeded our target for the year, by holding 12 Tea Talk sessions for families and saw a substantial increase in the number of individuals benefiting from FLEET's FFSG program. Surpassing our initial goal of a 10% increase, we achieved a 2.5 fold rise in the number of program beneficiaries. Members of the FFSG increased to 532 in 2023, compared to 452 in 2022.

In 2023, we continued to provide two full-time, in-house clinical psychologists and maintained a hotline for crew members to access support when needed. Our Crisis Response Network (CRN) received 51 calls, fewer than the previous year, as seafarers are directly reaching out to our clinical psychologist when in need. The FLEET Care team marked World Mental Health Day by conducting a three-day campaign called "Psych Snippets" featuring interactive information for seafarers. As part of this initiative, infographics focused on building emotional awareness and common concerns such as depression, its causes and how to seek help were highlighted.

To further promote the mental wellbeing of our seafarers, we established a Digital Detox Day aimed at encouraging a break from constant connectivity to allow them the opportunity to unwind, recharge and focus on other aspects of their lives. We actively promoted social initiatives to help address feelings of isolation and mental health challenges due to limited social interaction and recreational facilities. To this end we continued with our social engagement

program in 2023. More details can be found in the case study on p.33. Additionally, our uniform wearing campaign reportedly enhanced morale, instilling pride and reinforcing the crew's identity as part of a larger, cohesive team.

An important aspect of our various programs is creating a more enjoyable and rewarding environment for everyone on board. In 2023, we expanded our Crew Entertainment System that was piloted on 15 vessels the previous year. A survey conducted during this pilot phase, with a remarkable response rate of 83%, captured valuable feedback from our crew. Based on the input received, we finalized our partnership with Baze Technology AS to introduce a custom-built infotainment system. This system provides a range of content from movies and TV series to company news updates, significantly enhancing onboard life.

We also continued to provide fresh, nutritious food on board through state-of-the-art DENBA technology on our owned vessels in 2023. This technology prolongs the freshness of food, thus enhancing taste and benefiting the health of seafarers undertaking long voyages.

In 2023, we conducted two wellbeing surveys for seafarers, the Mood Survey and the Health and Wellbeing Survey. Feedback from the surveys highlighted a need to implement nutritious dietary plans on board keeping in mind varying health conditions, and also to engage experts to provide sessions aimed at developing seafarers' emotional resilience skills. In addition, the surveys indicated that pep talks from management, podcasts, further engagement on board and the use of common merchandise such as company-branded mugs and bottles can all be used to boost solidarity on vessels.

The creation of podcasts has been an important wellness initiative as they share knowledge and practical tips such as breathing exercises that can be accessed regardless of location and time. The podcast medium provides privacy for seafarers who may feel more comfortable seeking information or support on mental health anonymously. We have recorded a session on mental health with our in-house psychologist and are currently working on an offline podcast, while also exploring the feasibility of an online podcast or other social platforms. In the future, we hope to build a library of such resources that can provide ongoing support.

This is a positive addition to the ship, and the crew is excited to enjoy the latest news, movies and shows. A shout-out to FLEET for this commendable initiative because it certainly helps to enrich our lives on board.

Captain Gaurav Malik's feedback on the Crew Entertainment System



Working Together

We are committed to building shared value for our stakeholders—from employees and seafarers to clients, partners and community members—to achieve a better future for all.

Talent
Attraction and
Retention

Community
Investment and
Engagement

CASE STUDY

The Group's contribution to societal improvement is twofold: fostering a supportive and equitable workplace, and actively participating in and/or supporting community initiatives to make a positive difference.

This engagement extends to industry organizations and partnerships where we help set standards, develop solutions and drive collective agendas. It's an approach that enhances social impact and demonstrates our belief in the inherent potential of our people.

Here, we present an overview of our efforts in these areas, with more information on our management approach to these topics provided in the section on Working Together: Strategy and Management Approach in the Appendix.

