

# Maritime Sustainability Reporting Guide

BEST PRACTICES FOR CREATING  
A MARITIME SUSTAINABILITY REPORT



# Prologue

**As a pioneer in preparing sustainability reports in the maritime and public sector, the Maritime and Port Authority of Singapore (MPA) recognises, first-hand, the value sustainability reporting will provide to maritime companies. This includes enhancing companies' environmental and social impact management, and promoting operating efficiency.**

Following the Singapore Exchange's (SGX) inaugural introduction of sustainability reporting for years 2017/2018 onwards, MPA supported SGX-listed maritime companies to become early adopters and champions of sustainability reporting through a co-funding scheme under MPA's Maritime Singapore Green Initiative (MSGI) Green Awareness Programme. Co-organised with the Global Compact Network Singapore (GCNS), the national lead agency in promoting corporate sustainability in Singapore, a series of Maritime Sustainability Reporting workshops were conducted for maritime sector participants. The objective was to equip first-time preparers with the necessary sustainability reporting knowledge and skills.

MPA was heartened by the strong industry reception to MPA's efforts in promoting sustainability reporting. Thus, based on the feedback given by the maritime industry on the need for more guidance on sustainability reporting, MPA has developed this Maritime Sustainability Reporting Guide, the first sector-specific sustainability reporting reference since SGX introduced sustainability reporting for listed companies. This report is targeted for both listed and non-listed companies in the maritime industry. Co-developed with GCNS, SGX, Institute of Singapore Chartered Accountants (ISCA) and sustainability consultants from Ernst & Young LLP (EY), KPMG and PwC Singapore, this Guide comprises 6 chapters to make the sustainability reporting process easier for the maritime industry, along with industry best practices and case studies.

In March 2019, a Roundtable Session was held where key sustainability leaders discussed the contents of the co-created Maritime Sustainability Reporting Guide. Salient points raised in the discussion have been incorporated into the Guide.

We hope that you will find the Guide a useful tool in your company's sustainability reporting journey and we welcome your feedback for future editions of the Guide.



**MS QUAH LEY HOON**  
Chief Executive  
Maritime & Port Authority of Singapore

"MPA is committed to partner maritime companies to enhance our sustainability performance and further grow Maritime Singapore. As an organisation, we know that MPA will need to evolve to serve the needs of our customers and build stronger partnership in the new world, understand competition and innovate to stay ahead. We are heartened by the maritime community's strong drive towards innovation and technology adoption. We look forward to continue the co-creation of a sustainable future together for Singapore, for the region and for the world."



**MS GOH SWEE CHEN**  
President  
Global Compact Network Singapore

"Sustainability Reporting for the maritime industry is especially pertinent given the International Maritime Organization 2020 low sulphur regulation.

The salient value of the sustainability reporting process lies in its ability to ensure that organisations consider and disclose the impacts of their business practice, including consideration of longer term opportunities and risks in their respective industries. GCNS is honoured to contribute to the publication of the Maritime Sustainability Reporting Guide."



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### Acknowledgements

The completion of this Maritime Sustainability Reporting Guide would not have been possible without maritime industry support and the contribution of the Guide's following collaborators:



A leading maritime agency driving Singapore's global maritime aspirations, MPA seeks to develop and promote Singapore as a premier global hub port and an international maritime centre, and to advance and safeguard Singapore's strategic maritime interests.







CHAPTER 1

# Defining Sustainability

Sustainability involves following responsible business practices that would enable companies to manage and coordinate economic, environmental and social demands to ensure long-term survival.



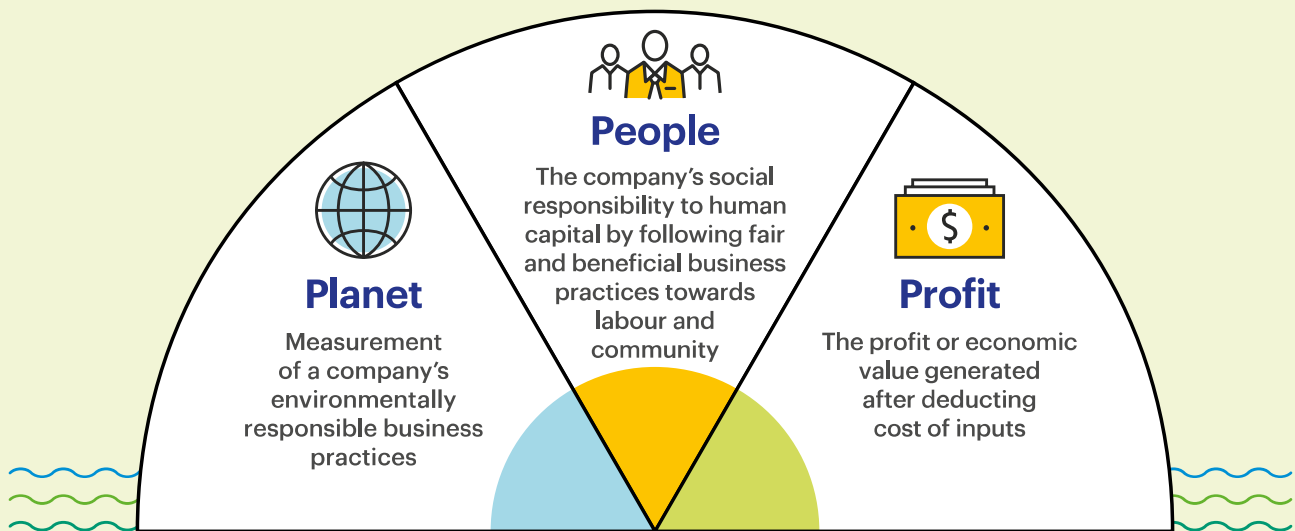


# What is Sustainable Development and Why it matters?

“Sustainable development... has been defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

according to the **United Nations Brundtland Commission Report, 1987.**

For sustainable development to be achieved, it is crucial to harmonise three core elements: **economic growth, social inclusion** and **environmental protection**. These elements are inter-connected and all are crucial for the well-being of individuals and societies.



## Sustainable Business – Triple Bottom Line

Sustainability in its core means sustaining the business in our operating context.

### 4 Global Megatrends Impacting Sustainable Development

Megatrends matter. They present both opportunities and risks, which companies need to consider and take action in their strategies. **Ride the megatrends.**



#### Changing Demographic Dynamics

- Ageing, population growth, migration, urbanisation and emerging middle classes



#### Widening Socio-Economic Disparities

- More integrated global economy, yet with more uneven progress and deepening inequalities across and within countries



#### Technological Advancement

- Providing innovative solutions, but also adding challenges and risks



#### Climate Change, and Growing Environmental Burden

- Threats to global eco-systems



# Growing Importance of Sustainability and its Relevance

## Gaining from Sustainability

Beyond just going green, sustainable practices bring vast value creation benefits to companies of all sizes (from small and medium-sized enterprises (SMEs) to multi-national companies (MNCs)) who do it right.

### How Sustainability may be a Key Business Driver for Companies



#### Earning Rewards and Managing Risks from Sustainability – Both Tangible and Intangible

- Sustainability brings benefits beyond the direct cost savings through resource efficiencies.
- Given changing investor expectations for companies to be more environmentally and socially responsible, embracing sustainability enables companies to diversify investor base and access alternative sources of green funds.



#### Recognising Supply Chain Trickle-Down Effect

- With many companies being supply chain partners to other firms, these companies should consider the sustainability requirements of their customers and suppliers to become the preferred partners in global chain of business.



#### Driving Innovation, Customer Loyalty and Talent Attraction

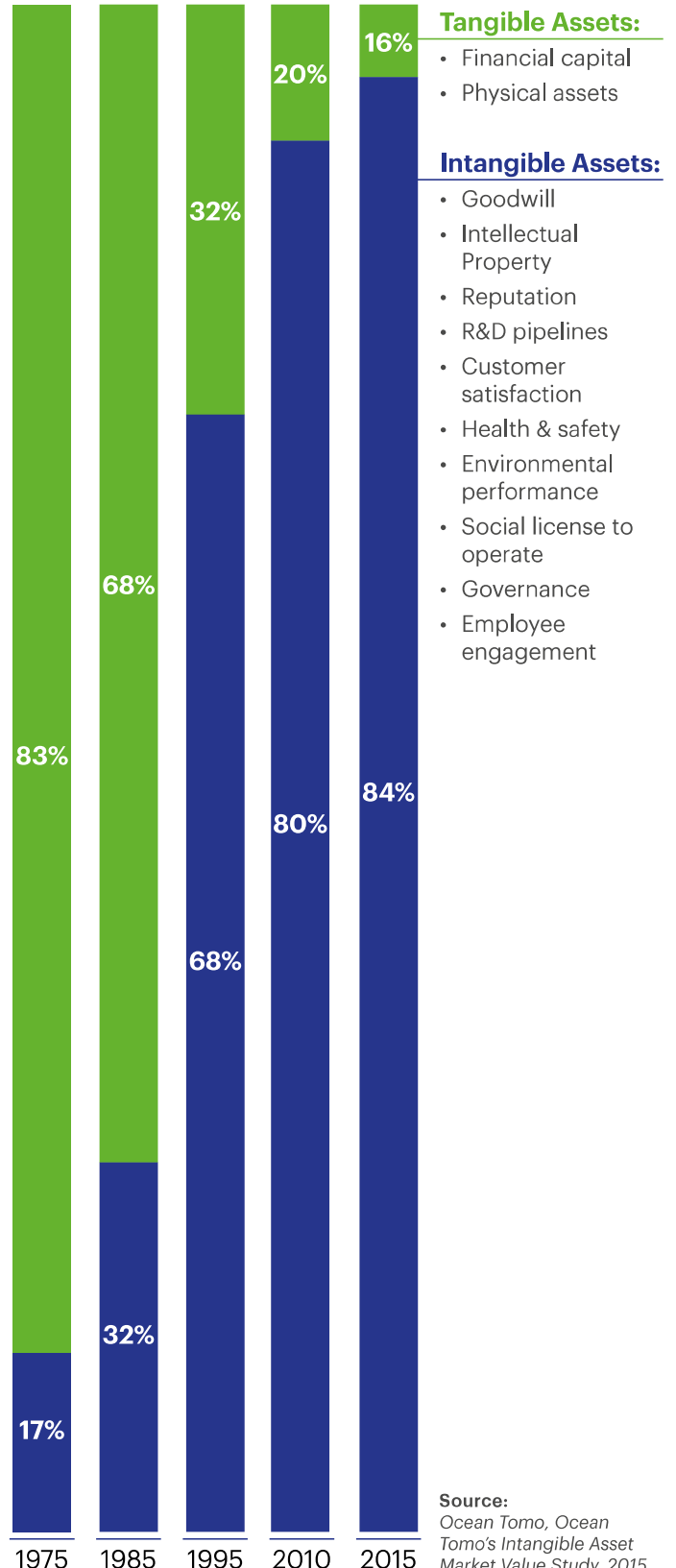
- Embracing sustainability enables companies to improve creativity and innovation through enhanced sustainability-driven business processes.
- Sustainability practices further improves business branding and image to attract and retain new-generation customers and staff who value social responsibility.



#### Understanding Impacts and Integration into Business Strategy

- Beyond viewing sustainability as a form of compliance, it is important for companies to understand the components and embed sustainability into their business in order to reap potential benefits.
- To avoid sustainability seeming too daunting, begin by taking small, incremental initiatives which will cumulate to yield significant sustainability benefits in the longer run.

