

# FROM CRISIS TO OPPORTUNITY



## **BOARD STATEMENT**

This is Samudera Shipping Line Ltd ("Samudera") fourth sustainability report on environmental, social and governance (ESG) issues, demonstrating our continued commitment towards building a sustainable business. The report is aligned with SGX-ST Listing Rules Practice Note 7.6: "Sustainability Reporting Guide" and is prepared in accordance with Global Reporting Initiative (GRI) Standards.

2020 was a challenging year for all. While the world battled the COVID-19 pandemic, more than ever, we became aware of how interconnected our world is and how much we rely on each other to build a sustainable future. Despite the challenging times, Samudera stayed committed to playing its role in providing essential shipping services connecting ports within the region and connecting business opportunities, thus contributing to the strengthening of Singapore's position as a Global Hub Port.

This year, we strengthened our environmental controls to protect the shared marine environment. We sought to provide a safe and healthy working environment for our people, minimising the risks of occupational injuries and COVID-19 infection. Despite the challenges posted by COVID-19, we did not cut back our effort in providing training and education for our employees, as we believe that continued learning is essential in building a future-ready workforce. Moreover, we continue to earn the trust of stakeholders through our clean compliance record. The Board has approved the material ESG factors, as well as our performance and targets presented in this report, and provided oversight to ensure that these ESG matters are monitored and managed.



#### WHO WE ARE

Samudera Shipping Line Ltd and its subsidiaries ("**Group**") focus on three main business segments in the shipping industry, namely, Container Shipping, Bulk and Tanker, as well as Logistics and Others.

#### 1. CONTAINER SHIPPING:

Samudera offers reliable feeder service between the central "hub" port in Singapore and smaller size "spoke" ports in the region. The Group connects ports across a wide geographical range, spanning from Southeast Asia, the Indian Subcontinent, the Far East and the Middle East.

#### 2. BULK AND TANKER:

Samudera's fleet of bulk carriers and tankers are chartered out for the transportation of dry or liquid cargo.

#### 3. LOGISTICS AND OTHERS:

Samudera provides agency services, forwarding, warehousing as well as general logistics services.

Samudera is listed on the Mainboard of Singapore Exchange Securities Trading Limited. For more corporate information, kindly refer to the relevant sections within this Annual Report.



## **ABOUT THIS REPORT**

This is the Samudera Sustainability Report which details sustainability practices and performance from 1 January to 31 December 2020 ("FY2020"). As with previous years, the report aligns with the requirements of SGX-ST Listing Rules Practice Note 7.6: "Sustainability Reporting Guide" and is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The GRI standards are used once again, as they are one of the most widely used and trusted sustainability reporting frameworks globally. This allows us to report in line with best practice and to continue to contribute to the sharing of information in the sustainability community. Please refer to pages 52-54 for the GRI Content Index. No external assurance has been sought for this report.

We welcome your feedback in our efforts to improve our sustainability practices and reporting. Please contact sustainability@samudera.id or (65) 6430 1687.

#### **Reporting Scope**

The Sustainability Report include information and data related to the listed entity, Samudera Shipping Line Ltd and its six container vessels, as well as two of Samudera's key subsidiaries in Singapore¹. Foremost Maritime Pte Ltd ("Foremost²") principally engages in the transportation of dry-bulk commodities, while SILkargo specialises in logistics and forwarding business. Across the group of entities, Samudera is pleased to uphold the same high level of business ethics as well as the same practices for measuring, managing, and reporting on those ethics. This year, we acknowledge a separate sustainability report issued by our parent company who is also a public listed company in the Indonesia stock exchange. This gives an opportunity for both group of entities to work together to achieve a boarder aspect of sustainability.

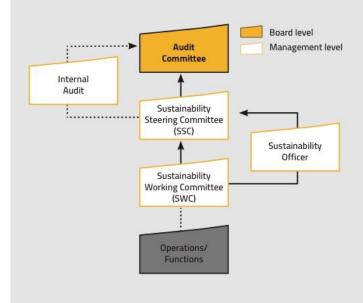
- Except the "Generating economic value" section, which covers Samudera Shipping Line Ltd and all its subsidiaries, following the same scope as the "Financial Statement" section in this Annual Report.
- 2 Foremost has divested all vessels held under this entity in September 2019. Foremost is still included in this year's reporting scope.

#### Sustainability at Samudera

The Board is ultimately responsible for the strategic direction and oversight of Samudera's sustainability practices, supported by the Group's senior management. The Sustainability Steering Committee (SSC), chaired by our CEO, reviews processes and procedures in order to evaluate the Company's sustainability performance, and makes recommendations for future direction and activities.

The dedicated Sustainability Officer is responsible for day-to-day implementation, who works directly with our operations teams for role-specific tasks, and reports to the SSC.