Solidarity in Action – Collaborative Efforts for the Greater Good



The Group firmly believes in fostering positive societal change. Our array of initiatives reflects this ethos, stretching from leadership roles in industry associations to the courage demonstrated by our seafarers at sea.

INDUSTRY LEADERSHIP

In 2023, our executives participated in over 50 maritime associations and other bodies, sharing expertise to help shape the future of shipping. Notably, the Group's COO, Angad Banga, was appointed Chairman of the Hong Kong Shipowners Association, with its 180-strong membership and a prestigious 65-year legacy. Concurrently, he serves as the Rotational Chairman of the Asian Shipowners' Association, with his tenure extending until May 2024. These appointments underscore the Group's commitment to guiding industry-wide advancements. Additionally, Dr Kishore Rajvanshy, FLEET's Managing Director, has significantly influenced maritime standards as Chairman of BIMCO's Ship Manager Advisory Panel and Lloyd's Register's Asian Shipowners Committee.

VALOR AT SEA

The Group's seafarers have been steadfast in their dedication to the mariners' duty of aiding those in peril, exemplified by their valor and expertise in five rescue operations during the year. A notable mission took place when the crew of AFRICAN TURACO rescued seven Sri Lankan fishermen whose vessel had caught fire in the Indian Ocean.

Our rescue missions were honored at a function hosted by The Hong Kong Shipowners Association, where we were presented with several AMVER³⁶ awards. At the ceremony, a special silver plaque was bestowed on our managed vessel SILVER MUNA for successfully executing the high-profile rescue of two recreational yachtsmen and their dog, hundreds of miles off the coast of Delaware late last year. The US Embassy in Nicosia and the Cyprus Shipping Chamber, in cooperation with the Cyprus Marine Environment Protection Association, also organized a ceremony in Limassol to recognize companies participating in the AMVER program. FLEET proudly received awards for 22 vessels managed by the Cyprus team at this event.

³⁶ AMVER, sponsored by the US Coast Guard, is a global, voluntary reporting system that aids in maritime rescue operations.

Pillar Goals and Targets

The Group's goals and targets are mapped to the UN SDGs to which we contribute. Our progress towards these goals and targets is shown below.



We remain steadfast in providing equal opportunities and fostering an inclusive environment. We have implemented comprehensive initiatives including leadership training and our Women's Network that reflect our commitment to DEI.

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 key managers** on DEI issues
Key board members across the Group trained. Training for relevant managers to be combined with sessions to be delivered in 2024
- ✓ 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
Next year we aim to extend our goal of increasing the number of female seafarers on board by 15%

2023 PERFORMANCE

✓ ACHIEVED

✓ ACHIEVED

▶ BEHIND

✓ ACHIEVED

✓ ACHIEVED

✓ ACHIEVED



We champion full and productive employment and uphold the social, economic and political inclusion of every individual, regardless of age, gender, sexual orientation, ability, race, ethnicity, origin, religion or other status.

GOALS

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

TARGETS

- Provide all eligible onshore employees with **training on human rights** as per the Group's policy

✓ ACHIEVED

✓ ACHIEVED

✓ ACHIEVED

○ ON TRACK



We are committed to advancing lifelong learning opportunities for our people. Through The Caravel Foundation, we extend access to quality education for underserved communities. We also play an active role in industry associations to foster global partnerships.

GOALS

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

TARGETS

- By 2025, **train 100% of onboard seafarers on our value-added training** as per our Training Matrix

✓ ACHIEVED

○ ON TRACK

MATERIAL TOPIC

Talent Attraction and Retention

In the ever-evolving landscape of business sustainability, the significance of attracting and retaining top talent cannot be overstated. Central to our strategy is creating a welcoming and inspiring environment for our 1,314 shore-based employees and 26,469 seafarers. In the maritime and commodity industries that have traditionally been dominated by men, increasing diversity and fostering an inclusive culture is an ongoing priority. Our approach also includes continuous learning and development, equipping our workforce to adapt to the dynamic global economy and technological advancements.

A detailed profile of our workforce can be found in the section on Our People in the [Appendix](#).