## Sustainability Dimension Coincides with Shift of Market Value towards Intangibles

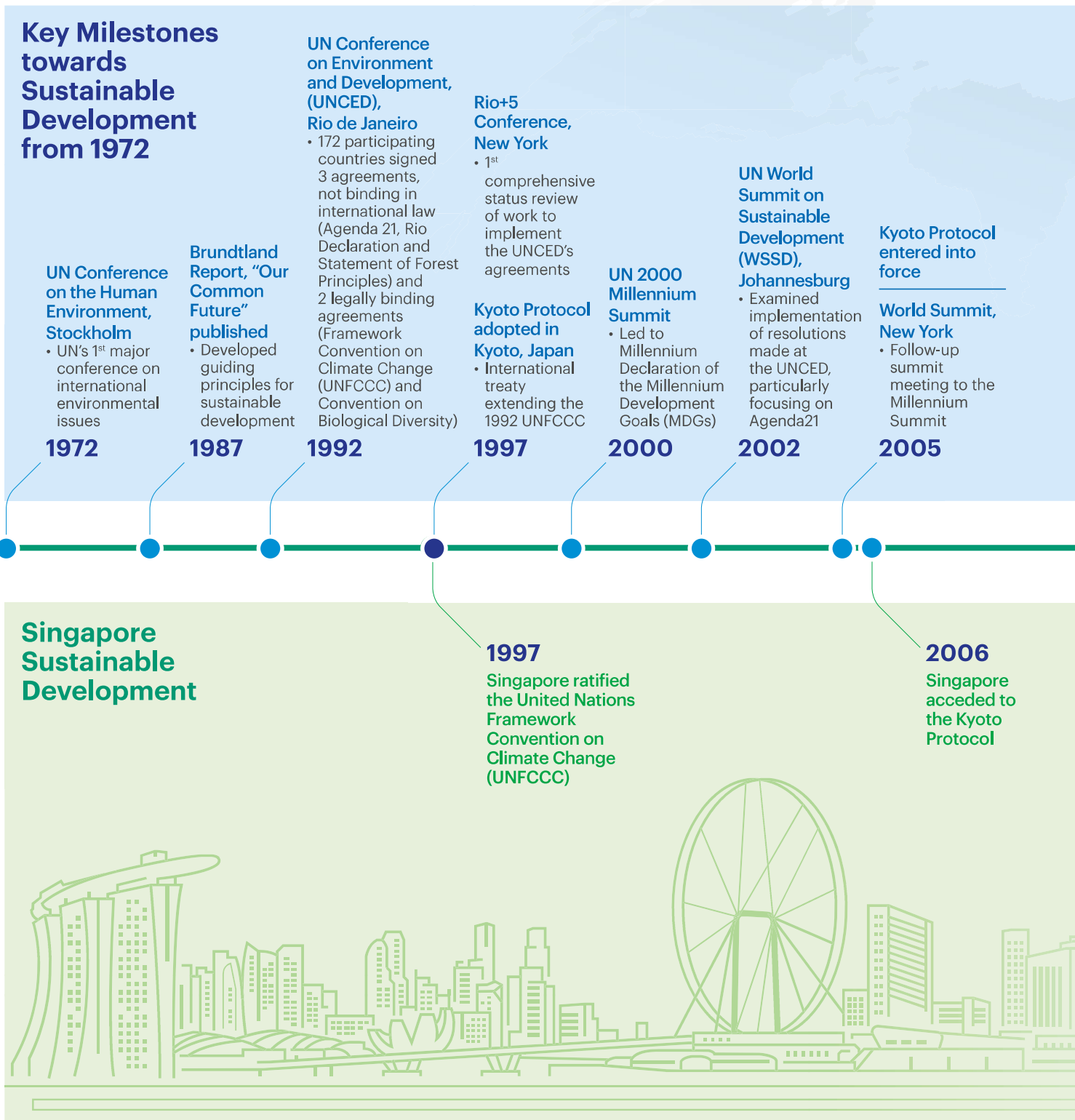


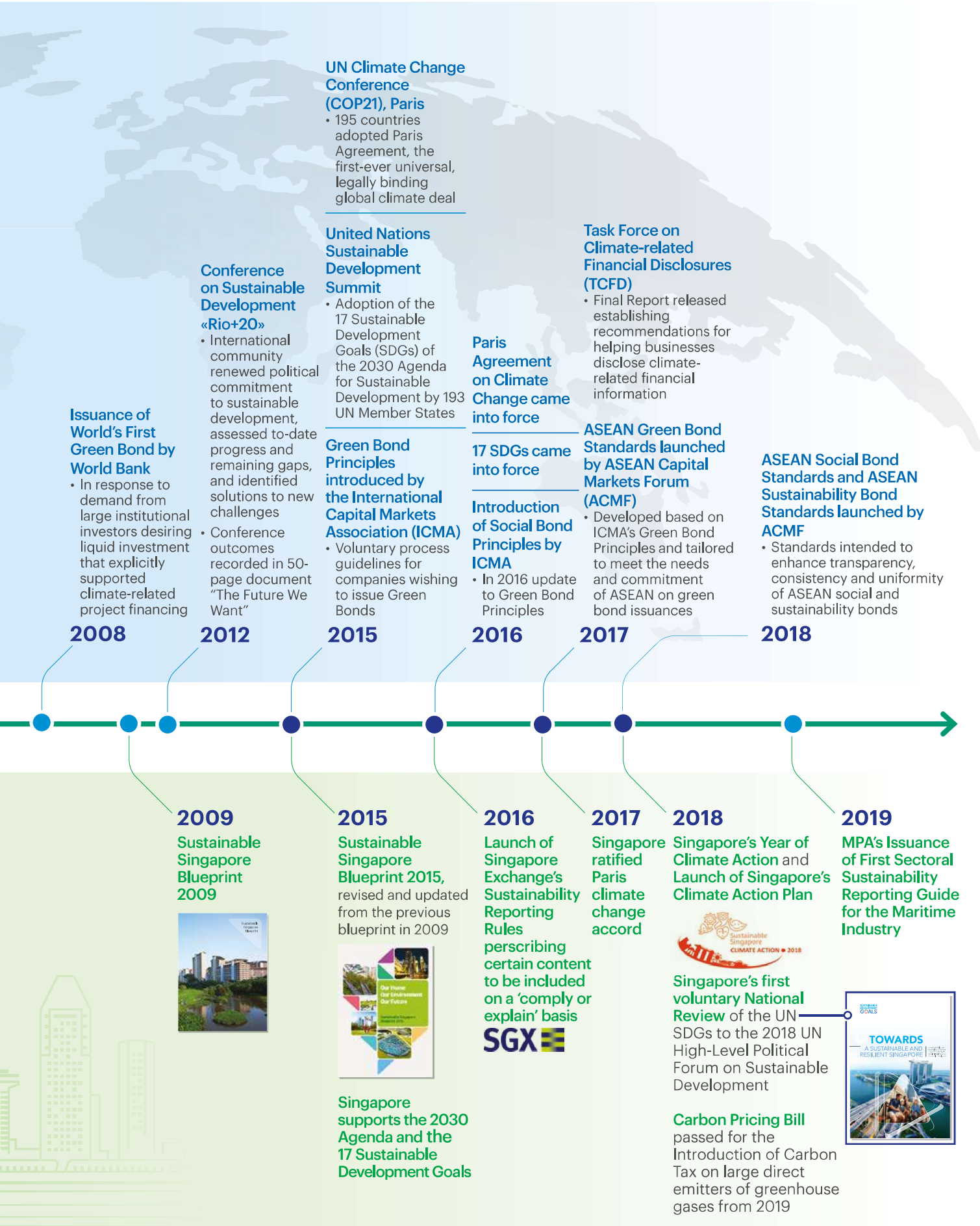


# Sustainability Progress Globally and in Singapore

Though beginning as an ad-hoc response to environmental accidents, sustainability has gradually evolved into a proactive, global and growing movement.

As businesses go increasingly global in this new environment, the notion and practice of corporate responsibility has and will continue to reshape businesses.





**Issuance of World's First Green Bond by World Bank**

- In response to demand from large institutional investors desiring liquid investment that explicitly supported climate-related project financing

2008

**Conference on Sustainable Development «Rio+20»**

- International community renewed political commitment to sustainable development, assessed to-date progress and remaining gaps, and identified solutions to new challenges
- Conference outcomes recorded in 50-page document "The Future We Want"

2012

**UN Climate Change Conference (COP21), Paris**

- 195 countries adopted Paris Agreement, the first-ever universal, legally binding global climate deal

**United Nations Sustainable Development Summit**

- Adoption of the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development by 193 UN Member States

**Green Bond Principles introduced by the International Capital Markets Association (ICMA)**

- Voluntary process guidelines for companies wishing to issue Green Bonds

2015

**Paris Agreement on Climate Change came into force**

**17 SDGs came into force**

**Introduction of Social Bond Principles by ICMA**

- In 2016 update to Green Bond Principles

2016

**Task Force on Climate-related Financial Disclosures (TCFD)**

- Final Report released establishing recommendations for helping businesses disclose climate-related financial information

**ASEAN Green Bond Standards launched by ASEAN Capital Markets Forum (ACMF)**

- Developed based on ICMA's Green Bond Principles and tailored to meet the needs and commitment of ASEAN on green bond issuances

2017

**ASEAN Social Bond Standards and ASEAN Sustainability Bond Standards launched by ACMF**

- Standards intended to enhance transparency, consistency and uniformity of ASEAN social and sustainability bonds

2018

**2009 Sustainable Singapore Blueprint 2009**



**2015 Sustainable Singapore Blueprint 2015, revised and updated from the previous blueprint in 2009**



Singapore supports the 2030 Agenda and the 17 Sustainable Development Goals

**2016 Launch of Singapore Exchange's Sustainability Reporting Rules prescribing certain content to be included on a 'comply or explain' basis**



**2017 Singapore ratified Paris climate change accord**

**2018 Singapore's Year of Climate Action and Launch of Singapore's Climate Action Plan**



Singapore's first voluntary National Review of the UN SDGs to the 2018 UN High-Level Political Forum on Sustainable Development

Carbon Pricing Bill passed for the Introduction of Carbon Tax on large direct emitters of greenhouse gases from 2019

**2019 MPA's Issuance of First Sectoral Sustainability Reporting Guide for the Maritime Industry**






# The Importance of Sustainability Reporting

The Singapore Exchange (SGX) understands the importance and need for sustainability reporting.

**Sustainability has been the focus of global attention. Investors increasingly seek responsible investments, care about how ESG factors are managed and use ESG information as an indication of the quality of management as well as to provide more insight into the company’s prospect.**

## SGX’s Sustainability Reporting Requirements

To support Singapore-listed companies in meeting the growing interest in responsible investment from shareholders and potential investors worldwide – SGX, on 20 June 2016, introduced sustainability reporting rules requiring a compulsory annual sustainability report whose content is prescribed on a “comply or explain” basis.



A **Board statement** in the report describes the Board’s sustainability actions, supervising activity and strategic formulation.

**Reporting Risks & Opportunities** looking in the short, medium and long term as relevant to the business.

**Materiality Assessment** is performed when determining whether an ESG factor should be reported on. Factors like corruption and diversity, if assessed to be immaterial by companies, may be excluded. Companies are however advised to present information on these factors on their websites to satisfy stakeholders’ interest.



**Key features of the sustainability reporting requirements are:**

1

**Companies have to publish a sustainability report** at least once a year, no later than 5 months after the end of each Financial Year.

2

The report should describe the sustainability practices with reference to **five primary components:** material ESG factors; policies, practices and performance; targets; sustainability reporting framework(s); and the Board statement.

More details Go to P19

3

If a company excludes a primary component, **it must describe what it does** instead with reasons for doing so.

4

The sustainability report will be based on the principles set out in the Guide providing **an accurate and balanced view of the risks and opportunities in a concise manner.**

5

**SGX does not prescribe any sustainability reporting framework;** companies should carefully select appropriate framework(s) for their business model and industry. Reports do not require external assurance, though companies which have been reporting for several years are recommended to do so.



“A meaningful sustainability report should demonstrate a good understanding of an organisation’s most material ESG issues, and present a clear view of the risks and opportunities that drive an organisation’s long-term value.”

**Simon Yeo**  
Partner, *Climate Change and Sustainability Services, EY*



“The maritime industry is responding to the call to heed the ‘tragedy of the horizons’ and steering its companies to address the risks and opportunities of climate change. Using the TCFD disclosure recommendations will help effective communication.”

**Yeo Lian Sim**  
Special Adviser Diversity, SGX



“It is only natural for companies to integrate ESG factors into their businesses and operations to sustain a good performance. The next step to build shareholder confidence is to communicate clearly the board’s role and management’s actions.”

**Eliza Tan**  
Vice President, Listing Compliance, SGX RegCo







CHAPTER 2

# Importance of Sustainability to the Maritime Industry

Maritime is a complex and dynamic industry that has changed and will need to continue evolving through the efforts of all industry players to keep pace with key trends. This will enhance the sector's value, sustainability, and position the industry for future growth.





# Overview of Maritime Eco-system

Beyond the hub port, Singapore is a vibrant International Maritime Centre comprising international shipping groups, logistic players and a wide range of maritime services. The dynamic and pro-business environment has also contributed to the growth of other eco-systems.



## Maritime Singapore

Contributes around  
**7%**  
to our Nation's GDP

Employs about  
**170,000**  
Employees

More than  
**5,000**  
Maritime Establishments

Amongst the World's  
**TOP 5**  
Largest Ship Registries

Amongst the World's  
**BUSIEST**  
Container  
Transshipment Hub

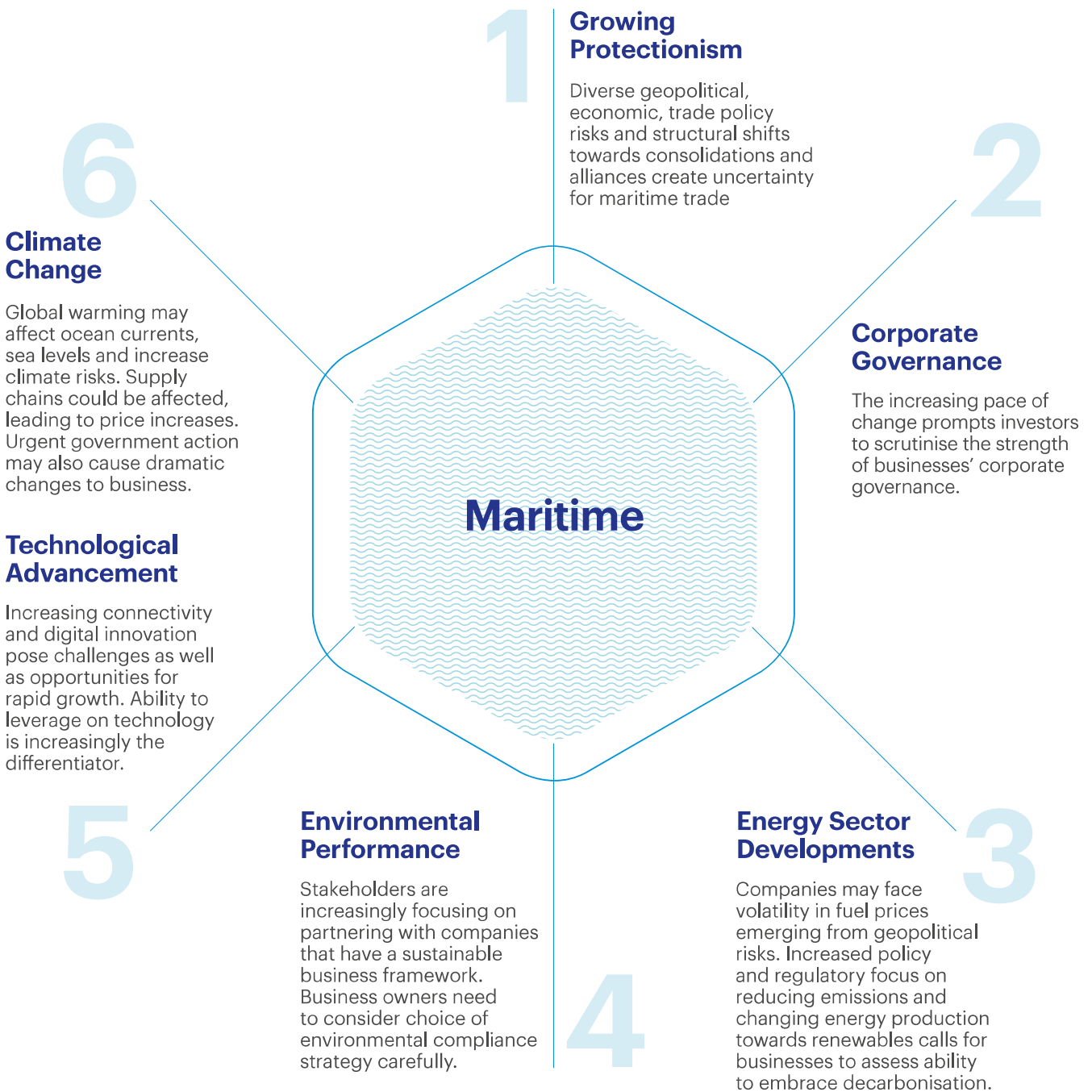
Approximately  
**1,000**  
ships in the Port of  
Singapore at any one time

World's  
**TOP**  
Bunkering Port



# Trends in the Maritime Sector

Challenges of the future demand significant change, increasing the need to address sustainability risks throughout maritime businesses' operations.



# Maritime Sector’s Contribution to United Nations Sustainable Development Goals

The 2012 United Nations Conference on Sustainable Development began the process of negotiating a set of Sustainable Development Goals (SDGs), which were adopted by all United Nations Member States in 2015.



## 17 Inter-Connecting Goals

Integrating environmental, economic, social and governance aspects.

## 169 Targets

underpinned to help define progress and to achieve a better and more sustainable future for all.

Read More: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



Please note: Individual SDGs are inter-related and alignment varies from organisation to organisation.

## Significant Opportunities for the Maritime Industry to Contribute:



### UN SDG 14 Life Below Water:

**Conserve and Sustainably Use the Oceans, Seas and Marine Resources for Sustainable Development**  
Because international shipping takes place on the world’s oceans, and the International Maritime Organization (IMO) is responsible for measures to improve the safety and security of international shipping and to prevent pollution from ships, IMO’s work is integral to SDG 14. IMO’s objectives can be summarised as follows: safe, secure and efficient shipping on clean oceans. The work of IMO therefore relates to most, if not all, of the SDG 14 targets, particularly as regards its environmental conventions.

As part of the United Nations family, IMO is actively working towards the 2030 Agenda for Sustainable Development and the associated SDGs. While SDG 14 is central to IMO, aspects of the Organization’s work can be linked to all individual SDGs.



# Regulatory Trends in the Maritime Sector

Progressive efforts are being put in by the Maritime sector to curb the carbon footprint and improve the environmental performance of international shipping.



**IMO 2020 regulation** seeks to reduce the emission of sulphur oxides (SOx) which is harmful to human health, by mandating that the sulphur content of fuel oil used on board ships shall not exceed 0.50% m/m on and after 1 January 2020.



**IMO 2050 Greenhouse Gas Target**  
The IMO's Marine Environment Protection Committee (MEPC) adopted an Initial Strategy to reduce the total annual greenhouse gas (GHG) emissions from international shipping by at least 50% by 2050, compared to 2008 whilst pursuing efforts towards phasing them out. The Initial Strategy also sets a carbon intensity target to reduce CO<sub>2</sub> emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008.



**International Convention for the Control and Management of Ships' Ballast Water and Sediments** came into force in September 2017. The convention aims to prevent the spread of invasive aquatic organisms or species from one region to another through ballast water, by establishing standards and procedures for the management and control of ships' ballast water and sediments.



**International Convention for the Prevention of Pollution from Ships (MARPOL)** is one of the four pillars of international maritime regulations brought about by the IMO. The convention was adopted in 1973 and entered into force in 1983. MARPOL 73/78 as updated by amendments and through its current six annexes, covers the prevention of pollution of the marine environment by ships from operational and accidental causes.



**IMO Action Plan to Address Marine Plastic Litter from Ships** adopted by IMO's MEPC in 2018. The action plan aims to enhance existing regulations and introduce new supporting measures to reduce marine plastic litter from ships.