We have also established a Sustainability Working Committee (SWC) that is responsible for the daily implementation of sustainability practices on the ground in their respective divisions. The SWC comprised of our Risk and Sustainability Officers, as well as representatives from Operations, Finance, Human Resources and Information Technology divisions, as well as a representative from our subsidiary, SILkargo.



#### **Materiality Review**

Samudera completed a review of our material ESG topics once again in 2020. Although major disruptions around the world were seen, due to the COVID-19 pandemic and resulting national restrictions, we have made no changes to our material topics. However, we have focused particular attention on "Providing safe working conditions" to safeguard the health and safety of our team members in view of last year's unprecedented situation. More details elaborated in the corresponding chapter of this report. Our material ESG factors are mapped into four broad sustainability aspects, as shown in Table A.

#### TABLE A

Sustainability Aspect	Material ESG Factor
Economic Performance	1. Generating economic value
Environmental Responsibilities	Strengthening environmental controls
Workforce Management	<ol><li>Providing safe working conditions</li></ol>
	<ol> <li>Investing in employee development</li> </ol>
Corporate Governance	Maintaining a strong     compliance record

#### A Contributing to the SDGs

Reaching from 2015 to 2030, the United Nations Sustainable Development Goals (SDGs) are a set of 17 universal goals that require action on all fronts in order to achieve peace, prosperity and sustainable development. As part of the business community, we must also do our part to contribute to these global goals, which help to unlock the value it brings.

In 2020, we mapped our material ESG factors to the 17 SDGs, identifying four goals that strategically align to our business.

Material ESG Factor	Sustainability Aspect	Global Goals	Our Actions
Generating economic value	Economic Performance	8 min remain	<ul> <li>Generating shared economic value for shareholders and employees</li> <li>Providing shipping services to the Asian region and connecting business opportunities</li> </ul>
Strengthening environmental controls	Environmental	13 come 14 streets	<ul> <li>Strengthening environmental controls to minimising risks of pollution</li> </ul>
Providing safe working conditions Investing in employee development	Workforce Management	8 interest man ma	<ul> <li>Providing a safe working environment for workers and take care of workers' wellbeing</li> <li>Providing training and career development opportunities for workers</li> </ul>
Maintaining a strong compliance record	Corporate Governance	8 SECRET FORM AND 14 SECRETARY SECRE	<ul> <li>Complying with laws and regulations around environmental protection, labour conditions, and anti-corruption</li> </ul>

#### **Building a Future-ready Maritime Singapore**

The Maritime and Port Authority of Singapore ("MPA") has in place a future-ready framework with the aims of developing and promoting Singapore's maritime interest, as well as maintaining an influential Singaporean voice on the global stage. MPA envisages Singapore to be developed into a maritime knowledge and innovation hub, supported by a quality maritime workforce<sup>3</sup>.

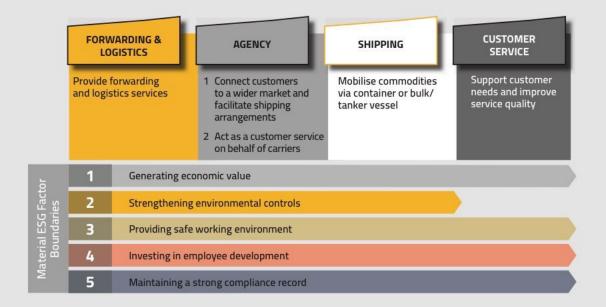
Samudera aligns its sustainability efforts with this broader national goal, through the following areas:

 "Build an attractive International Maritime Centre": We strive to provide regional connectivity through our fleet of vessels and support Singapore's vision of becoming a confluence of global and regional maritime shipping

- routes. Please also refer to page 42 on our ambition to becoming a reliable and trustworthy provider of shipping services.
- "Strengthen Singapore's position as a Global Hub Port": We adopt cleaner fuel with lower sulphur content and promote safety culture in our operation. Please refer to page 45 on our environmental control and page 47 on our efforts towards ensuring safety.
- "Build a Future-Ready Maritime Workforce": We strive
  to build a competent maritime workforce which can
  contribute positively to Singapore's overall maritime
  capabilities. Please refer page 49 for detailed training and
  career development opportunities offered to our people.
- "Grow Singapore as a Maritime Innovation Hub":
   Accelerate maritime digitalisation and develop the capacity to respond to cybersecurity threats. Refer to page 51 for highlights on Samudera's secure IT practices.
- 3 For more information on MPA's vision for Singapore, please refer to MPA's Sustainability/Integrated Report 2019 here: https://www.mpa.gov.sg/web/portal/home/about-mpa/annual-report.