Putting People First: Empowering Employees and Seafarers

Shaping Excellence through Strategic Talent Management

We support employees and seafarers according to our comprehensive framework of policies and protocols. Details on our approach to nurturing people can be found in the section on Shaping Excellence through Strategic Talent Management in the [Appendix](#).

ONSHORE

Our HR Outcome and Focus Area Framework steers all onshore, human capital-related activities across the Group. In 2023, an employee lifecycle survey was launched to capture feedback at pivotal stages from pre-boarding and onboarding to exiting employment. The insights gathered from this survey, along with data from our engagement surveys and regular operational reports, have been instrumental in refining our employee-related strategic planning.

An important part of managing people entails having the right systems in place. At FLEET, we continuously update our operating manuals, including the Quality Management Manual (QMM) for ship operations. In the reporting year, updates were made in various areas, including the implementation of SOPs related to sanctions compliance, clarification of key staff responsibilities, document control protocols, recruitment procedures, operational processes, risk assessments and more. Acknowledging the increasing prevalence and impact of social media in today's digital landscape, we also updated our guidelines on media and communication.

In 2023, we began conducting a comprehensive review of all HR policies and employment agreements worldwide. This exercise aimed to identify any risks or gaps, ensuring the protection of our employees and compliance with relevant regulations. As data management is a key responsibility of our HR team, team members attended a data protection and privacy awareness training session in May. Furthermore, our DPO conducted the annual review of data process activities, ensuring that our records are current and accurate. In 2024, data privacy training in line with the requirements of applicable local laws will be rolled out to employees handling sensitive data.



MATERIAL TOPIC TALENT ATTRACTION AND RETENTION**ONSHORE****Implementing Effective Onboarding**

A number of initiatives were launched in this reporting period as part of our commitment to enhancing the onboarding process globally. These included providing new joiners with a corporate welcome pack on their first day, organizing a quarterly Group Orientation Day where employees learn about The Caravel Group, FLEET and the maritime industry from senior leaders, and offering opportunities to meet and network with their peers. Furthermore, we have successfully digitalized the onboarding process to our HR SuccessFactors platform in our major markets.

For seafarers, we have developed a program to support their transition to shore roles. We are pleased to note that feedback from superintendents, including those joining us directly from ashore, indicates a positive onboarding experience, with over 95% expressing satisfaction.

Cultivating the Next Generation of Leaders

We completed our first succession planning exercise for FLEET, reviewing our top 300 employees globally to evaluate their potential to progress and understand their training and development needs. This helped us to assess our succession bench strength. As a result of this review, employees in business-critical positions were selected to join leadership development programs. More details can be found in the section on [Implementing Development Programs](#) below. We plan to continue our succession planning reviews on a regular basis.

ON BOARD

A key talent attraction initiative in 2023 involved running 13 recruitment roadshows across different cities in India. We also enhanced our seafarer referral program, which is a fast and cost-effective way to find external talent and helps instill a sense of belonging to the organization for the referrer. In the reporting year, 83 seafarers joined through the program. We also established a Fresher Party to welcome cadets and TMEs, with more than 60 young recruits participating.

As retention remains a challenge in our industry, we also established a Survey of Joined Elsewhere Seafarers this past year. We surveyed seafarers who joined other companies to gain insights into their reasons for leaving FLEET. This enabled us to identify necessary improvements for working conditions and the overall satisfaction of our seafarers. A series of enhancements pertaining to scheduling, communication with office staff, promotions and better internet connectivity are planned to be implemented as a result of the feedback received. In the reporting year, 21% of seafarers who previously left FLEET, returned to work for the company.

These events offer young professionals a chance to network and connect, while introducing them to FLEET's warm, inclusive culture and our collective mission, fostering a sense of belonging and shared purpose.

Captain Randhir Mahadik
GM and head of FLEET Care

MATERIAL TOPIC TALENT ATTRACTION AND RETENTION

Improving Engagement through Comprehensive Benefits

We proudly offer a broad range of benefits that often go beyond regulatory requirements. Our approach to employees and seafarers can be found in the section on Improving Engagement through Comprehensive Benefits in the [Appendix](#).