## CHAPTER 3

# Sustainability Reporting Principles

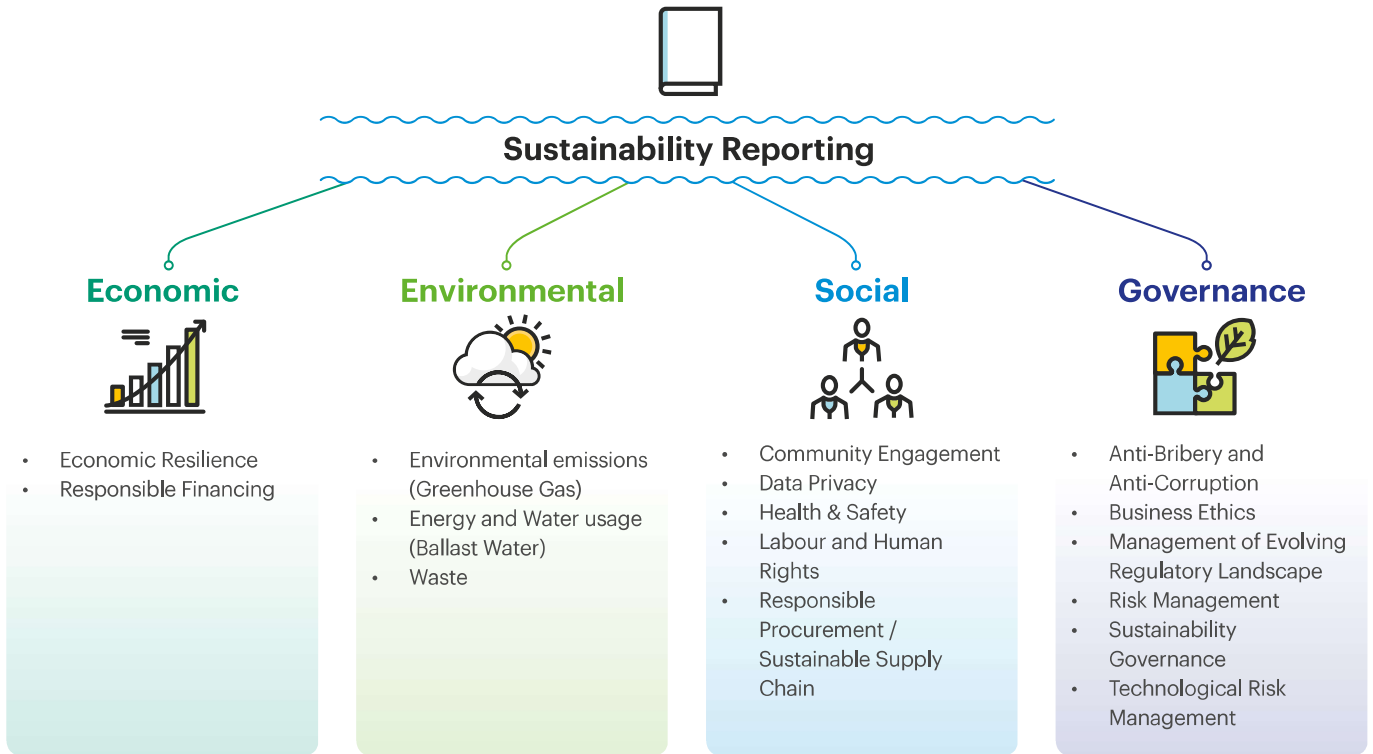
An overview of internationally recognised Sustainability Reporting Frameworks, Standards and Reporting Practices to help you begin on your sustainability reporting journey.





# Key Elements of Sustainability Reporting

Going above and beyond box-ticking, one small yet vital step towards achieving a sustainable global economy.



When considering material matters, companies should take into consideration UN SDGs and targets.

[More Details Go to P14](#)

## Task Force on Climate-related Financial Disclosures: Disclosure Recommendations

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
(a) Describe the board's oversight of climate-related risks and opportunities.	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	(a) Describe the organisation's process for identifying and assessing climate-related risks.	(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
(b) Describe management's role in assessing and managing climate-related risks and opportunities.	(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	(b) Describe the organisation's processes for managing climate-related risks.	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Source: TCFD



# SGX Sustainability Reporting Requirements



Read More: <https://www.sustainabilityreporting.sg/sgx-rules-guidelines/>

When the Singapore Exchange (SGX) introduced mandatory sustainability reporting on 20 June 2016, SGX issued the Sustainability Reporting Guide to provide guidance to guide companies on their individual sustainability reporting journey. SGX believes that this increase in transparency will enable a better assessment of companies’ financial prospects and quality of management. It also contributes to good corporate governance.

## Five Primary Reporting Components:

5 Primary Components	What to report?	
<b>Material Environmental, Social, and Governance (ESG) factors</b>	<ul style="list-style-type: none"> <li>Identify material ESG factors</li> <li>Reasons and process of selection</li> <li>Relevance to the business, strategy, business model and key stakeholders</li> </ul>	1
<b>Policies, Practices and Performance for each material ESG factor</b>	<ul style="list-style-type: none"> <li>Policies, practices and performance for material ESG factors</li> <li>Descriptive and quantitative information</li> <li>Performance in relation to previously disclosed targets</li> </ul>	2
<b>Targets for each Material ESG Factor</b>	<ul style="list-style-type: none"> <li>Targets for the forthcoming year</li> </ul>	3
<b>Application of Sustainability Reporting Framework(s)</b>	<ul style="list-style-type: none"> <li>Select a Sustainability Reporting framework (or frameworks)</li> <li>Appropriate for and suited to its industry &amp; business model.</li> <li>Reasons for choosing the framework(s) and describe the extent of the application.</li> </ul>	4
<b>Board Statement</b>	<p>A statement of the Board:</p> <ul style="list-style-type: none"> <li>having considered sustainability issues as part of its strategic formulation</li> <li>determined the material ESG factors and</li> <li>overseen the management and monitoring of the material ESG factors</li> </ul>	5

### Global Recognised Frameworks:

Companies are free to choose any international standard(s) on sustainability reporting that they find most appropriate for their business.

#### Commonly Adopted Frameworks



**Global Reporting Initiative**

**GRI** – provides companies with indicators per material issues. It requires them to report on the material issues only.



**International Integrated Reporting Council**

**IIRC** – The coalition is promoting the evolution of corporate reporting by communicating about the value creation process followed by a company.



**Sustainability Accounting Standards Board**

**SASB** – An independent non-profit, whose mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors.

#### Other Initiatives:



**Task Force on Climate-related Financial Disclosures**

**TCFD** – Task Force developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers and other stakeholders. It recommends and monitors widespread adoption.

**Read More:** TCFD’s Final Recommendations Report <https://www.fsb-tcfd.org/>



# GRI Sustainability Reporting Principles

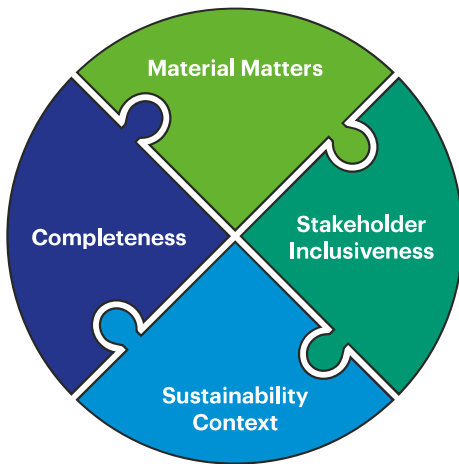


Read More: <https://www.globalreporting.org>

Incepted in 1997, the Global Reporting Initiative (GRI) was formed to help businesses understand the impact they have on sustainability. The GRI Sustainability Reporting Standards, launched in 2016, are the first and most widely adopted global standards for sustainability reporting.

GRI developed Reporting Principles to guide organisations towards achieve high quality sustainability reporting – covering Report Content and Report Quality.

## What's in the Report? Report Content



### Material Matters

- What is your significant economic, environmental and social impact?
- Which aspect of your business substantively influences the assessments and decisions of stakeholders?

### Stakeholder Inclusiveness

- Does your report document your approach to stakeholder identification and engagement?
- How has systematic stakeholder engagement enabled your organisation to address their expectations and interests?

### Sustainability Context

- Is your report's coverage of material topics sufficient to reflect significant economic, environmental and social impacts, to enable stakeholders to assess your organisation's performance in the reporting period?

### Completeness

- Does your report present your organisation's performance in the wider context of sustainability (sectoral, local, regional or global level)?

## Report Quality



**Accuracy**  
Information should be reasonably accurate and detailed for stakeholders to assess the performance.



**Balance**  
To provide a reasoned assessment of your organisation's overall performance, both the positive and negative aspects should be reflected in the report.



**Clarity**  
Information should be presented in a clear, coherent and easy to understand manner for the stakeholders.



**Comparability**  
Information reported should be presented in a way that allows stakeholders to analyse changes in performance over a period of time, thus allowing for analysis relative to other organisations.



**Timeliness**  
Reporting should be made on a regular schedule so that information is available for stakeholders to make timely and informed decisions.



**Reliability**  
Information and processes used during the preparation of the report should be recorded and compiled in a way that will allow for easy disclosure when there is a need for the report to be subjected to examination. This also helps to establish the report's quality and reliability.

## General Disclosures:

- 1** Organisational Profile
- 2** Strategy
- 3** Ethics and Integrity
- 4** Governance
- 5** Stakeholder Engagement
- 6** Reporting Practice

### Topic Specific Disclosures

e.g. Economic Performance, Procurement Practices, Anti-Corruption, Energy, Water, Emissions, Effluents & Waste, Environmental Compliance, Employment Practices, Occupational Health & Safety



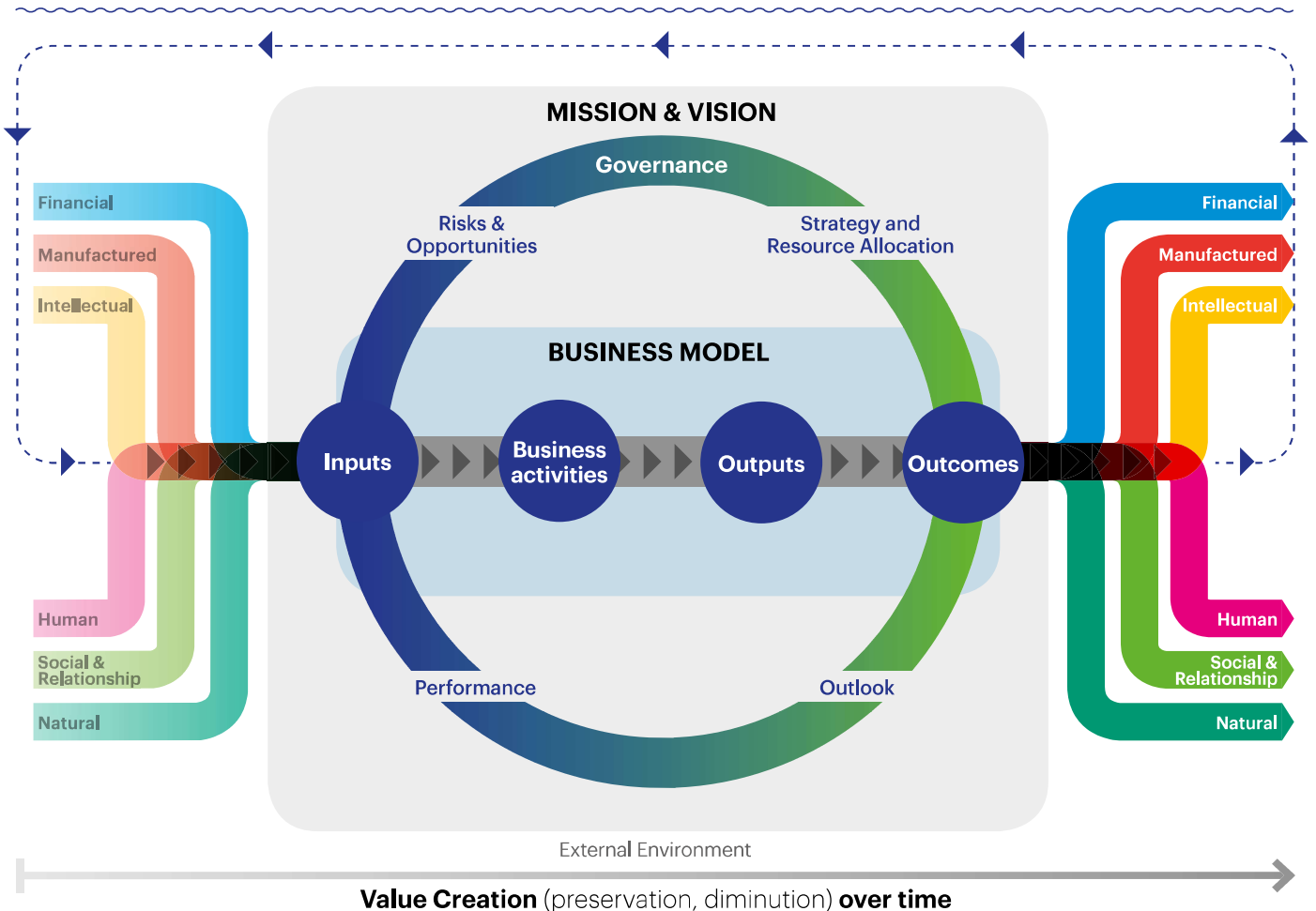
# IIRC Sustainability Reporting Principles



Read More: <http://integratedreporting.org>

The International Integrated Reporting Council (IIRC) was formed to promote communication and value creation as the next step in the evolution of corporate reporting. The International Integrated Reporting <IR> Framework establishes Guiding Principles and Content Elements that govern the overall content of an integrated report. Adopting <IR> in reporting helps organisations to develop strategies more holistically, and manage risks and opportunities based on forward-looking information, which creates value.

## <IR> Framework Value Creation Process



8 Content Elements		
1. Organisational Overview and External Environment	4. Risks and Opportunities	7. Outlook
2. Governance	5. Strategy and Resource Allocation	8. Basis of Preparation and Presentation
3. Business Model	6. Performance	
All of the above taking into account General Reporting Guidance		



# SASB Sustainability Reporting Standards



Read More: <https://www.sasb.org/standards-overview/>

Developed by the Sustainability Accounting Standards Board (SASB) founded in 2011, SASB standards enable businesses around the world to identify, manage and communicate financially-material sustainability information to their investors.

Published in November 2018, there are a total of 77 industry-specific standards. The components of a SASB Standard, coverage, and application to Maritime, are illustrated below.