#### Sustainability across our value chain

Our operations are highly reliant on various partners across many markets and our global shipping network. Without the cooperation and support from these stakeholders, we would not be able to achieve many of our goals, both business and sustainability. Therefore, positive engagement with these stakeholder groups is necessary to continue our successes. These stakeholders include suppliers, employees, customers and port authorities, at each stage of our activities. We have considered where and how each of our sustainability priorities affects our other stakeholders and the below diagram shows the boundaries of each of our material factors in our value chain.



Samudera has sought direct engagement with these groups of stakeholders in order to continue a two-way dialogue that keeps communication channels open, which enable us to understand how to shape the approach to our material sustainability issues. We also strive to cultivate a stronger sense of ownership regarding sustainability through continued communication and support from our stakeholders.

The following table identifies our key stakeholders and shows how they are engaged during the year.

Key Stakeholders	Key Topics of Concern	Engagement Methods	Frequency of Engagement
Investors and shareholders	<ul> <li>Business operations and performance</li> <li>Business strategy and outlook</li> </ul>	<ul> <li>Release of financial results and other relevant disclosures through SGXNet and Samudera's website</li> <li>Annual General Meeting</li> <li>Meeting with investors and stock analysts</li> </ul>	<ul><li>Throughout the year</li><li>Once a year</li><li>Throughout the year</li></ul>
Employees	<ul> <li>Benefits and compensation</li> <li>Workplace safety and wellbeing</li> <li>Career development and progression</li> <li>Employee-management relationship</li> </ul>	<ul> <li>Management meeting</li> <li>Social and team building activities</li> <li>Safety training</li> <li>In-house and external trainings</li> <li>Performance feedback and review</li> <li>Employee volunteering opportunities</li> </ul>	<ul> <li>Throughout the year</li> <li>Throughout the year</li> <li>Throughout the year</li> <li>Throughout the year</li> <li>Once a year</li> <li>At least once a year</li> </ul>
Port authorities	<ul> <li>Compliance with laws and regulations</li> </ul>	<ul> <li>Compliance surveillance and monitoring</li> </ul>	Throughout the year
Customers	<ul><li>Reliability and quality of services</li><li>Environmental and social impacts of services</li></ul>	Feedback via website & email     Customer meetings	<ul><li>Throughout the year</li><li>Throughout the year</li></ul>
Business partners	<ul> <li>Safety and environmental practices</li> <li>Transparent cooperation with integrity</li> <li>Mutual growth</li> </ul>	Business partners meetings	Throughout the year
Local community	<ul><li>Environmental impacts</li><li>Social contributions</li></ul>	<ul><li>CSR activities</li><li>Facilitation of trade and business through shipping services</li></ul>	<ul><li>Throughout the year</li><li>Throughout the year</li></ul>

#### Generating economic value

Performance indicator	Performance in 2020	Target status for 2020	Target for 2021
Revenue	USD348 million	Target achieved	Continue to leverage on our extensive network and high level of professionalism to provide the key connections for the region and beyond

Since its incorporation in 1993, Samudera has established itself as a reliable and trustworthy partner for our customers. We aspire to continue growing our business in the region and create shared value with our business partners.

2020 was a challenging year for all. Against the backdrop of global COVID-19 pandemic, our quality service and strong network provided us with a strong anchor for financial resilience. Despite a slight decrease in our revenue from USD374 million in 2019 to USD348 million in 2020, we recorded a higher profit after tax of USD7.3 million from USD4.2 million last year. Details of the financial performance in 2020 can be found in the Financial Statement section of our Annual Report 2020.

We provide economic and growth opportunities for our employees. As of 31 December 2020, we had a team of 134 full-time employees, majority of who were hired under Samudera Shipping Headquarters. 124 of our employees were located in Singapore, 5 of them in Indonesia while the rest were situated across countries in Asia. We did not have any temporary or part-time employees during the year. Our team had a good female representation. We had 87 female employees (65% of total employees) and 47 male employees (35% of total employees).

COVID-19 has disrupted all trades and supply chain in Singapore as well as the rest of the world. With restrictions on the movement of goods across borders and the implementation of safe-working measures (both on shore and on-board vessel), our operations were affected too. We continued to rationalise our service routes and exercise cost control in order to provide sustainable and reliable sailing connections to our customers. As part of our forward-looking strategy, we blueprinted a digitalisation of service and up-skilling for our people even before the start of the pandemic. The global shipping industry will be at the forefront of efforts towards a sustainable recovery, as a vital enabler of the smooth functioning of international supply chains in a new normal. We will continue to leverage on our extensive network and high level of professionalism to provide the key connections for the region and beyond.