ONSHORE

In 2023, a number of improvements were made to benefits offered such as revision of our birthday leave policy and enhancements to our medical coverage. Medical benefits now include a higher claim threshold and expanded annual medical check-ups coverage across our major locations. Our travel policy was also revised, allowing more business class travel for employees travelling internationally on flights longer than four hours. These initiatives have been positively received by employees.



ON BOARD

We strive to provide extensive benefits to our seafarers, encompassing medical care and holistic support services, not only for those on our ships but also for their immediate families. More detail on these various initiatives to improve family wellbeing is provided in our section on [Safeguarding People](#). Beyond family support, our benefit program is designed to prioritize seafarer welfare and job satisfaction on board.

Buddy-on-Board Program

Since its inception in 2021, our Buddy-on-Board program continues to pair each new crew member with a seasoned colleague who acts as a “buddy”, offering guidance and mentorship. The program is designed to instill a sense of community and self-assurance among new seafarers, ensuring they have a reliable point of contact for any

challenges that may arise. In this reporting period, 75% of trainees expressed an increased sense of connection with both crew and onshore staff, while 70% noted improved adaptability in their work environment. Overall, the program has resulted in reduced feelings of loneliness, eased the transition into new roles, and boosted confidence, productivity and work quality.

Advocacy for Seafarer Rights

Our commitment extends beyond onboard initiatives to promoting seafarers’ rights globally. We have initiated conversations at various forums, including the Global Maritime Forum (GMF), addressing concerns like reduced opportunities for shore leave. These discussions are crucial steps towards catalyzing industry-wide improvements in seafarer welfare.

MATERIAL TOPIC TALENT ATTRACTION AND RETENTION**Championing an Inclusive Workplace**

We are committed to upholding the principles of equal pay for equal work and fairness on shore and on board. In the reporting period, we evaluated compensation across various job roles to provide equal pay for new hires with similar experience. In 2023, no cases of discrimination or harassment were reported across any of our Group offices or on board our ships.

A crucial step towards safeguarding human rights across our value chain was taken in 2023 with the publication of our Group’s Human Rights Policy. This policy highlights our focus on raising awareness of human rights and building capacity to meet our policy commitments in our interactions across our value chain. The policy was shared with all eligible onshore employees and no cases of violations, including incidents of child or forced labor, were reported across the business.

More details on our policies for maintaining a fair workplace are available in the section on Fair Labor Practices in the Appendix.

**Fostering Diversity, Equity and Inclusion**

Acknowledging the unique benefits that people of varying ages and ethnic, educational and functional backgrounds contribute to our business, we strive to implement DEI initiatives that meet the needs of all. In 2023, key board members participated in DEI training, and the Group continues its emphasis on gender inclusion, especially advocating for women. Our efforts to improve gender and diversity representation in our succession planning processes are supported by unbiased recruitment criteria and fair compensation practices. More information on our DEI efforts is available in the section on Fostering Diversity, Equity and Inclusion in the Appendix.

ONSHORE

The Caravel Group’s DEI Steering Committee is responsible for reviewing progress and performance against DEI strategies. We made progress in several areas related to DEI in the reporting year. In August 2023, The Caravel Group Women’s Network was launched on the International Day for Women in Maritime and featured a webinar that brought together female colleagues who had transitioned from sea to shore, along with business leaders who recognized and celebrated women’s contributions. The Network aims to empower women, and provide a platform for them to share their perspectives and cultivate gender diversity awareness within the Group. We also completed our second All Aboard Alliance self-assessment. In addition, we established a five-year plan that outlines our DEI commitments and actions for the Group.