## Disclosure Topics



## Accounting Metrics



## Technical Protocols



## Activity Metrics

What It Covers	Disclosure Topics	Accounting Metrics	Technical Protocols	Activity Metrics
Application to Marine Transportation (as illustrative reference)	<ul style="list-style-type: none"> <li>Greenhouse Gas Emissions</li> <li>Air Quality</li> <li>Ecological Impacts</li> <li>Employee Health &amp; Safety</li> <li>Business Ethics</li> <li>Accident &amp; Safety Management</li> </ul>	<ul style="list-style-type: none"> <li>Gross global Scope 1 emissions</li> <li>Average Energy Efficiency Design Index (EEDI) for new ships</li> <li>Air emissions of the following pollutants: NO<sub>x</sub> (excluding N<sub>2</sub>O), SO<sub>x</sub>, and particulate matter (PM<sub>10</sub>)</li> <li>Shipping duration in marine protected areas or areas of protected conservation status</li> <li>Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption</li> <li>Lost time incident rate (LTIR)</li> <li>Number of marine casualties, percentage classified as very serious</li> </ul>	<p>e.g. TR-MT-110a.1. Gross global Scope 1 emissions</p> <ol style="list-style-type: none"> <li>The entity shall disclose its gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol—carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).</li> <li>Scope 1 emissions are defined and shall be calculated according to the methodology contained in <i>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol), Revised Edition, March 2004</i>, published by the World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD).</li> </ol> <p>Etc.</p>	<ul style="list-style-type: none"> <li>Number of shipboard employees</li> <li>Total distance travelled by vessels</li> <li>Operating days</li> <li>Number of vessels in total shipping fleet</li> </ul>



## CHAPTER 4

# Getting Started

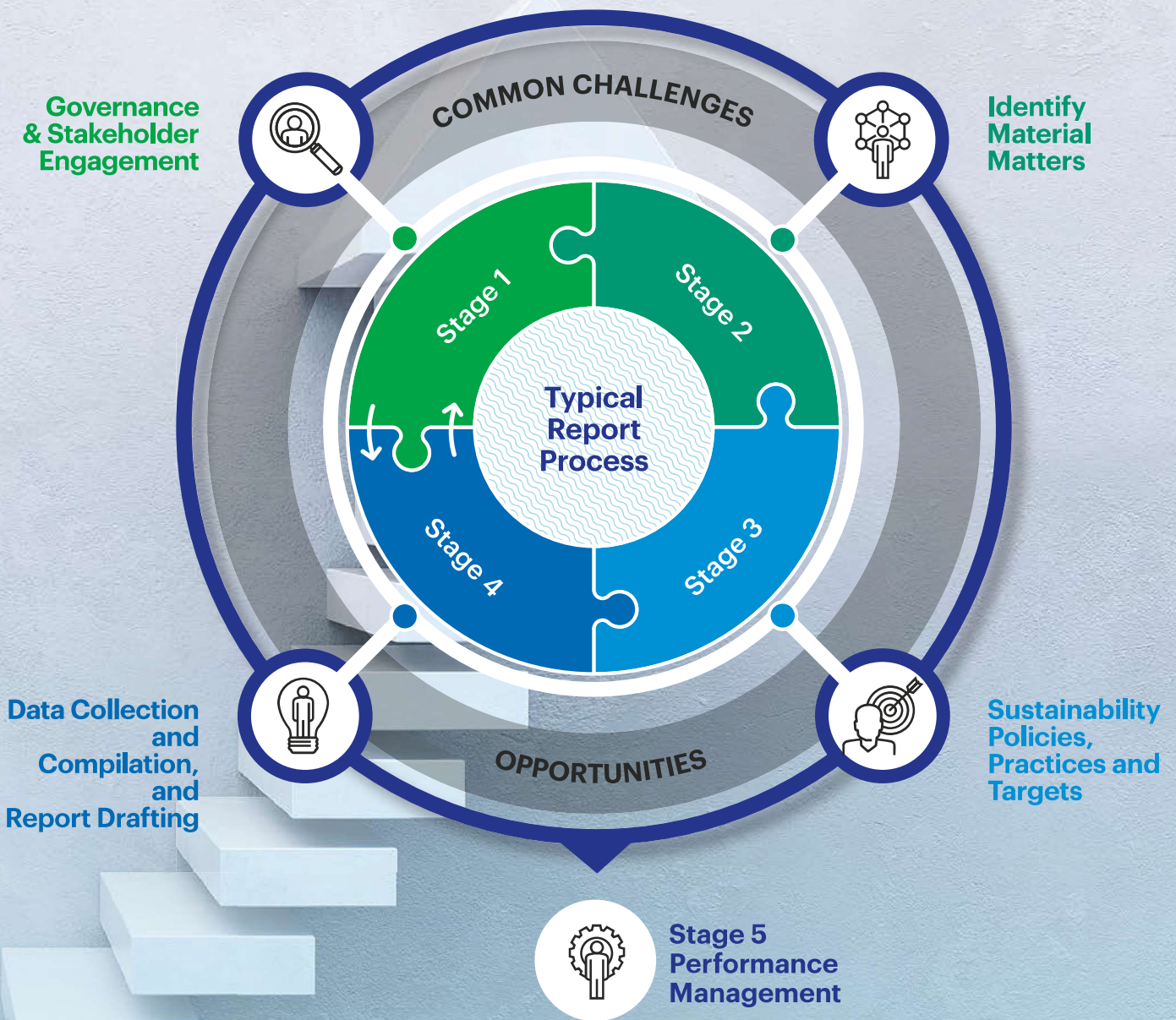
Having examined key maritime trends and the requirements of selected reporting principles, here is how you may proceed to write your sustainability report.





# Key Steps to Develop a Maritime Sustainability Report

Start your sustainability reporting journey now...



"The process of writing the Sustainability Report represents a thorough review of the organisation's strategy map which allows gaps to be identified and opportunities to be realised.

The degree of success hinges much on the appointment of a strong advocate to lead the initiative whose values align with that of the sustainability principles."

**Yvonne Chan** (Moderator)  
Director (Corporate Development) / CFO, MPA



"Good reporting should show how sustainability is interwoven into the very fabric of the business across all areas and activities. The process of creating a sustainability report is as valuable

as publishing the report itself, as it requires engaging multiple stakeholders that derive value from the business, understanding the issues material to them, and embarking on initiatives that address these issues."

**Esther Chang**  
Executive Director, GCNS

# Stage 1: Governance & Stakeholder Engagement

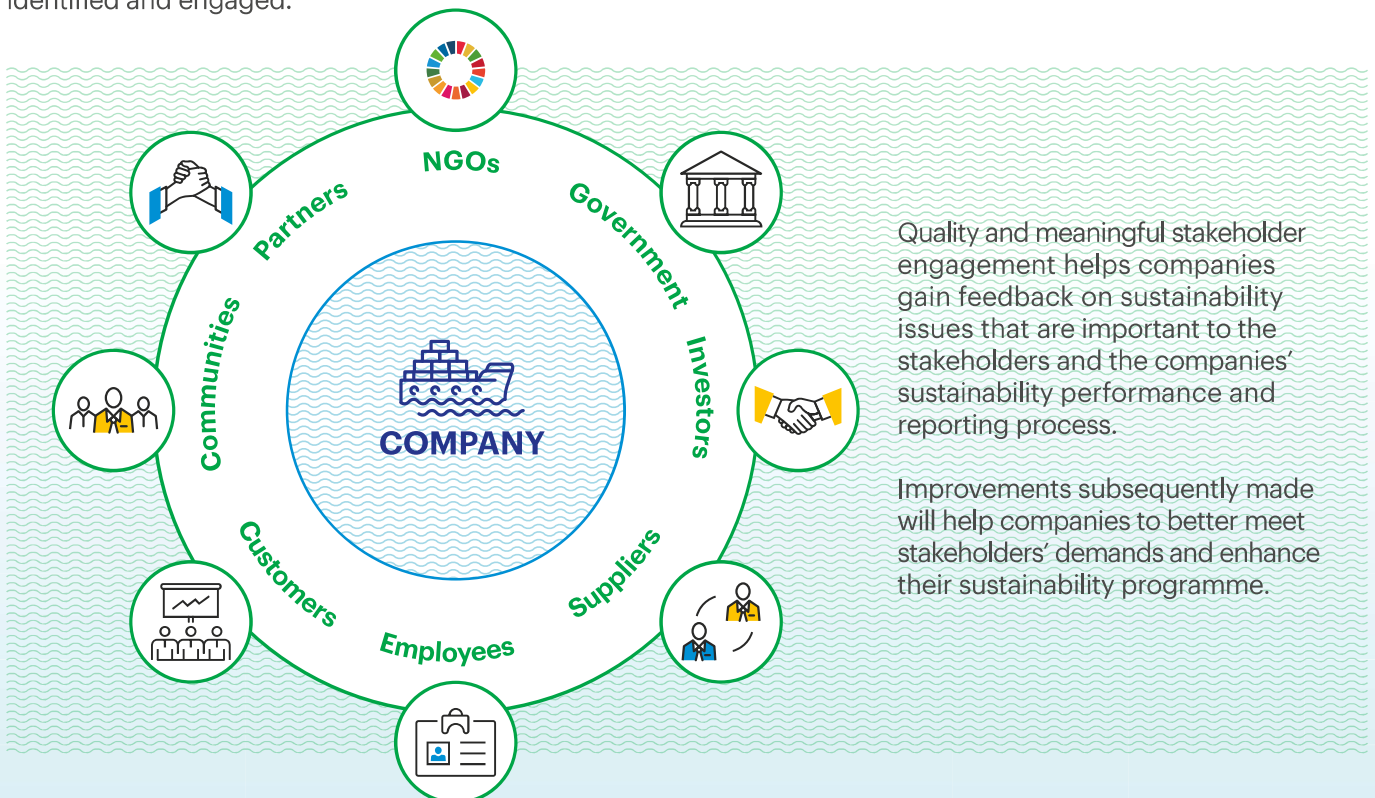
Creating and maintaining clear tone at the top championing sustainability is key towards a successful sustainability programme.

A right sustainability culture will influence employee behaviour and promote strong corporate governance.



## Stakeholder Engagement

To ensure sound execution of sustainability strategy, the Board should ensure that key stakeholder groups are identified and engaged.



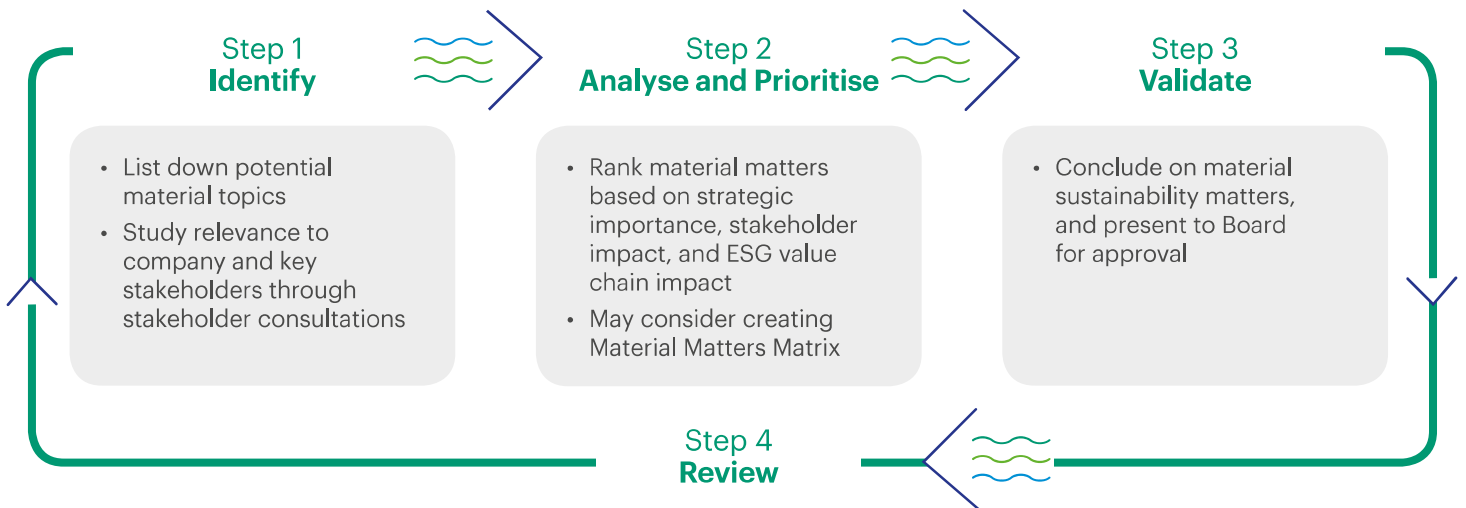


## Stage 2: Identify Material Matters

Clarity is required to identify potential Economic, Environmental, Social and Governance issues that may affect your company and stakeholders.

1. The topics to focus on that will help support the business.
2. Where the organisation should focus and align your future sustainability efforts.
3. The non-financial performance and targets that need to be disclosed.

### 3 Key Steps to Identify Material Matters



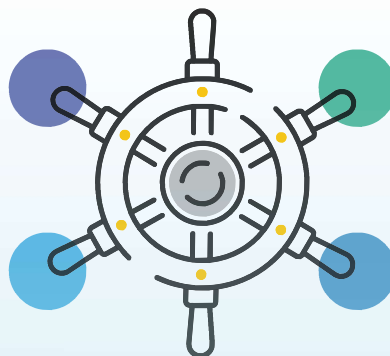
### Material Matters for Maritime

#### Governance

- Anti-Corruption and Anti-Bribery
- Business Ethics
- Enterprise Risk Management
- Regulatory Compliance to IMO Environmental Regulations

#### Social

- Diversity and Equal Opportunity
- End Customer Health and Safety
- Talent Attraction and Retention
- Training and Education
- Local Communities
- Occupational Health & Safety



#### Environmental

- Ballast Water Management
- Climate Change
- Energy and Fuel Consumption
- Emissions & Pollution Management
- Environmental Compliance
- Transport Efficiency
- Waste Management


#### Economic

- Carbon Offsetting (and Pricing)
- Economic Sustainability and Performance

# Stage 3: Sustainability Policies, Practices and Targets

## Step 1 Disclose Sustainability Policies and Practices

Set out the company's policies, practices and performance in relation to the material factors identified for the reporting period. Both quantitative and qualitative information need to be provided for the reporting period. Performance should be described in the context of previously disclosed targets.





 More details  
Go to P19

## Step 2 Proceed to set targets.

Set short and long-term targets for each material ESG factor for subsequent reporting periods. Companies may consider setting clear and measurable targets through the "SMART" methodology.

S	M	A	R	T
<p><b>Specific</b> State clearly what the organisation wants to achieve</p>	<p><b>Measurable</b> How will the organisation evaluate the extent of which the goal has been successfully met? Will the results be looked at qualitatively or quantitatively?</p>	<p><b>Achievable</b> Is this an achievable goal? What are the actions and/or resources the organisation will need to accomplish the goal?</p>	<p><b>Relevant</b> Does the goal tie in well with the strategic plan?</p>	<p><b>Time-bound</b> Establish a sense of urgency so that it fosters the need to have good time management, allowing for timely and successful completion.</p>