#### Strengthening environmental controls

Performance indicator	Performance in 2020	Target status for 2020	Target for 2021
Compliance with applicable regulations regarding oil spillage	100%	Target achieved	Maintain 100% vessel-compliance rate for oil spill regulations
Number of significant <sup>4</sup> oil spill incidents	0	Target achieved	Maintain zero significant oil spill incidents
Compliance with IMO (International Maritime Organisation) 2020 Regulation	100%	Target achieved	Maintain 100% vessel-compliance rate for IMO 2020 regulations

Ocean shipping is the main mode of international trade and has lower carbon emission intensity as compared to air freight and road transport. Still, we are cognisant of the environmental impacts of shipping and aim to reduce our impacts on the environment. We also comply with the relevant national and international industry environmental regulations.

We take environmental control seriously. Samudera transports various chemical, oils and industrial compounds as part of our operations. Our tankers mainly ship liquids or gaseous compounds, while bulk carriers usually ship dry commodity goods. We transport both non-dangerous and dangerous goods via our container ships. We are aware of the potential risks of environmental pollution if these compounds are accidentally spilt into the surrounding environment, which will harm the natural environment and threaten our good reputation.

Our ship manager has established an Environmental Management System (EMS) in line with internationally recognised certification ISO14001:2015. The EMS is based on a sound understanding of our operations and environmental science. It sets out Standard Operating Procedures (SOPs) to monitor, evaluate and take corrective

actions related to environmental pollution, as part of the Shipboard Procedure Manual (SPM). The SPM covers a range of topics related to pollution control, including:

- ballast water management
- prevention of pollution by oil
- control of pollution by noxious liquid in bulk
- control of pollution by harmful substances carried in packaged form
- prevention of pollution by sewage and garbage
- prevention of air pollution and noise from the ship
- prevention of pollution by anti-fouling paint

We make sure that our ship managers and crew members receive adequate training and equipment to execute our policies and procedures in their daily operations. We have set out comprehensive contingency plans to deal with emergency situations, such as collisions, grounding, and machine failures, which may result in oil spills. Every vessel and all of our crews are equipped with the necessary pollution prevention equipment and knowledge to contain damage to a minimum. Our crew have undergone frequent oil spill drills to refresh their memory on emergency

4 'Significant' being a spill that requires a clean-up response and causes for fine/non-monetary sanction with value above S\$100,000

containment. Furthermore, we cover all our vessels under the Civil Liability Convention (CLC) Bunker Certificate, which provides us with the financial insurance to cover the liability of any potential pollution damage and its remediation.

Moreover, our vessels maintain up-to-date environmental certifications. These include the International Oil Pollution Prevention (IOPP) Certificate, the International Air Pollution Prevention (IAPP) Certificate, the International Sewage Pollution Prevention (ISPP) Certificate, and the Ballast Water Management Certificate (BWMC).

One significant development in our environmental management during the year is our 100% compliance with the new IMO 2020 Regulation. On 1 January 2020, a new global cap by the IMO, the UN maritime agency, on sulphur content in marine fuels has come into effect. The new regulation mandates a maximum sulphur content of 0.5% by mass in marine fuels, representing a significant reduction from the previous limit of 3.5%. High levels of sulphur oxide can pose threats to public health, causing respiratory, cardiovascular and lung disease. Once released in the atmosphere, sulphur oxide (SOx) can lead to acid rain, which impacts crops, forests and aquatic species and contributes to the acidification of the oceans. Therefore, the resulting reduction in ships' SOx emissions due to IMO 2020 have major health and environmental benefits, particularly for populations living close to ports and coasts.

Since the announcement of IMO 2020 in 2016, we have been progressively gearing up our vessels for compliance in 2020. We planned to achieve this primarily through the adoption of low-sulphur fuels usage, supplemented by engineering solutions (e.g. installing an exhaust gas cleaning system known as "scrubbers") in selected vessels. Since the beginning of 2020, all vessels that we operate were using low sulphur fuel oil (LSFO). We conducted regular fuel analysis in order to make sure that the sulphur content is below the IMO regulation threshold. We also retrofitted scrubbers to two units of newly built container ship that we chartered-in under long-term time charter (LTTC) and added to our fleet in 2020. Going forward, we will consider such installations when acquiring new built vessels on a case-by-case basis.

We extend our commitment to environmental protection to our supply chain. We have established a matrix to assess bunker supplier, which includes criteria such as supplier qualification, quality of supply and MPA ranking, amongst others. We also expanded incident management training to all partners across our owned and chartered vessels.

In 2020, we have zero incidents of significant oil spills and have maintained a 100% vessel-compliance rate for oil spill regulations, thus, achieving our target set for the year. In 2021, we aim to maintain the same good record.

#### Managing GHG emissions

We are aware of our greenhouse gas (GHG) emissions and its associated impact on global climate change. We are now at the beginning of our journey to measure and manage our GHG emissions.