ON BOARD

According to the IMO, women represent just 2% of the world’s seafarers.³⁷ The Group is dedicated to increasing female representation on our ships and also improving their experience and working environment. In 2023, we continued to provide gender sensitization training for all seafarers sailing on our six ships with female officers. We also ensured female crew members had extra support as and when needed. We prioritize crew safety by providing PPE that is designed and tailored to accommodate the anatomical characteristics of both male and female crew members. This past year, we paid special attention to shoes, gloves, helmets and boiler suits to ensure they are comfortable and secure, making necessary modifications to fit female seafarers. In 2023, we were pleased to surpass our target and increase the number of female seafarers on our ships by 33% compared to the previous year.

³⁷ <https://www.missiontoseafarers.org/wp-content/uploads/The-Mission-to-Seafarers-Women-Seafarers-Report-2022.pdf>.

MATERIAL TOPIC TALENT ATTRACTION AND RETENTION

Implementing Development Programs for Success

We strongly believe in nurturing the abilities of each individual to help themselves improve their performance. Training opportunities are provided through on-the-job learning, mentoring, classes, online platforms and other learning sources. Tailored training and development opportunities are an essential part of this effort.

Details on our approach to training, along with a breakdown of training hours by region and the career development opportunities we offer to employees and seafarers, can be found in the section on Implementing Development Programs for Success in the [Appendix](#).

ONSHORE

In 2023, a new talent development manager position was created at FLEET to oversee training needs and programs. The Board also sponsored employees attending academic programs, including the Business of Shipping and Logistics Programme at Hong Kong Polytechnic University for maritime newcomers and the University of Hong Kong's Leadership Development Programme for newly promoted Directors. The latter was in direct response to the training needs identified in our first succession planning review detailed above. Other customized and bespoke leadership training will be launched in phases from 2024 onward.

We revised our technical team structure in 2023 for more efficient vessel management and promoted employees to roles with more management responsibilities to nurture their people management skills in this area. Also, to facilitate a better understanding of our business, ship visits were organized in Singapore and India for employees that did not have a seafaring background. By enabling onshore colleagues to witness firsthand the technical aspects of shipping, the visits resulted in a deeper appreciation for the safety protocols, challenges and potential hazards involved.

To support individuals after their career with us, we provided access to EAP and retirement courses on our eLearning platform, Udemy. We plan to add more mandatory training in 2024, including an ESG introductory module, reinforcing our commitment to sustainability education.

ON BOARD

Seafarers are provided with value-added training as per our Training Matrix. In the reporting year, 84% were trained, with all expected to be trained by 2025. Since 2020, FMTI, our maritime training center based in India has delivered more than 34,051 hours of training using cloud-based simulators, comprising close to 11,051 hours in 2023. Several new courses were also launched, and 32 webinars were conducted on a range of topics.

Another key highlight was FMTI's expansion of training capabilities with a state-of-the-art virtual reality (VR) lab. This advanced facility empowers seafarers to enhance their expertise in critical ship-based tasks such as welding and spray painting. Additionally, the lab provides participants with accurate computer-based assessments, identifying areas for improvement as necessary.



MATERIAL TOPIC

Community Investment and Engagement

Our commitment to community engagement is a fundamental aspect of our people-centric approach, reflecting our dedication to contributing to positive societal impact. Annually, we allocate a minimum of 2% of our average net profits from the past three years to community organizations, programs and initiatives. This includes direct contributions from the Group and its subsidiaries, as well as from The Caravel Foundation to specific projects via long-term partners. This year, USD 1,837,560 was contributed to various causes.

We encourage participation in community programs across the Group and encourage colleagues to take part in our charity leave day to promote community engagement and social responsibility.



Delivering Positive Impact through The Caravel Foundation

In 2023, the Group's charity arm, The Caravel Foundation (the Foundation), focused on deepening its efforts with current charitable partners and projects. Adjusting to the new normal post COVID has presented unique challenges for each charity partner. To address this, the Foundation actively made the decision to prioritize time with current partners, before extending into new partnerships. In the future, the Foundation will look for other exciting new opportunities where it can also have a positive impact.

The Foundation's key projects in 2023 are highlighted below with background detail on ongoing initiatives available in the section on Championing Community Engagement in the [Appendix](#).