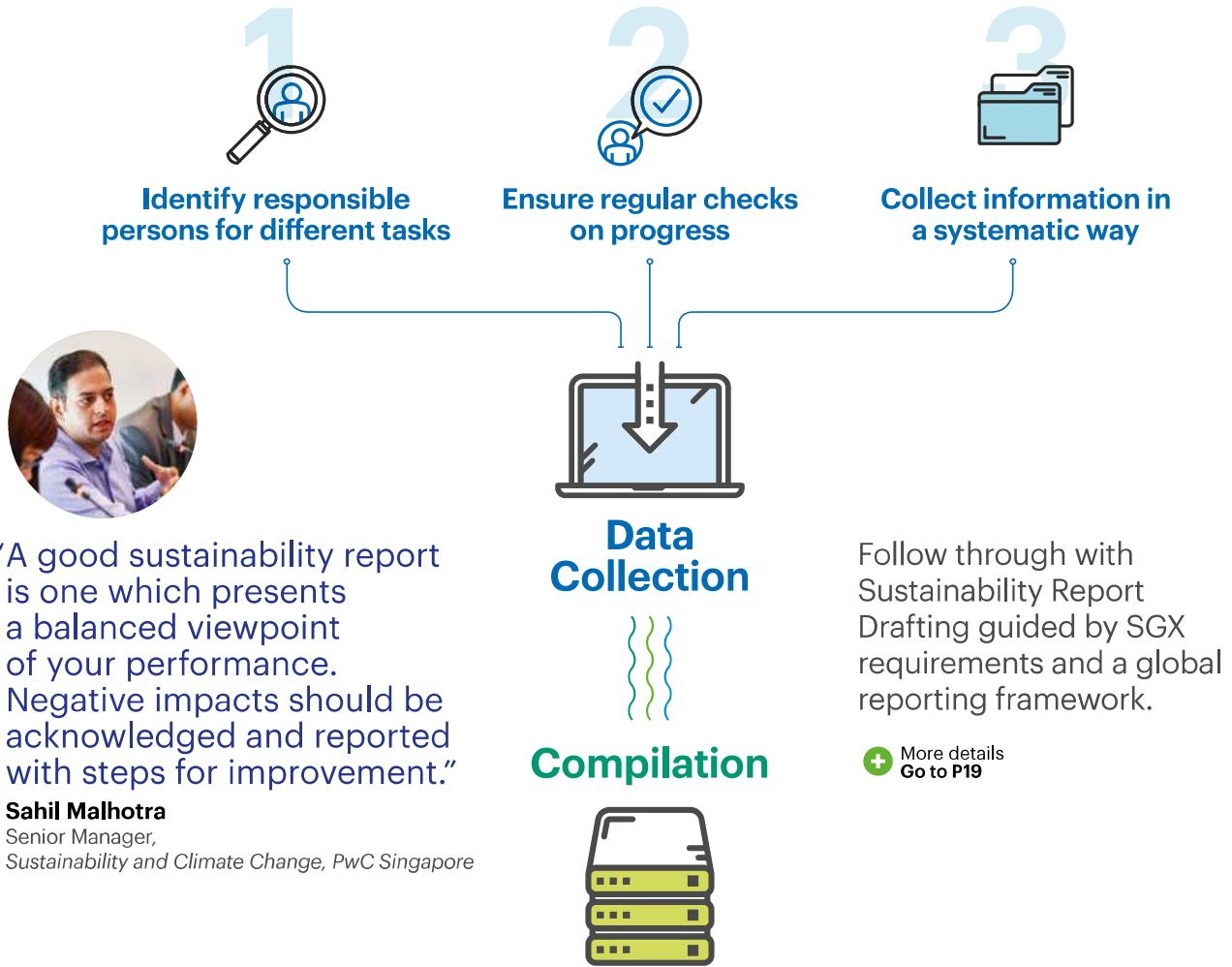
## Step 3 Applying it to Maritime

Category	Material Matter	Policy	Practice	Performance for Reporting Period	Targets (for Future Reporting)
	Economic Performance	Financial Sustainability	Development of sustainable and cost-competitive solutions	<ul style="list-style-type: none"> <li>\$XX turnover achieved</li> <li>Revenue growth of X% year-on-year</li> </ul>	<ul style="list-style-type: none"> <li>Achievement of \$XX turnover</li> <li>X% year-on-year revenue growth</li> </ul>
	Emissions & Pollution Management	Air Emissions Policy	<ul style="list-style-type: none"> <li>Full compliance to key industry regulations and guidelines (IMO, Flag State, Classification Society etc)</li> <li>Internal management systems developed to ensure vessels' emission compliance</li> <li>Technologies adopted to further enhance vessel efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Full compliance with applicable laws and regulations in operating areas</li> <li>No significant fines or non-monetary sanctions</li> </ul>	<ul style="list-style-type: none"> <li>Full compliance with applicable laws and regulations in operating areas</li> <li>No significant fines or non-monetary sanctions</li> <li>Long-term emission reduction target</li> <li>TCFD adoption date</li> </ul>
	Occupational Health & Safety	Work Health and Safety Policy	<ul style="list-style-type: none"> <li>Safety Committee to oversee safety culture and practices at work site</li> <li>Regular health and safety trainings</li> <li>Close adherence to Ministry of Manpower's Workplace Safety and Health guidelines</li> <li>Certified safety management systems in place</li> </ul>	<ul style="list-style-type: none"> <li>No fatalities</li> <li>Number of incidences resulting in lost-time is XX</li> <li>Accident frequency rate is XX per million man hours worked</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatalities</li> <li>Continuous reduction in lost-time incidences and accident frequency rate towards zero</li> </ul>
	Anti-Corruption and Anti-Bribery	Zero Tolerance Fraud Policy	<ul style="list-style-type: none"> <li>Whistle-blowing policy</li> <li>Regular Corporate Governance briefings</li> <li>Internal Compliance Framework</li> </ul>	<ul style="list-style-type: none"> <li>Zero bribery and fraud cases.</li> </ul>	<ul style="list-style-type: none"> <li>Zero bribery and fraud cases.</li> </ul>

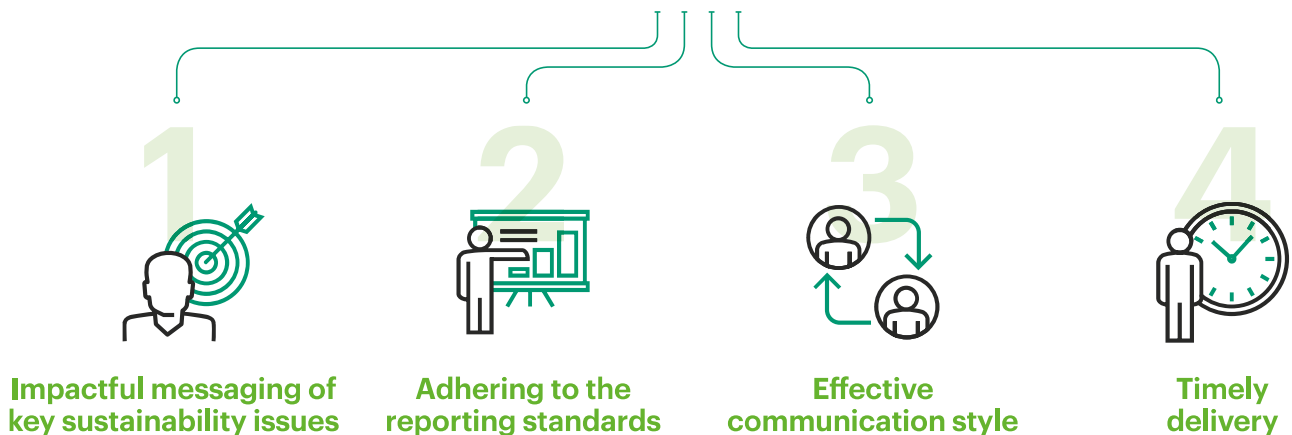


# Stage 4: Data Collection and Compilation, and Report Drafting

Implement appropriate processes, systems and controls to collect reliable data in line with identified Sustainability KPIs.



During the drafting of the report you should incorporate the following principles:

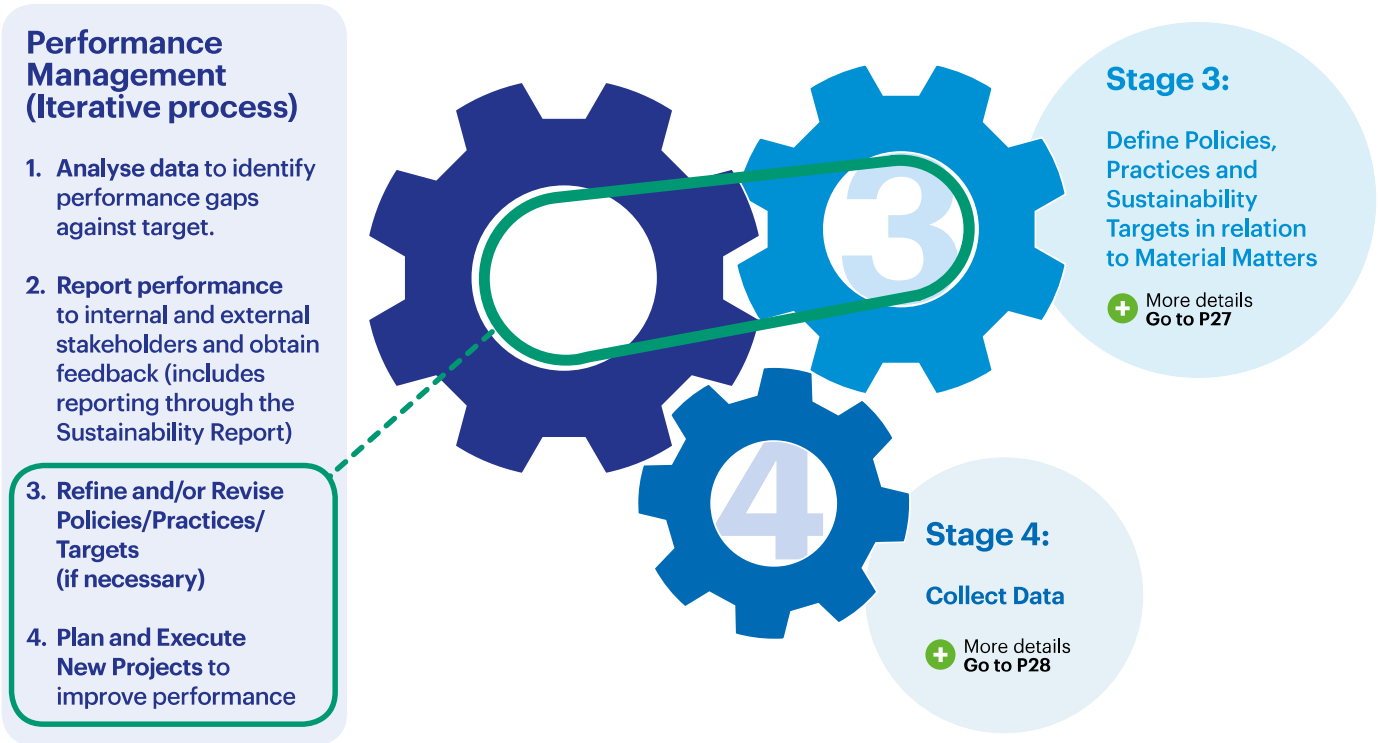


Your Sustainability Report may be Standalone or embedded within your company’s Annual Report



# Stage 5: Performance Management

To generate continuous and strong business value from your company’s sustainability programme, an effective sustainability performance management process needs to be implemented.



Consider engaging independent external assurance to add credibility on your company’s sustainability disclosures as your sustainability programme and performance management system matures.



“Reviewing your existing sustainability practices through a future-oriented strategic lens is critical to remain relevant and stay ahead in a fast-changing landscape. Communicating your ESG efforts is just as important with greater transparency and accountability demanded from customers, regulators and investors who have set higher benchmarks and expectations on sustainability performance.”

**Ian Hong**  
Partner, Sustainability Advisory & Assurance, KPMG



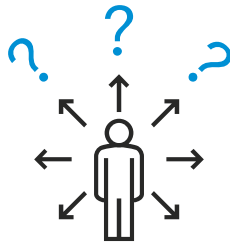
“A good sustainability report reveals an organisation’s long term strategy in managing its sustainability issues, risks and opportunities for its continual existence into the future.”

**Lim Ju May**  
Deputy Director, Technical, ISCA



# Common Challenges

Understanding of the common challenges of sustainability reporting is key to writing a successful report. Below are some challenges and proposed solutions presented.

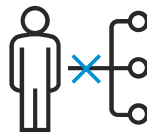


### Challenge A:

Sustainability report lacks clarity and direction, as report audience is not clearly defined.

#### Solutions:

1. Conduct thorough identification of company's key stakeholders.
2. Organise regular stakeholder consultations to find out the sustainability matters and metrics that are material and decision-useful to them
3. Deliver a strategic report focused on most relevant issues to company and stakeholders



### Challenge B:

Daunting to collect and manage sustainability data

#### Solution:

1. Establish a clear and structured data collection process
2. Form key teams who would be key data owners having responsibility over defined metrics
3. Use the existing data for disclosure
4. Review and refine data usage over time



### Challenge C:

No corporate emphasis on sustainability matters, sustainability seen as added workload

#### Solution:

1. Create and maintain the right tone at the top to champion sustainability matters through involvement of the Board and CEO
2. Involve all staff in defining value of sustainability to company
3. Benchmark against how industry counterparts are managing sustainability matters



“The Maritime Sector has been the key driver of Singapore’s economy over the past 200 years. Sustainability reporting will increase the attraction of the Singapore Maritime Sector to a global pool of investors, and continue to drive Singapore’s economic growth with resilience into the future.”

**Dr Ryal Wun**

Deputy Executive Director and Legal Director, GCNS



“Sustainability reporting should not be used as a one-time performance disclosure snapshot, but as a tool to convey your long-term aspirations and vision.”

**Fang Eu-Lin**

Partner, Sustainability and Climate Change, PwC Singapore

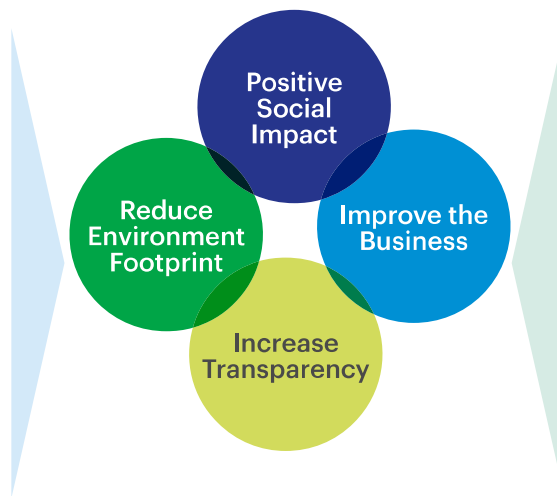
# Opportunities

A sound and effective sustainability reporting strategy – a consistent program of data collection, communication, and responses – should benefit all reporting organisations internally and externally.

## A robust sustainability framework and strategy are key contributors to corporate success in the long term:

### Internally

- **Supports full organisational review** to facilitate streamlining and process improvements
- **Promotes holistic understanding** of business opportunities and risk set
- **Enhances** organisational competitiveness and improves efficiency
- **Impacts** long-term strategy, policies and plans
- **Enhances** Employee Engagement and Talent Attraction
- **Drives** Innovation and Productivity
- **Grows** Customer Base



### Externally

- **Mitigates or minimises** negative impacts of company's operations
- **Increases** investment opportunities
- Promotes access to more **diversified sources of funding** (e.g. green financing)









CHAPTER 5

# Case Study: MPA

As a forerunner in sustainability reporting, MPA has trail-blazed and succeeded in telling its sustainability story.



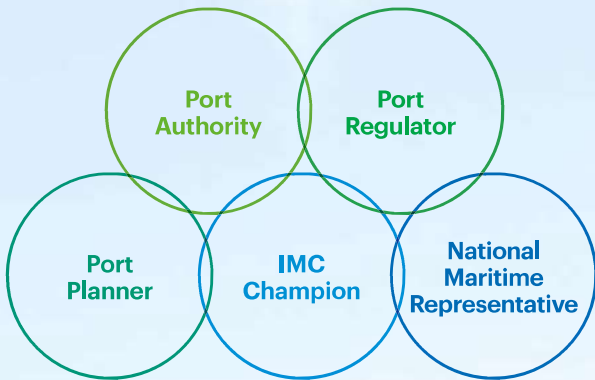




# Case Study: Maritime and Port Authority of Singapore

Formed in 1996 through the merger of the Marine Department, National Maritime Board and regulatory departments of the former Port of Singapore Authority.

## Performs 5 main functions:

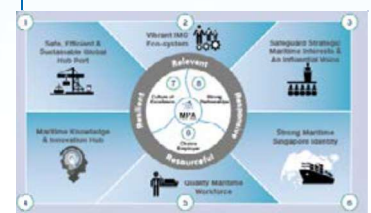


### 2014

**Sustainability Commitment** elevated through formation of **Sustainability Office** to drive both internal and external sustainability efforts. The Office reports directly to the Chief Executive and accounts to the Board at regular intervals on progress of sustainability initiatives and KPIs.

### Formulation of MPA's Future Ready Framework 2030

Comprising of 6 external and 3 internal thrusts, the framework sets MPA's long-term strategic direction, and integrates key sustainability principles throughout the organisation.



### 2011

**MPA CARE Team** was formed to champion and organise activities under the CSR framework.

**MPA's comprehensive Maritime Singapore Green Initiative (MSGI)** was launched. MPA pledged to invest up to \$100mil over a five-year period to support the MSGI programmes, comprising the Green Ship Programme, Green Port Programme and Green Technology Programme



### 2010

MPA's first **Corporate Social Responsibility (CSR)** framework was formalised.