One of our financiers became a Signatory of the Poseidon Principles in late 2019. The Poseidon Principles established a global framework to quantitatively assess and disclose whether financial institutions' lending portfolios were in line with the climate goals set by the IMO. The IMO's initial GHG strategy prescribed that international shipping must reduce its total annual GHG emissions by at least 50% of 2008 levels by 2050.

Our financier's commitment to the Poseidon Principles directly impacted our awareness on the importance of managing GHG emissions produced by ships. To assist our financier in its reporting exercise, we agreed to share data required for the computation of a carbon intensity metric known as the Annual Efficiency Ratio ("AER") for each of the ships financed as of end 2019 (this was covered in 2020 reporting).

We are proud to report that the AER of three out of the four financed ships for 2019 are almost aligned with the IMO trajectory value (<5% variance). This assessment motivates us to enhance our efforts in managing GHG emissions produced by our owned ships. As our GHG accounting methodology matures, we will consider reporting our GHG emissions in our future sustainability reports.

#### Providing safe working conditions

Performance indicator	Performance in 2020	Target status for 2020	Target for 2021
Number of significant* incidents involving dangerous goods	0	Zero significant workplace	Zero workplace
Workplace fatalities	0	accidents target not met	fatalities
Workplace injuries	1		

 Significant incidents refer to accidents which resulted in personal injury

We care deeply for the safety and wellbeing of our employees. We are cautious of the potential occupational health and safety (OHS) risks during the operation of the shipping industry. We proactively enhance our safety protocols and processes across our operations.

Our OHS framework is managed in line with the Ministry of Manpower's Workplace Safety and Health (WSH) Act in Singapore. Through this framework, we seek to continuously identify potential safety hazards and implements precautionary measures to eliminate or mitigate those risks. Guided by the overarching Group Health, Safety and Environment (HSE) Policy, our ship managers have set up detailed SOPs as part of the Shipboard Procedure Manual for applicable various workplace scenarios, such as:

- Safety on Board
- Safe Navigation All the Time
- Safe Handling Cargo
- Shipboard Personnel

On top of a comprehensive policy framework on OHS, we make sure our employees are empowered with the right skill and knowledge to maintain a safe working environment. Operational personnel are trained to conduct risk assessments and implement risk control measures. The Group maintain oversight on the safe management of our vessels through annual reviews in accordance with Group's safety policies and procedures. Any findings will be followed up thoroughly to ensure that the necessary corrective actions are carried out.

We are particularly cautious in the handling of dangerous good as any mishandling might lead to severe consequences to worker's safety and the surrounding marine environment. Governed by a dedicated SOP on the safe transportation of dangerous goods, we make sure that potential dangers are properly signposted and contingency plan properly mapped out and communicated. For example, we require the preparation of a Material Safety Data Sheets (MSDS), which details the potential hazards (health, fire, reactivity and environmental) of the chemical product and how to work safely with the chemical product, before it is loaded onto our vessels. We have also set up a flowchart to guide our employee through decision makings with regard to dangerous goods, to contain and minimise the impacts in case of any accidents.

We believe that technology can play an important role in enhancing a safe and clean operation. Since 2017, we have been developing a software programme to improve the control system for dangerous goods. In the first half of 2020, our efforts have finally come to fruition and we have successfully rolled out our new digital Dangerous Goods Management System. This system allows automated validation checks with the embedded Dangerous Goods Database, which in turn greatly improves the response time, workflow and overall accuracy of the verification and approval process for dangerous goods. The system can also help enhance the safety of the personnel, protect the environment and ensure compliance throughout the cargo handling process. In 2020, there were no significant incidents involving dangerous goods handling resulting in personal injury. Going forward, we will continue to improve the comprehensiveness and effectiveness of our Dangerous Good Management System best suited to our operations.

Meanwhile, we seek to promote workplace health and wellbeing. We offer employees regular health check-ups. As part of our crew recruitment processing, we also carry out drug and alcohol screenings. All our vessels are certified under the Maritime Labour Convention (MLC), which aims to provide favourable labour conditions for maritime crew. We comply with all MLC requirements, on topics such as minimum age, hours of rest, accommodation and on-board facilities, food and catering, payment of wages, and the qualification of medical practitioners. For example, we installed fitness equipment such as stationary bicycles, treadmills, ping-pong table, and weight training kit on board.

		2018	2019	2020
For employees and worke	ers who are not employees but whose work and	l/or workplace is contro	lled by Samudera (e.g.	crew)
Fatalities as a result of	Number of incidents	0	0	0
work-related injury	Rate (per 1,000,000 hours worked) <sup>5</sup>	0	0	0
High-consequence work-related injuries <sup>6</sup>	Number of incidents	0	0	0
	Rate (per 1,000,000 hours worked)	0	0	0
Lost time injuries <sup>7</sup>	Number of incidents	0	1	1
	Rate (per 1,000,000 hours worked)	0	1.6	1.8

- 5 Rate (per 1,000,000 hours worked) = (Number of incidents)/(Number of hours worked) × 1,000,000
- 6 A work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months, per GRI Standards.
- 7 A workplace injury is a workplace or work-related traffic injury that results in at least 24 hours of hospitalisation or 3 days of MC due to a single work-related accident (whether consecutive or not), as per reported to the Ministry of Manpower in Singapore.