Indra and Harry Banga Gallery, City University of Hong Kong (CityU)

In 2023, the Indra and Harry Banga Gallery at CityU held two special Chinese exhibitions entitled Amber Baltic Gold, which commenced in December 2022, and The Grand Gathering of the Century: Zodiac Heads from the Yuanmingyuan and Important Treasures, which commenced in July 2023. The exhibits received more than 42,402 in-person visitors and 22,193 online views as of August 2023.

Caravel Scholars

The Foundation's endowment funds at Dartmouth College, Duke University and Princeton University continued to support underprivileged students in 2023 from India, the Hong Kong SAR and mainland China. Additionally, the Foundation hosted several key faculty members from these universities during their tours of the Hong Kong SAR.

Supporting Integrated Brilliant Education (IBEL)

The Foundation worked closely with IBEL in 2023, providing guidance and business expertise to the founders, particularly in the opening of a new kindergarten and fundraising. The new kindergarten will play a significant role in setting children up for success from a young age, including through early introduction of the Chinese language, which is of utmost importance for them to thrive in the Hong Kong SAR. Close to 280 students benefitted from IBEL programs in 2023. The first five Form 6 Diploma of Secondary Education (DSE) graduates supported by IBEL continued their education at reputable universities across the city in this reporting year.

MATERIAL TOPIC COMMUNITY INVESTMENT AND ENGAGEMENT

Cricket Hong Kong

In 2023, Cricket Hong Kong focused on improving its operations with support from the Foundation. The Foundation was actively involved with hiring a head coach for the programs and worked with him to establish formal systems to professionally run the organization. Program guidelines and website pages were updated and launched and a GameDay IT system was implemented.

The first post-COVID Asian Cricket Council (ACC) Under 16 East Zone event since 2018 also took place in this year. The tournament included teams from across Asia. Hong Kong finished third in the tournament. In addition, the ACC U19 Premier Cup took place in October.

International Yoga Day

The Foundation once again supported this community wellness event in 2023. In line with the Indian government's "Lifestyle for the Environment" (LiFE) initiative, shirts marking the day sponsored by the Foundation were tunics made of khadi material from India, using 50% cotton and 50% silk. Khadi is a hand-spun and hand-woven natural fiber cloth that was once promoted by Mahatma Gandhi.

Earthquake Recovery

The earthquakes in Türkiye in 2023 resulted in a high death toll and affected more than 13.5 million people, causing the widespread destruction of housing, schools and other essential infrastructure. In response to this disaster, the Foundation supported the GSD Education Foundation in building a school and other educational facilities in the area. The GSD Education Foundation has a proven track record in improving educational opportunities in Türkiye. It has built and continually managed four elementary schools, including one in Yalova, after the 1999 Izmit earthquake.

Extending our Community Advancement Initiatives

Outside the Foundation, we invest in community programs and industry events particularly in India, mainland China and the Philippines where many of our employees and seafarers are from. We also provide support to projects in other markets where there is a need. More detail on our approach to these programs and information on our ongoing activities can be found in the section on Championing Community Engagement in the [Appendix](#). Initiatives from this reporting year are highlighted below.

The Mission to Seafarers Adventure Race



FLEET was a gold sponsor of The Mission to Seafarers' "Adventure Race Japan", a trail hiking and running event bringing together corporate teams from across the global shipping industry to raise funds for and awareness of the Mission's vital work to support seafarers. The Mission works in more than 200 ports across 50 countries, caring for seafarers of all ranks, nationalities and beliefs by providing counselling, financial guidance and transportation for seafarers and their families, to name a few initiatives.

As a gold sponsor, we provided a financial donation of USD 30,000 and sent a team of three employees to participate, that raised an additional USD 5,000. Funds raised will be allocated by The Mission to Seafarers to reduce the environmental impact of their activities, and continue their support for the Mission's Family Support Network in both the Philippines and India.

Christmas Donation for Refugee Children



In early December, our FLEET Cyprus colleagues personally prepared and donated Christmas stockings filled with small gifts for children at the Kofinou Reception Centre, which houses refugees who have arrived in Cyprus from war-torn areas across Africa and the Middle East. At the time, there were more than 90 children living in portable cabins and receiving education at the center, while waiting for asylum applications to be processed.