### 2003

Idea of sustainability resulted in the transfer of the promotional division of Maritime from International Enterprise Singapore to MPA to allow expansion of the maritime ecosystem beyond the hub port

### 1996

A Sustainable approach to managing operations and the environment has been central to MPA's business philosophy since formation.

# MPA'S SUSTAINABILITY JOURNEY

**2015**

MPA's inaugural Sustainability/Integrated Report for reporting year 2014 was published.

The report was prepared in accordance with the Global Reporting Initiative (GRI) G4 Comprehensive guidelines, and aligned with the principle-based International Integrated Reporting <IR> Framework issued by the International Integrated Reporting Council (IIRC).



**2016**

MPA's MSGI programme was extended to 2019 and enhanced with the introduction of two new programmes – the Green Awareness Programme and the Green Energy Programme.

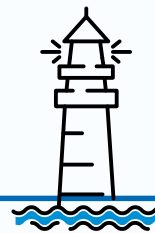


MPA won the Singapore Quality Award, conferred on organisations in recognition of their attainment of world-class standards in performance excellence.

Following introduction of Singapore Exchange's "comply or explain" sustainability reporting requirements, MPA launched its Sustainability Reporting Co-Funding Scheme to encourage SGX-listed maritime companies to be early adopters of sustainability reporting.

**2017**

MPA was an early adopter of the new Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) for its 2016 Sustainability/Integrated Report



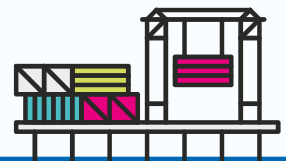
**2018**

MPA published its 4<sup>th</sup> Sustainability/Integrated Report for reporting year 2017, the last in a 4-part series of reports showcasing MPA's sustainability progress and growth. MPA's material issues and associated chapters within the report were aligned with the 11 United Nations Sustainable Development Goals.



Launch of Sea Transport Industry Transformation Map. Led by MPA, ITM initiatives seek to maintain Singapore's thriving maritime industry position as a world leader.

MPA took the Organisational Climate Action SG Pledge.



**2015:**

- Singapore Environmental Achievement Awards
- Singapore Apex CSR Awards
- Singapore Sustainability Awards

**2016:**

- 6<sup>th</sup> Asia Best CSR Practices Awards
- ASEAN Corporate Sustainability Summit and Awards
- Asia Responsible Entrepreneurship Awards
- ARC Awards
- Eco-Office Recertification

**2017:**

- Golden Peacock Global Award for Sustainability
- 2017 Galaxy Awards
- ComChest Corporate Gold Award
- Eco-Office Recertification

**2018:**

- Sustainable Business Awards
- Champions of Good 2018

**Sustainability Awards**



# Case Study: Maritime and Port Authority of Singapore

## MPA's Business Model

With the maritime industry undergoing disruption and in transition point, MPA recognises the increasingly complex challenges facing both itself and the wider industry. MPA regularly reviews its ability to deliver value to the maritime industry by continually mapping its Business Model based on Integrated Reporting's <IR> Value Creation Framework.



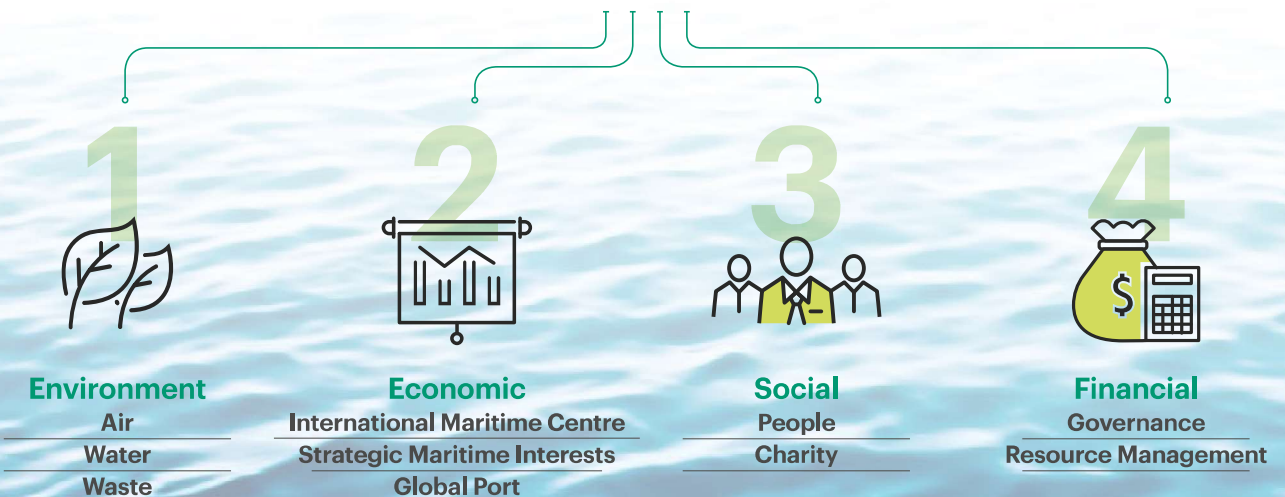
## MPA's Approach to Sustainability

Sustainability objectives have consistently been integrated into MPA's operations and strategic long-term plans as MPA seeks to develop Singapore's next-generation port, and strengthen our International Maritime Centre.

## MPA's Sustainability Framework



To lead in promoting sustainability practices in Environment, Economic, Social and Financial spheres ensuring that the Maritime Industry is Future-Ready.



### MPA's Key Material Issues

MPA first conducted a Material Matters analysis in 2014 to identify its critical Environmental, Economic, Social and Governance issues which may impact its business performance or influence the decisions of its stakeholders, with regular annual review and assessment thereafter. **6 key material issues were identified and prioritised.**



Safe, Efficient and Sustainable Shipping



Economic Contribution



International Support and Community Engagement



Financial Sustainability



Environmental Sustainability



Our People and Culture

### Stakeholder Engagement

MPA continually invests in building enduring relationships with its diverse range of stakeholders to develop and protect Singapore's maritime interests.

The key stakeholder groups that MPA closely engages with, categorised into 6 stakeholder categories, are reviewed regularly. As part of business excellence, a systematic approach to engage with relevant stakeholders via different channels, as appropriate, is adopted.

#### MPA's Range of Stakeholders

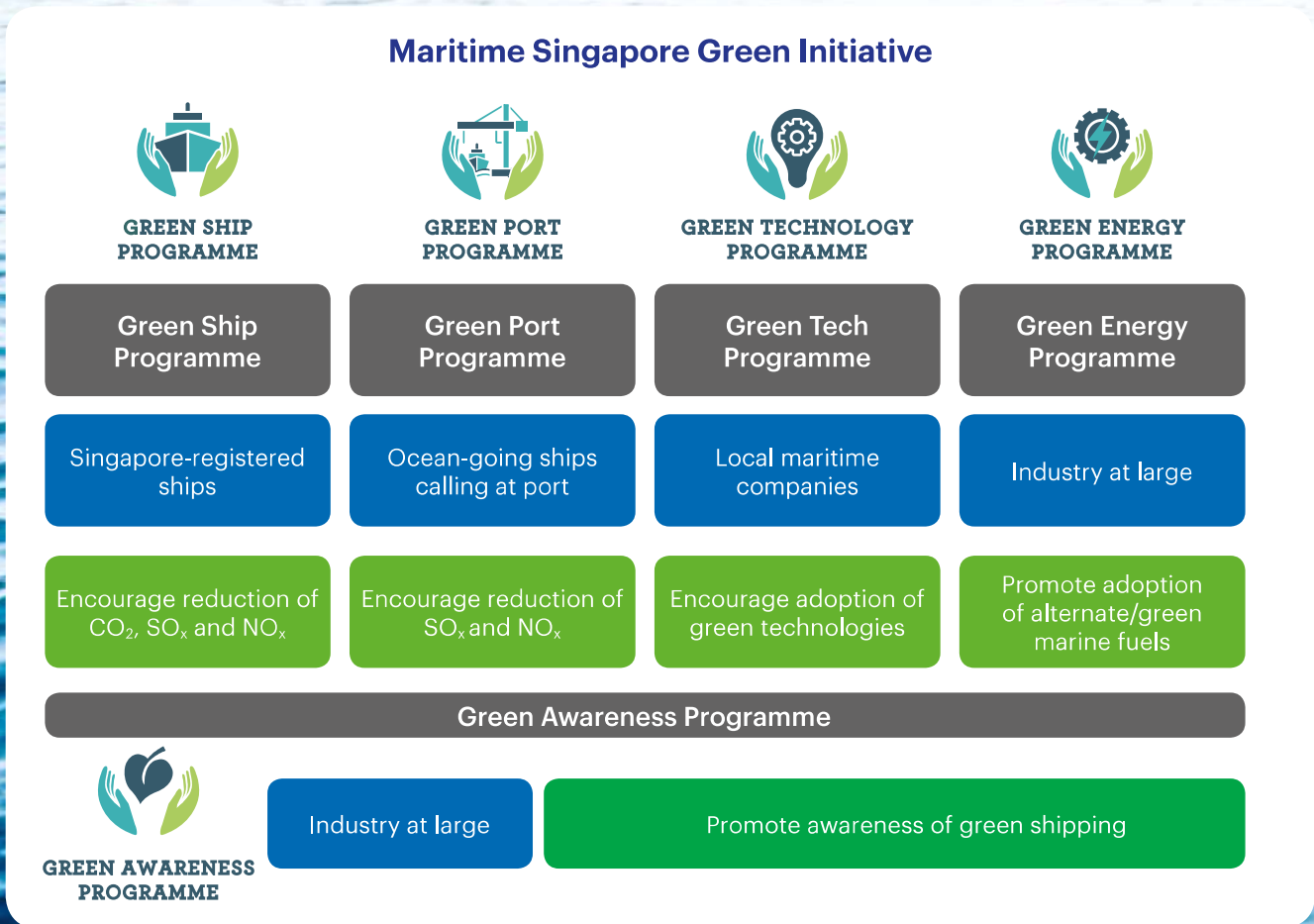
Stakeholder Category	Stakeholders	Communication Platforms
Maritime Enterprise	Ship Owners/Operators/Agencies, Ship Management Companies	Safety@Sea Week, Maritime Lectures, SRS Forum, International Meetings and Conferences
	Maritime Service Providers	Maritime lectures and exhibitions, committee and working group meetings
Non-Enterprise	Shipmasters	Safety briefings
	Seafarers	IMO Day of the Seafarer, International Sportsweek for Seafarers, MPA Seafarer Welfare Committee, Maritime Labour Convention Tripartite Working Group
	Pleasure/Harbour Craft Owners	Safety Briefings, Workshops and Trainings
Partner	Port Terminal Operators	Management Meetings
	Service Providers for Port Services	Engagements and feedback sessions
Local Communities	Government Agencies	Inter-government agency meetings
	Institutes of Higher Learning	Maritime Outreach programmes
	Unions and Private Organisations	Meetings
	Public	Maritime outreach programmes, such as Singapore Maritime Week
Business Partners/Vendors	Contractors and Suppliers	Meetings/Briefings/Calls
Internal	Employees	Townhall sessions, Employee Engagement Surveys



# Case Study: Maritime and Port Authority of Singapore

## Key Sustainability Initiatives

External (to promote Sustainability within the Greater Maritime Eco-System)



### Internal Sustainability Initiatives and Community Engagement

**Internal Sustainability Initiatives**

MPA emphasises environmental sustainability in internal operations.

- On track towards meeting Public Sector Taking the Lead in Environmental Sustainability (PSTLES) targets
- Eco-Office re-certification for all three office locations

**Community Engagement**

- Community is at the heart of MPA's sustainability strategy.
- Active public engagement to raise awareness on importance of marine environmental protection and to raise awareness of Maritime Singapore

## Mapping to UN SDGs

In 2017, MPA moved further ahead on its sustainability journey by anchoring its initiatives and future development plans to the United Nations Sustainable Development Goals in support of the 2030 Agenda for Sustainable Development.

Future-ready Framework	SDGs	Material Matters
<b>1.</b> Safe, Efficient & Sustainable Global Hub Port	       	
<b>2.</b> Vibrant IMC Eco-System		
<b>3.</b> Safeguard Strategic Maritime Interests & an Influential Voice	 	
<b>4.</b> Maritime Knowledge & Innovation Hub	   	
<b>5.</b> Quality Maritime Workforce		
<b>6.</b> Strong Maritime Singapore Identity	   	
<b>7.</b> Culture of Excellence	 	  
<b>8.</b> Strong Partnerships	 	 
<b>9.</b> Choice Employer		







## CHAPTER 6

# Conclusion

Your sustainability journey does not end with your report. It is a constant ongoing process that helps you review the kind of impact your operational strategies have and how much more sustainable, relevant and effective you can be. With this guidebook, we hope to shed more light and help to inspire you on the start of your reporting journey.





## Moving Forward

On the occasion of our bicentennial counting from the arrival of Stamford Raffles in 1819, we look back at Singapore's long and rich maritime heritage as an island and city-state.

Reviewing our success story, we find that Singapore's growth in prominence as a maritime nation has been inextricably intertwined with our ability to respond quickly to emerging maritime business trends, such as containerisation, and the need for maritime services outside the port.

With 90% of world trade being transported by sea, the maritime industry is, and will continue to be the lifeblood of Singapore. As maritime trade grows, sustainable shipping remains a continuing challenge. With greater environmental consciousness globally, the industry is increasingly becoming aware of the need to act, and for the international maritime community to do more.

International maritime regulations are being enhanced to further reduce and mitigate the environmental impact from shipping, with a further shift beyond IMO 2020 to decarbonisation. As a major port and flag state, Singapore supports and contributes to these efforts, and is committed to environmentally-friendly shipping and port activities. Singapore is building the Next-Generation Tuas Mega-Port in a sustainable manner, and is also actively promoting the use of liquefied natural gas as an alternate marine fuel.

In order for us to embrace sustainability adequately as a maritime community, it is crucial for all maritime companies, regardless of size, to play their part. All companies play an important role within Singapore's diverse maritime ecosystem, to drive our sustainable maritime aspirations further. Sustainability reporting is a useful risk management tool for companies to consider their impact on sustainability issues, and to improve business decision making on material matters to enhance overall performance.

Regardless of where we are on our sustainability reporting journey today, sustainability reporting should not be taken on a checklist approach, but rather, as a continuous learning process and an avenue for competitive advantage to create long-term value. As such, we hope that the sustainability reporting principles and key tips shared in this Guide have been useful in providing your companies a good understanding of how to embark on your sustainability reporting journey for your company.

**All onboard as we sail on  
our sustainability journey  
together as one  
Maritime Singapore!**



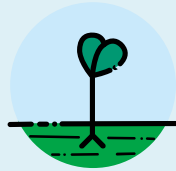


## Sustaining your Sustainability Reporting

Sustainability reporting comprises multiple facets, and can be undertaken at varying extent and depth, depending on the maturity of your company's sustainability programme.

With build-up of internal sustainability capabilities requiring time, a phased approach towards sustainability reporting aligned to SGX requirements is recommended.