In 2020, we reported zero work-related fatalities or high-consequence work-related injuries. Unfortunately, we had one workplace injury. One of our crew on-board a ship suffered a mild stroke and was hospitalised. The team acted swiftly to get him the support and medical attention he needed. Although there was no increase in the number of injuries, our injury rate increased slightly last year due to a decrease in number of crew as a result of a smaller fleet size. We had an overall lost-time injury rate of 1.8 (per 1,000,000 hours worked) during the year. In 2021, we aim to achieve zero work-related fatalities.

## Protecting our people against COVID-19

The outbreak of COVID-19 has presented the shipping industry with significant challenges, both in terms of the overall market conditions and various restrictions on our daily operations. This global pandemic has impeded the movement of goods and people in different parts of the world. Being a relatively closed environment, ships could also become hotspots for COVID-19 infection clusters.

Samudera responded swiftly by updating and implementing our Business Continuity Plans ("BCP") to protect the safety of employees and other workers to minimise business disruptions. We put the health and safety of our people as among top priorities. Our IT department has provided the necessary hardware and technical guidance that enable employees to work from home. Within our office and facilities, employees and visitors were required to take temperatures before entering. We encouraged all our employees to adopt good personal hygiene habits and defer all non-essential travels.

We understand that the COVID-19 situation is weighing heavily on all our employees' mind. In these times, communication is key to provide assurance and clarity to our people. We send out regular email updates on the issue, including updates on boarder restrictions, our business contingency plan, advice on precautionary measures against COVID-19 infection and arrangement for working from home.

Our ship managers also implement precautionary measures against COVID-19 infection on-board ship, including a suite of hygiene measures and also an outbreak management plan The outbreak management plan sets out procedures for pandemic control and prevention emergency response, following the guidance from international and national maritime bodies, including but not limited to the IMO, the International Maritime Health Association (IMHA), Class Society and countries' port administrations.

We are grateful that we did not have any employees or crew infected by COVID-19 during the year. We will continue to stay vigilant and adapt to the evolving conditions posed by the pandemic.

#### Investing in employee development

Performance indicator	Performance in 2020	Target status for 2020	Target for 2021
Average hours of training per employee	3.1 hours	Target achieved	Maintain a diverse and relevant training programme in our efforts to broaden and deepen the knowledge
Provision of programs for upgrading employee skills	See our various programs below	Target achieved	<ul><li>and experience of our employees</li><li>Average training hours per employee of no less than 3 hours</li></ul>
Percentage of employees receiving regular performance and career development reviews	100%	NA	

A team of high-performing and motivated employees are key to Samudera's success. We strive to provide an engaging and enabling environment for our employees through training and career development programmes, thus helping employees reach their highest potentials.

Directors (SID) for our directors, on topics such as Listed Entity Director Essentials, Board Dynamics and Performance, and stakeholder engagement

A series of training offered by Singapore Institute of

We encourage active learning among our employees. We provide financial sponsorship and leave for eligible training opportunities such as certified skills training programmes, industry seminars and conferences, or to obtain professional qualifications. Our Human Resources Department (HR) is actively building a knowledge library for our employees. Training materials which are found useful and relevant will be kept in the library and shared among employees.

Although our training hour per employee decreased slightly from an average of 3.8 hours of training per employee from the previous year to 3.1 hours this year, we still met our KPI.

In 2020, due to social distancing requirement during the COVID-19 pandemic, we postponed most of our training sessions for our crew and employees. Nonetheless, we managed to enrol employees in a couple of training programmes when condition allowed, including:

A performance review is another important way to support career growth. It helps to set long-term and short-term career goals, identify developmental needs as well as provide a platform for two-way communications between the manager and employee. In 2020, we conducted a performance review for all our employees.

 ISO Tank transportation service, conducted by an industry expert: to offer insights on the market and knowledge on daily operations In 2021, we target to maintain a diverse and relevant learning and development programme in our efforts to broaden and deepen the knowledge and experience of our employees. We will explore virtual training options, and to leverage both our internal Group training centre, Samudera Indonesia Corporate University (SICU) and external training consultants. We aim to achieve an average training hour of no less than 3 hours for our employees.