MATERIAL TOPIC COMMUNITY INVESTMENT AND ENGAGEMENT

Rescue Operations

Our seafarers continue to uphold the maritime tradition of rescuing people in distress. In the reporting year, crews aboard our managed vessels deployed their skills and training to embark on several life-saving rescue operations. Our rescue missions received multiple accolades, as detailed in the case study on [p.41](#) of this report.

A Snapshot of Our Rescue Missions is provided below:

The crew of AFRICAN TURACO successfully saved the lives of seven Sri Lankan fishermen who had been out fishing in the Indian Ocean when their vessel caught fire, compelling them to jump overboard to escape the flames. The Maritime Rescue Coordination Centre in Colombo, Sri Lanka expressed profound gratitude to AFRICAN TURACO for the rescue and humanitarian aid provided.



Our crew onboard MV MAXWELL rescued a Filipino fisherman spotted on a very small boat in distress in the open seas, 350 nautical miles north of Papua New Guinea.

The crew of MV SPAR MIRA responded to a distress signal from the Maritime Rescue Coordination Centre Colombo and rescued a fisherman who sustained severe burn injuries. The ship's Chief Officer promptly administered first aid and the necessary medication once onboard, after which he was thoroughly monitored. A Sri Lankan Naval ship then transported him to a hospital in Galle within a day.

Our crew onboard MAGIC NOVA rescued two sailors in the Atlantic Ocean.

The sailors were heading to the Canary Islands when their boat lost its rudder resulting in them being in distress and needing evacuation help. Once rescued, the sailors were provided with health and medical checks, emotional support, water and a cabin to rest in.

The crew of MT SILVER DOVER rescued a solo American yachtsman who had been drifting at sea onboard his sailboat for two days after the boat's steering equipment failed in the Caribbean Sea.

Industry Support

Our representatives shared their technical skills and knowledge by participating in more than 50 industry associations and other organizations in 2023. In addition to our Group COO, Angad Banga, being appointed Chairman of the Hong Kong Shipowners Association and Rotational Chairman of the Asian Shipowners' Association in the reporting year, The Caravel Group and FLEET were major sponsors of the Hong Kong Shipowners Association's 65th anniversary gala dinner. The event featured a keynote address by Mr Michael Wong, GBS, JP, Acting Financial Secretary for Hong Kong SAR, and welcomed 500 guests from the global maritime industry. Highlights of the Group's industry leadership positions are included in the case study on [p.41](#) of this report. Other key industry events where we played a significant role are outlined below.

ICS SUMMIT

FLEET was a corporate sponsor of the International Chamber of Shipping (ICS)'s prestigious Shaping the Future of Shipping Summit – Seafarer 2050 conference, held in Manila, which was attended by the President of the Philippines. This event launched ICS's new video to promote careers in seafaring, featuring one of our FLEET seafarers, Nirmal Chandra Nirmal, who has been sailing with us since the beginning of his career and has built a strong social media presence in sharing insights of his life and experiences as a seafarer. We supported Nirmal's travel to the conference so he could share his perspectives on stage with Summit participants.

HONG KONG MARITIME WEEK

Our representatives were actively involved as Hong Kong played host to hundreds of attendees from across the globe during the city's annual Maritime Week. At the opening session, our Group COO, Angad Banga spoke at the World Maritime Merchants Forum on regulatory and geopolitical impacts on the shipping industry. As part of the week's events, our Chief Technology Officer, Shah Irani judged The Captain's Table finals. This industry-led partnership program is designed to propel start-ups in the maritime sector, and The Caravel Group has been a sponsor for many years. Also, the FLEET Personnel Director spoke on a panel discussion on "Future Manning Challenges–Bridging the Gap", where he highlighted the importance of gender diversity to the future of the shipping.

Please refer to the [Memberships and Associations](#) section for a comprehensive list of our activities.