## Maturity of Sustainability Reporting Programme



**Starter**  
(Year 1)

**Experienced**  
(Year 2)

**Matured**  
(Year 3 onwards)

<b>Material ESG Factors</b>	Address most critical factors	Conducted review of material factors, current listed factors are of relevance to reporting year	
<b>Policies, Practices and Performance</b>	Minimal description of how company manages material factors	Description includes specific policies and practices per material factor	
	One performance metric per material factor	More quantitative metrics and qualitative description per material factor	Qualitative and quantitative description per material factor
	No previous targets for performance comparison	Comparison against previously disclosed qualitative commitments and targets with explanation of overachievement and shortfall	Comparison against previously disclosed commitments and targets with explanation of overachievement and shortfall
	Plans for improved future reporting	Continuous improvement implemented	
<b>Targets</b>	Qualitative commitments if no quantitative targets	Short and long-term qualitative targets and some quantitative targets	Short and long-term qualitative and quantitative targets
			Include peer/sector benchmarks
			Targets linked to management performance incentives
<b>Sustainability Reporting Framework</b>	Adoption of Sustainability Reporting Framework(s) <span style="color: green;">+</span> More details Go to P19		
<b>Board Statement</b>	Complied		

Adapted from SGX Sustainability Reporting Guide, 2016, point 6.4, page 13



# Roundtable Discussion

We would like to thank the following participants at the roundtable for sharing their valuable insights on the Guide:



**Seated from left:**

Fang Eu-Lin (*PwC Singapore*), Yeo Lian Sim (*SGX*), Esther Chang (*GCNS*), Yvonne Chan (Moderator) (*MPA*), Lim Ju May (*ISCA*), Ian Hong (*KPMG*) and Praveen Tekchandani (*EY*).

**Standing from left:**

Sahil Malhotra (*PwC Singapore*), Eliza Tan (*SGX*), Ryal Wun (*GCNS*), Chong Lee Fee (Coordinator - Success Stories) (*MPA*), Brenda Kwong (Coordinator - Guide) (*MPA*), Cherine Fok (*KPMG*) and Nhan Quang (*EY*).

We also wish to express our appreciation to Simon Yeo (*EY*) for his inputs towards the Guide.

# Take steps towards sustainability reporting today.

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# Hear our Success Stories.

See How These Companies Prepared  
Their Sustainability Report



MPA  
SINGAPORE

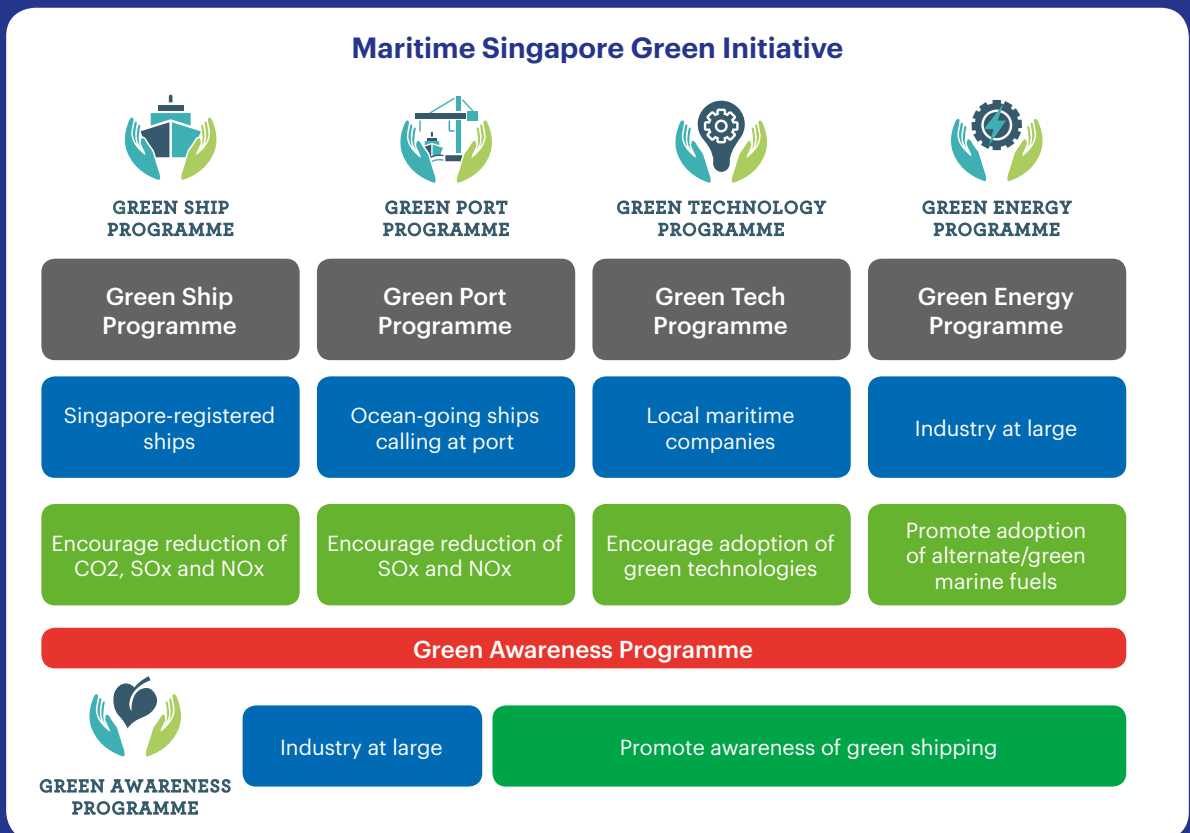


# About MPA Co-funding

As part of MPA's Maritime Singapore Green Initiative (MSGI), the Green Awareness Programme (GAP) targets the industry at large and serves to promote awareness of various sustainable initiatives such as IMO regulatory requirements, green shipping sharing to sustainability reports adoption.

One of such initiative under GAP was to assist companies in preparation of Sustainability/Integrated (S/I) reports. Given the SGX sustainability reporting requirements by 2018, MPA incentivise maritime companies that are listed on SGX companies to produce good quality reports amongst the early adopters.

Here are some success stories from these early adopters.



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Limited**

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**CH  
Offshore  
Limited**

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**PACC Offshore  
Services  
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Inc Limited**

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**Jason  
Marine  
Group Limited**

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**Kim Heng Offshore  
and Marine  
Holdings Limited**

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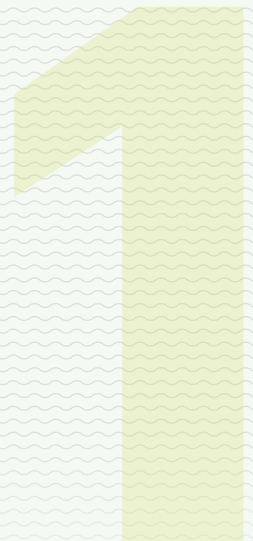
9

**Heatec Jietong  
Private Limited**

P18



# Penguin International Limited



## Company Overview



### OVERVIEW

Penguin International Limited is a Singaporean, publicly listed designer-builder-owner-operator of aluminium high-speed craft, through a group of wholly owned, integrated subsidiaries.

Since 1995, we have delivered close to 200 aluminium crewboats, patrol craft and passenger ferries around the world, including over 120 of our proprietary-designed Flex offshore crewboats and armoured security boats.

Our crewboats are jointly developed by our integrated in-house shipbuilding and ship management teams in Singapore, Kuala Lumpur and Batam, backed by more than two decades of experience.

We run a self-funded build-for-stock programme that features our Flex crewboats and security boats, and we undertake owner-specific build-to-order and repair projects for a variety of high-speed craft. We typically own and operate what we design and build. Our fleet of crewboats and passenger ferries serve our clients in and around Southeast Asia.

### NATURE OF BUSINESS:

Design, construction and operation of high-speed aluminium craft; crewboat and ferry chartering operations. Presence in Singapore, Kuala Lumpur and Batam.

### STAFF STRENGTHS:

>400 members (excluding crew)

### SUSTAINABILITY REPORTING: 2 years

 More details  
Go to <http://www.penguin.com.sg/>

## Challenges:



### How did your team go about the development and implementation process?

The team met to brainstorm on all desirable sustainability goals. These goals were then ranked to shape our final list of Economic, Social and Governance material matters that encompasses all our businesses.

These material matters comprise safety, regulatory compliance/business ethics, economic resilience, energy consumption management and vessel emissions.

### What was the first thing on the to-do list? How long was the process?

Safety is the top priority for us. It did not take long for us to agree on this. We already have in place a no-blame safety culture that encourages anyone to speak up, and we also have established safety systems.

### Could you share with us the challenges faced during the development?

Instilling the importance of safety among our employees and subcontractors is our biggest challenge, because it is a constant battle against the forces of complacency, fatigue, familiarity and urgency. One effective solution we found is to have team leaders set the example by showing that they truly care about safety, and it's not just lip service; leaders need to walk the talk.



Penguin's latest all-business-class crewboat, the Flex-42X.

## Sustainability Champion:



### Who in the company led the movement?

**James Tham**  
Managing Director

Passionate about high-speed craft and the people who make it happen. "Someday, everything will make perfect sense."

### What was the management involvement?

The Managing Director involved his management team, which consisted of the heads of departments and business units.



## Lessons Learnt:



### What are the things you never knew or realised prior to completing the company's first SR?

We never realised how big a role we could play in reducing greenhouse gas emissions and energy consumption, because we've always thought that our impact would be small and insignificant.

### Why should other companies do an SR too?

It's life-changing, and I strongly encourage other companies to take the first step towards an SR too, because it would allow them to realise how their words and actions can be positively harnessed to achieve meaningful goals.

Additionally, by formalising our sustainability commitment in a report, we become more transparent and make ourselves more accountable. This makes us more attractive to our clients and investors.

All companies big and small can make a meaningful difference in their respective ecosystems. This is because small collective efforts, when properly harnessed, become big and meaningful. As a financially strong company with a high-volume business, Penguin has become more mindful of the difference that we can make to our suppliers and subcontractors in our ecosystem.

### Could you share with us your biggest takeaway/lessons learnt after the SR?

No matter how small a company is, it can make a meaningful difference to its own ecosystem, because collective efforts result in big outcomes. Penguin, as a mid-sized company, strives to conduct itself responsibly at all times.

For example, we try to support fellow Singaporean companies in our eco-system and engage in community-building programmes.

We took our first step in our SR journey because regulation nudged us to do so. But after taking the first few steps, we soon realised that an SR is not so much about putting together a report to comply with regulation; rather, it's more about being mindful about the impact that our words and actions can have on this earth, both positive and negative.

### What's the biggest impact doing an SR has made on you and your company?

The mindfulness about the difference we can make as a movement of motivated souls.

**"A sustainability report is like a grand new year's resolution that you share with the world."**

**Mr James Tham**  
Managing Director  
Penguin International Limited



# Samudera Shipping Line Limited



## Company Overview:



### OVERVIEW

We are in the shipping and logistics services, focusing on three main business segments in the shipping industry:

- **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.
- **Bulk and Tanker:** Samudera’s fleet of bulk carriers and tankers are chartered out for the transportation of dry or liquid cargo.
- **Logistics and Others:** Samudera provides agency services, forwarding, warehousing as well as general logistics services.

### NATURE OF BUSINESS:

Container Shipping, Bulk and Tanker, and Logistics services in Singapore and throughout the region.

### STAFF STRENGTH:

>250 members

### SUSTAINABILITY REPORTING: 2 years

+ More details  
Go to <http://ssl.samudera.id/>

## Challenges:



### How did your team go about the development and implementation process?

We worked with our consultant and sought advice for the implementation of the project. We were suggested to assign 1 ESG factor to each member of the SWC, so that was what we did, and we also learnt along the way.

The first thing on our to-do list was to identify the problems for each ESG factor. We conducted regular meetings with the SWC members to further discuss problems identified, potential solutions, and to analyse the source of the supporting data. The process took us approximately 3 months to come up with the ESG factors and KPIs.

### Could you share with us the challenges faced during the development?



## Sustainability Champion:



**Who in the company led the movement?**

**The Board of Directors (BOD)**

**What was the management involvement?**

The BOD formed several committees, which include the Sustainability Steering Committee (SSC) and Working Committee (SWC). Our Executive Director and CEO is also the chairman of SSC, which consisted of the BOD and Key Divisional Heads. The SWC consisted of representatives from all departments and key business units; they prepared the sustainability report under the supervision of the SSC and the Audit Committee.



## Lessons Learnt:

**What are the things you never knew or realised prior to completing the company's first SR?**

**1**

**Internal stakeholders engagement**

- We work more closely with the community
- Employees are encouraged to be more proactive

**2**

**Greater awareness on sustainability framework**

- We initiated/participated in activities which enhanced our sustainability practices (e.g. Applied and obtained ECO Office Certification)

**3**

**Better corporate governance practices**

- Improvement on the Singapore Governance and Transparency Index (issued by CGIO) from ranked 124th to ranked 77th

**4**

**Better flow of information within Samudera Group**

- More structured data collection and record keeping
- Able to have consistency on data management



**“We thought doing a sustainability report would be difficult, but it turned out to be more interesting than challenging!”**

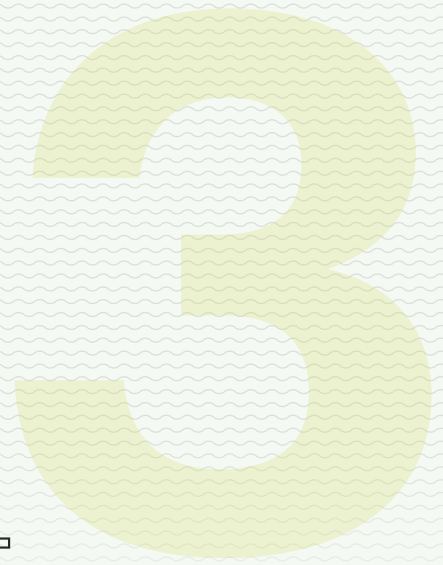
## Why should other companies do an SR too?

We believe that doing an SR would bring us positive economic benefit in the longer term as we intend to be more transparent with our processes and to be regulation & standard compliant. It also allows us to position ourselves as a reliable, trustworthy company and business partner for our investors and stakeholders

**Mr Asmari Herry Prayitno**  
Executive Director and CEO  
Samudera Shipping Line Ltd



# Dyna-Mac Holdings Limited



## Company Overview:



### OVERVIEW

Dyna-Mac is a global leader in the detailed engineering, fabrication and construction of offshore FPSO (floating production storage offloading) and FSO (floating storage offloading) topside modules as well as onshore plants and other sub-sea products for the oil and gas industries.

Listed on SGX mainboard and headquartered in Singapore, Dyna-Mac has yards in Singapore with partnership presence in Malaysia, China, Indonesia, The Philippines and Brazil.

### NATURE OF BUSINESS:

Fabrication and construction of FPSO (floating production storage offloading) and FSO (floating storage offloading) topside modules and other sub-sea products.

### STAFF STRENGTH:

>817 members

### SUSTAINABILITY REPORTING: 2 years

 More details  
Go to <http://www.dyna-mac.com/>

## Challenges:



### How did your team go about the development and implementation process?

Dyna-Mac reviewed the material sustainability issues identified and constructed a work plan for the sustainability report. Data templates including new developments, initiatives, key achievements and targets were circulated to process owners. Dyna-Mac then engaged Ernst & Young LLP to review the data templates collected from the process owners to advise on the report structure. The final draft of the sustainability report was then submitted to the Board for approval.

### What was the first thing on the to-do list? How long was the process?

The first thing on the to-do list was to list what information to gather for the data templates for further analysis and review. The process took 16 weeks to complete.

### Could you share with us the challenges faced during the development?

Data gathering for purposes of the report was a challenge. Dyna-Mac had to channel all relevant resources to ensure that project schedules and deliveries for 2018 were met.



Topside module



Desmond Lim, Chairman and CEO

## Sustainability Champion:



### Who in the company led the movement?

**Joyce Tiong**

Chief Financial Officer

**Chong Swee Lee**

Senior VP, Human Resources

**Ian Chin**

VP, Commercial

**Edmund Chiow**

General Manager  
(Special Project/Services)

**Jason Ng**

HSE Manager

### What was the management involvement?

The Senior Management attended a workshop to identify the key stakeholders and material sustainability issues applicable to Dyna-Mac. They also voted for 5 material issues pertinent to Dyna-Mac's sustainability risks and opportunities.