 Waste Minimisation & 5Rs, by the Singapore Environment Council: to increase awareness of climate change and environmental conservation among employees

#### Maintaining a strong compliance record

Performance indicator	Performance in 2020	Target status for 2020	Target for 2021
Number of incidents of non-compliance with laws and regulations which resulted in significant <sup>8</sup> fines or non-monetary sanctions	Zero non-compliance	Target achieved	Maintain zero incidents of non-compliance with laws and regulations resulting in significant fines or non-monetary sanctions

At Samudera, our clean compliance track record helps us maintain the trust developed over the years with our stakeholders. Any breaches in laws or regulations would directly damage our reputation and impair our ability to operate. It is essential that we remain in good standing by continuously strengthening internal controls and risk management systems, which will in turn, bring greater transparency, accountability, integrity, and professionalism to our business.

Within Samudera, compliance risks are actively identified, assessed, and managed, covering various topics, such as labor rights, safety practices, prevention of environmental pollution, licensing and port clearance requirements, taxation, as well as listing rules. Our management, risk management and internal audit teams monitor for any changes to applicable laws and regulations while ensuring our own control systems remain up to date. Should any new significant laws be identified, we organise designated trainings to directors and selected employees to ensure their understanding of the laws.

Our Employee Handbook clearly states our non-tolerance stance towards anti-corruption and anti-bribery. Should any employee (or other stakeholder) suspect unethical behaviour or illegal actions, they are able to report the case in line with our Whistleblowing Policy to any one of our channels in a confidential manner, including by email to <a href="mailto:whistleblow@samudera.id">whistleblow@samudera.id</a> or by post to our office. Any received report will be exclusively accessed by the Head of Internal Audit and the Chairman of Audit Committee, and will be discussed, evaluated, and documented in the quarterly Audit Committee meeting.

Strong corporate governance is the foundation for ensuring a strong compliance record. The National University of Singapore Business School publishes an annual Singapore Governance and Transparency Index (SGTI), ranking performance for Singapore-listed companies. Even though our SGTI Score improved from 73 in 2019 to 76 in 2020, our rank has dropped from #110 to #145 (out of 577 companies). This demonstrates that the bar for good corporate governance is constantly rising and we need to stay committed to continuous improvement in our governance practices.

In 2020, we received zero reports to our whistleblowing channels, and achieved our target of maintaining zero incidents of non-compliance that result in significant fines or non-monetary sanctions. For 2021, we aim to maintain the same good compliance records.

<sup>8</sup> Significant cases are those resulting in a court case, imprisonment, or fine above S\$100,000

## Supporting secure and smooth IT access during COVID-19 times

As part of our contingency plan in response to the COVID-19 pandemic, we implemented flexible working arrangement and alternate day work arrangement for our employees who are able to work from home. Our IT team supported a smooth transition to remote working and ensured network security by providing access to a company-specific VPN.

We have also implemented 2-factor authentication (2FA) to access our VPN connection, as we planned in 2019. This added security features to protect our network from malicious access.

Moreover, employees were also able to set up a secure, shared cloud drive to store and share important documents, facilitating seamless team collaboration despite working remotely. Enabled by a secure IT network, we were grateful that despite the COVID-19 conditions, we were still able to maintain our productivity and collaborate effectively as a team.



# **GRI CONTENT INDEX**

This report has been prepared in accordance to GRI Standards: Core option.

GENERAL DISCLOSU	RES	
Organisational Profi	le	
102 – 1 (2016)	Name of the organisation	Annual Report page 1
102 – 2 (2016)	Activities, brands, products, and services	Annual Report page 1
102 – 3 (2016)	Location of headquarters	Annual Report page 1
102 – 4 (2016)	Location of operations	Annual Report pages 4-5
102 – 5 (2016)	Ownership and legal form	Annual Report (Financial) pages 140-141
102 – 6 (2016)	Markets served	Annual Report pages 4-5
102 – 7 (2016)	Scale of the organisation	Annual Report page 31 Total number of employees as of 31 December 2020: 134 – 126 Samudera HQ – 3 Foremost Maritime – 5 SILkargo Logistics
102 – 8 (2016)	Information on employees and other workers	A significant portion of Samudera's activities is performed by workers who are not employees, including ship managers and crew. Their ESG performance is also covered in this report.
102 – 9 (2016)	Supply chain	Annual Report page 1
102 – 10 (2016)	Significant changes to the organisation and its supply chain	No significant changes to the structure, ownership, supply chain occurred during the financial year.
102 – 11 (2016)	Precautionary principle or approach	Samudera does not explicitly refer to the precautionary approach or principle in its Risk Management Framework.
102 – 12 (2016)	External initiatives	Annual Report pages 2-3
102 – 13 (2016) Strategy	Membership of associations	Samudera is member of various professional associations, including Singapore Shipping Association.
102 – 14 (2016)	Statement from senior decision-maker	Annual Report pages 8-11
Ethics and Integrity		
102 - 16 (2016)	Values, principles, standards, and norms of behaviour	Annual Report page 1
Governance		
102 – 18 (2016)	Governance structure	Annual Report pages 14-30
Stakeholder Engage	VIII. VIIII. VIII. VIIII. VIIII VIII. VIIII VIII	
102 – 40 (2016)	List of stakeholder groups	Annual Report page 43
102 – 41 (2016)	Collective bargaining agreements	There are no collective bargaining agreements in place.
102 – 42 (2016)	Identifying and selecting stakeholders	Annual Report page 43

GENERAL DISCLOSU	RES	
Stakeholder Engage		
102 – 43 (2016)	Approach to stakeholder engagement	Annual Report page 43
102 – 44 (2016)	Key topics and concerns raised	Annual Report page 43
Reporting Practices		
102 – 45 (2016)	Entities included in the consolidated financial statements	Annual Report (Financial) pages 88-95
102 – 46 (2016)	Defining report content and topic Boundaries	Annual Report page 40
102 – 47 (2016)	List of material topics	Annual Report page 40
102 – 48 (2016)	Restatements of information	There are no restatements of information.
102 – 49 (2016)	Changes in reporting	None
102 – 50 (2016)	Reporting period	1 January to 31 December 2020
102 – 51 (2016)	Date of most recent report	Sustainability Report 2019 was published in March 2020
102 – 52 (2016)	Reporting cycle	Every 12 months
102 – 53 (2016)	Contact point for questions regarding the report	sustainability@samudera.id or (65) 6430 1687
102 – 54 (2016)	Claims of reporting in accordance with the GRI Standards	Annual Report page 40
102 – 55 (2016)	GRI content index	Annual Report pages 52-54
102 – 56 (2016)	External assurance	External assurance was not sought for this report
MATERIAL TOPICS		
Economic Performa	nce	
103 – 1 (2016)	Explanation of the material topic and its Boundary	Annual Report page 44
103 – 2 (2016)	The management approach and its components	Annual Report page 44
103 – 3 (2016)	Evaluation of the management approach	Annual Report page 44
201 – 1 (2016)	Direct economic value generated and distributed	Annual Report page 44
Environmental Com	pliance	
103 – 1 (2016)	Explanation of the material topic and its Boundary	Annual Report pages 45-46
103 – 2 (2016)	The management approach and its components	Annual Report pages 45-46
103 – 3 (2016)	Evaluation of the management approach	Annual Report pages 45-46
307 – 1 (2016)	Non-compliance with environmental laws and regulations	Annual Report pages 45-46

# **GRI CONTENT INDEX**

This report has been prepared in accordance to GRI Standards: Core option.

MATERIAL TOPICS Training and Educa	tion	
103 – 1 (2016)	Explanation of the material topic and its Boundary	Annual Report page 49
103 – 2 (2016)	The management approach and its components	Annual Report page 49
103 – 3 (2016)	Evaluation of the management approach	Annual Report page 49
404 – 2 (2016)	Percentage of employees receiving regular performance and career development reviews	Annual Report page 49
Occupational Healt	V Wall at	
103 – 1 (2016)	Explanation of the material topic and its Boundary	Annual Report pages 47-48
103 – 2 (2016)	The management approach and its components	Annual Report pages 47-48
103 – 3 (2016)	Evaluation of the management approach	Annual Report pages 47-48
403 – 2 (2018)	Occupational health and safety management system	Annual Report pages 47-48
403 – 2 (2018)	Hazard identification, risk assessment, and incident investigation	Annual Report pages 47-48
403 – 3 (2018)	Occupational health services	Annual Report pages 47-48
403 – 4 (2018)	Worker participation, consultation, and communication on occupational health and safety	Annual Report pages 47-48
403 – 5 (2018)	Worker training on occupational health and safety	Annual Report pages 47-48
403 – 6 (2018)	Promotion of worker health	Annual Report pages 47-48
403 – 6 (2018)	Prevention and mitigation of occupational health and safety	Annual Report pages 47-48
403 – 9 (2018)	Work-related injuries	Annual Report pages 47-48
Socio-economic Co	mpliance	
103 – 1 (2016)	Explanation of the material topic and its Boundary	Annual Report pages 50-51
103 – 2 (2016)	The management approach and its components	Annual Report pages 50-51
103 – 3 (2016)	Evaluation of the management approach	Annual Report pages 50-51
419 – 2 (2016)	Non-compliance with laws and regulations in the social and economic area	Annual Report pages 50-51  No significant cases of non-compliance with laws and regulations



# SAMUDERA SHIPPING LINE LTD

6 RAFFLES QUAY #25-01 SINGAPORE 048580 Tel: (65) 6403 1687 CO. REG. NO.: 199308462C

samudera.id/ssl