## Lessons Learnt:



### What are the things you never knew or realised prior to completing the company's first SR?

We realise the 5 key sustainability matters identified are integral to keeping the company's commitment to sustainable development.

### Could you share with us your biggest takeaway/lessons learnt after the SR?

We realise the information we gathered on energy consumption for the sustainability report exercise will aid Dyna-Mac to obtain ISO 14001 Environmental Management System certification. This covers areas such as training, record management, inspections, objectives and policies.

### Why should other companies do an SR too?

Other companies should do an SR so that they can identify their key material sustainability matters and benefit from operating in a sustainable manner. Companies' commitment to sustainable development can have a stronger bargaining position when it comes to attracting investment, initiating new activities, entering new markets, negotiating contracts, and aligning to the major oil companies' objective towards a greener environment.

### What's the biggest impact doing an SR has made on you and your company?

Dyna-Mac now reviews internal work processes and improve policies on a yearly basis because of the 5 key material issues identified. The data collection exercise has also facilitated process owners to identify key areas that required stringent monitoring and tighter enforcement. Additionally, it has also brought about greater awareness on carbon footprint and waste effluent management across the company.

**"At Dyna-Mac, sustainability means building businesses that deliver long-term shareholder value and growth. In order to achieve this, we aim to adopt a disciplined and accountable approach founded on high standards of corporate governance and integrity."**

**Mr Desmond Lim**

Chairman and Chief Executive Officer  
Dyna-Mac Holdings Ltd



# CH Offshore Limited



## Company Overview:



### OVERVIEW

CH Offshore Limited was incorporated on 31 March 1976, with over 40 years of history in offshore marine industry. It is listed on the SGX mainboard in 2003, CHO has a current market cap of US\$ 43MM.

CHO is an Offshore Supply Vessel ("OSV") owner-operator. CHO's vessels and associated vessel services provide support for all phases of offshore oil and natural gas exploration, field development and production with a global operating footprint in the offshore vessel industry.

CHO presently owns and operates 16 OSV's (mainly anchor handling towing supply or "AHTS" vessels) with 12 fully owned and 4 jointly owned vessels. 60% of the fully-owned fleet are high-horsepower vessels (>10,000 bhp) or higher-spec vessels.

CHO also manages and operates 2 vessels (an offshore workboat and AHTS) for third parties.

### NATURE OF BUSINESS:

To provide support for all phases of offshore oil and natural gas exploration, field development and production on a global basis.

### STAFF STRENGTH:

<150 members

### SUSTAINABILITY REPORTING: 3 years

 More details  
Go to <http://www.choffshore.com.sg/>

## Challenges:



### How did your team go about the development and implementation process?

We started the process by carrying out some research to better understand what sustainability meant. We engaged our VP(QHSE) who dealt with the quality, safety, health and environmental issues in relation to our daily vessel operations. The initial Sustainability Committee comprised of the CFO, VP (QHSE), HR Manager and Corporate & Compliance Manager. As a Committee, after much consideration, we decided to adopt the Global Reporting Initiative Standards ("GRI Standard") for reporting on our material topics.

We undertook a review of our existing practices (including data collection) and identified areas of improvement. During the review process, we were encouraged as many of our existing practices were in line with what was required to drive sustainability. Adopting the GRI Standard would allow us to formalise and further demonstrate the Company's commitment to sustainable development. With the help of PwC Singapore, we applied for a grant from MPA.

### What was the first thing on the to-do list? How long was the process?

Building on our existing sustainability efforts and streamlining our sustainability strategy, we formed a Sustainability Committee which reports on matters of sustainability to the board and is supported by the operational managers.

### Could you share with us the challenges faced during the development?

Initially, we faced some internal resistance as the development and implementation of Sustainable reporting required additional time and commitment from each department. However by demonstrating the potential positive outcomes on the Company's day to day processes and overall Company performance, we were able to convince our colleagues on the importance of sustainability. Since then, our colleagues have been working hand in hand with the Committee in implementing our sustainable practices.

**"Passion, respect, integrity, honesty, monetary discipline, excellence and our 'do no harm' philosophy, drive our commitment to sustainability."**

**Dr. Benety Chang**  
CEO and Executive Director  
CH Offshore Ltd.

## Sustainability Champion:



### Who in the company led the movement?

#### Dr Benety Chang

CEO and Executive Director

The sustainability efforts started in 2016 and we presented our first sustainability report in the annual report for financial year ended 30 Jun 2017. The sustainability efforts was led by the senior management.

### What was the management involvement?

Senior management are part of the Sustainability Committee and Department Managers ensure that their department practices reflect the Company's focus on sustainability



From left: Mr Lim Tze Kern, Kenny (VP, Business Development), Ms Wong Soo Pin, Evelyn (Chief Financial Officer), Capt. Victor Pinto (MD, CHO Ship Management Pte. Ltd.)



## Lessons Learnt:

### What are the things you never knew or realised prior to completing the company's first SR?

We got to know about the Paris agreement and the GRI standards. We were not as aware of the environmental issues that the world is facing. Now, we see and know how we can contribute to fighting against the negative environmental impacts confronting our corporate activities.

### Could you share with us your biggest takeaway/ lessons learnt after the SR?

After the SR, we can now see the various areas in which we can make a difference and how important each company's commitment to sustainability is. We have become more mindful of how our actions impact people, the environment and other stakeholders. We have a better understanding and appreciation of recent changes in global regulations eg the IMO regulations.

### Why should other companies do an SR too?

Other companies should do a SR too because by adopting sustainable practices, they will not only fulfil their corporate social responsibility, they will also improve the company performance.

### What's the biggest impact doing an SR has made on you and your company?

SR helps to bring the various departments together. We better understand the work of one another and how each and everyone in the various departments contribute to the sustainability of the Company.





# PACC Offshore Services Holdings Limited



## Company Overview:



### OVERVIEW

PACC Offshore Services Holdings Ltd. ("POSH") is a leading offshore marine services provider with over 60 years of operating experience and specialised expertise. Its young and diverse fleet of over 100 offshore vessels services multiple segments of the offshore oil and gas value chain.

POSH operates across four major business divisions: Offshore Supply Vessels ("OSV"), Offshore Accommodation ("OA"), Transportation and Installation ("T&I"), and Harbour Services and Emergency Response ("HSER"). Helmed by a highly experienced team consistently recognised by customers for its professionalism and commitment to safety, its proven international track record makes it the partner of choice for clients.

POSH is headquartered in Singapore and listed on the Mainboard of the Singapore Exchange ("SGX"). Its fleet operates worldwide, serving many of the world's major oil companies and established international offshore contractors.

### NATURE OF BUSINESS:

Offshore and marine oil field services in Singapore, and a fleet that operates in Asia, Australia, Africa, the Middle East and Latin America.

### STAFF STRENGTH:

>141 members

### SUSTAINABILITY REPORTING: 2 years

 More details  
Go to <http://www.posh.com.sg/>

## Challenges:



### How did your team go about the development and implementation process?

POSH embarked on our Sustainability Reporting ("SR") journey two years ago. We released our first sustainability report in 2018, one year before the Singapore Exchange ("SGX") made it a mandatory requirement for listed companies to report their Environmental, Social and Governance ("ESG") practices.

As part of our continued efforts to strengthen our measurement of sustainability performance and impact, the team regularly engaged with sustainability consultants and attended specialist seminars to ensure that we were kept abreast of the latest reporting best practices. Our first order of business was to identify the sustainability priorities that were material to our business.

To do this, we undertook an enterprise-wide materiality assessment which allowed us to identify the five material ESG factors we believe are most significant to POSH and our stakeholders: environmental and socioeconomic compliance, training and education, occupational health and safety, and economic performance.

The report was developed in accordance with GRI Standards 2016 and relevant data points were collected from stakeholders before a draft was circulated for review. Thereafter, the completed report was published in conjunction with the Annual Report.

### What was the first thing on the to-do list? How long was the process?

Our priority was to put in place a comprehensive governance structure to drive sustainability across the business and the initial process took about three months. As such, POSH set up the Sustainability Steering Committee ("SSC"), which was helmed by the Deputy CEO, and a Sustainability Working Committee ("SWC"). The SSC provides overall ESG direction and assesses ESG risks, opportunities, practices and targets, while the SWC supports and drives the directives of the SSC across the Group.

The intention was to equip the team with specialised SR training and resources, including support from third-party consultants. MPA had also been very helpful in providing guidance and relevant contacts to us in this process.

### Could you share with us the challenges faced during the development?

Besides having an in-depth understanding of GRI Standards, it is imperative that POSH engages with all our stakeholders and take their feedback into consideration. Working with various departments to get their input and relevant data points within a strict timeline was a challenging process but we manage to overcome these challenges through teamwork and coordination. Indeed, the outcome of the report is a product of collaboration across all stakeholders.



Pictured above is Captain Priyadarshan Pandey, General Manager, Operations, OA Monohull, PACC Offshore Services Holdings Ltd.

## Sustainability Champion:



### Who in the company led the movement?

**Capt. Gerald Seow**  
Chief Executive Officer

POSH's Board of Directors had assigned the overall responsibility of overseeing sustainability initiatives to the Board Risk Committee ("BRC"), which in turn assigned the responsibility for monitoring and managing POSH's sustainability efforts to the SSC. The SSC was initiated by POSH CEO Captain Gerald Seow and Chaired by Deputy CEO Lee Keng Lin. I was appointed Chairman of the SWC and am responsible for coordinating between internal and external stakeholders.

### What was the management involvement?

The SSC is chaired by the Deputy CEO and comprises the CFO and Divisional Directors.



## Lessons Learnt:

### What are the things you never knew or realised prior to completing the company's first SR?

Improving our sustainability practices is an ongoing process that does not just end with the publication of our Sustainability Report. We will continue to implement sustainability practices in targeted areas of our operations.

### Could you share with us your biggest takeaway/ lessons learnt after the SR?

Producing a Sustainability Report is not just a task for the SSC or SWC. It requires a concerted effort and contribution from all stakeholders including employees across various business departments. Establishing an effective communication process was key to producing this report.

### Why should other companies do an SR too?

A robust Sustainability Reporting framework helps companies identify and manage social and environmental risks and opportunities. This has helped POSH to improve our control environment and culture. In fact, the other entities and subsidiaries and joint ventures from POSH will be reviewed for their sustainability practices in the coming years, the results of which we plan to include in the Group's Sustainability Reports in the future.

### What's the biggest impact has doing an SR made on you and your company?

Sustainability Reporting provides companies with a holistic overview of not just its ESG impact, but its business strategy. It provides stakeholders greater detail of the risks and opportunities the company faces so that they have a fuller picture of the organisation's potential.



*"A seafarer who comes home safely is our biggest satisfaction."*

**Captain Priyadarshan Pandey**  
General Manager  
PACC Offshore Services Holdings Ltd.



# TEHO International Inc Limited



## Company Overview:



### OVERVIEW

TEHO International is a global, diversified holding company specialising in offshore marine, engineering and property development. The company has been listed on the Singapore Stock Exchange Catalyst Board since 2009.

Over the past 30 years, TEHO has grown both geographically and in product and service offerings. Incorporated in 1986, we are now a well-established, major provider of mooring, rigging, and lifting products and solutions in Singapore and the surrounding region. In 2004, we embarked on our overseas expansion to USA, China and Europe.

TEHO Engineering Pte. Ltd. has been in the market for more than 20 years specialising in market leading engineering products used in the Marine and Offshore industries.

TEHO Water & Envirotec Pte. Ltd. has made steady and robust progress in Singapore and regionally, specialised in customising and building premium quality reverse osmosis water makers catered for various industries for their water solutions.

#### NATURE OF BUSINESS:

Multi-faceted solutions provider for marine, offshore oil and gas construction and real estate industries.

#### STAFF STRENGTH:

>100 members (globally)

#### SUSTAINABILITY REPORTING: 1 year

 More details  
Go to <http://teho.com.sg/>

## Challenges:



### How did your team go about the development and implementation process?

In January 2017, we started with a briefing to the Board of Directors by an external consultant. We set up the sustainability governance structure and selected the reporting framework, after studying the recommendations of the consultant. These were then approved by the Board.

### What was the first thing on the to-do list? How long was the process?

In March 2017, the external consultant led a kick-off meeting and a materiality assessment to 20 Environmental, Social and Governance (ESG) factors, prioritised these further and then started collecting the data. We started the process in June 2017 and took about 12 months.

### Could you share with us the challenges faced during the development?

One of the challenges was that our 3 business units, Ropes, Engineering and Water have quite different challenges and different ways of operating their businesses, which sometimes made it difficult to summarize for the report.

Another challenge is setting up the processes for collecting data and ensuring the integrity of the data collected from the various stakeholders.





## Sustainability Champion:



**Who in the company led the movement?**

**Finance Department**

### **What was the management involvement?**

Senior Management from the holding company (including the CEO, COO and CFO), Heads of Departments from our mooring and rigging division in Singapore, as well as representatives from our engineering and water treatment divisions were involved in the project.



## Lessons Learnt:

### **What are the things you never knew or realised prior to completing the company's first SR?**

The sustainability report made us aware that sustainability is not just about environmental practices, but setting up strategies to ensure continuity of the business, whereby innovation and pioneering with new developments are more than ever crucial to guarantee sustainability of businesses.

### **Could you share with us your biggest takeaway/lessons learnt after the SR?**

The materiality assessment under the guidance of an independent external consultant allowed us to evaluate the ESG factors both from our internal perspective and also through the eyes of a more objective third party.

It also showed the importance of focussing on a selected number of factors, in view of the level of concern to the stakeholders and level of significance to the business.

Another important learning point is that sustainability can or should be headed by the senior management but should be made aware and promoted, not only to all staff levels within the company but also to suppliers, customers and other stakeholders.

### **Why should other companies do an SR too?**

It is very important to set up short, medium and long term strategies to ensure continuity of the business. The guidance of an independent external consultant will help companies to look at the business through the eyes of an objective third party.

### **What's the biggest impact doing an SR has made on you and your company?**

With the annual publication of a Sustainability Report, the company's Environmental, Social and Governance practices become more transparent to its stakeholders. Such transparency keeps us on our toes while we strive to improve continuously.

**“Sustainability Reporting provides us an important platform to communicate to our stakeholders the initiatives, efforts and corporate activities that are carried out with sustainability priorities in consideration.”**

**Mr Lim See Hoe**  
Executive Chairman & CEO  
TEHO International Inc Ltd.



# Jason Marine Group Limited

## Company Overview:



### OVERVIEW

Jason Marine provides communication, navigation and automation solutions for the marine and offshore oil and gas industries.

The company was founded in 1976 by our Executive Chairman (EC), Mr Joseph Foo Chew Tuck, to provide repair service for marine electronic equipment on board vessels. Today, we are a publicly-listed company with three core divisions – marine, offshore oil and gas, and China. Our offices are located in Singapore, Thailand, Malaysia, Indonesia, South Korea and China.

Our business is built upon three key verticals:

- Sale of marine communication, navigation and automation systems
- Service maintenance and radio survey
- Provision of airtime services

### NATURE OF BUSINESS:

Provide repair service for marine electronic equipment on board vessels.

### STAFF STRENGTH:

>90 members

### SUSTAINABILITY REPORTING: 3 years

More details  
Go to <http://www.jason.com.sg/>



## Challenges:



### How did your team go about the development and implementation process?

Having a shared vision and objectives of SR is the first step taken to the implementation process. A time table and key milestones were determined to track the progress which includes development plan to gain better understanding of the reporting requirements. A steering committee is formed to overseeing the implementation and dealing with the any changes arising as the project evolves. In the process, we also remind ourselves the reasons for carrying out the sustainability reporting and to see the tangible and intangible benefits arising out of the exercise.

### What was the first thing on the to-do list? How long was the process?

The first thing on the list is for the management team to align our purpose of doing an SR, and to come to a consensus on the material issues so as to better focus our efforts with the limited resources available. This was achieved through a management workshop facilitated by an external expert.

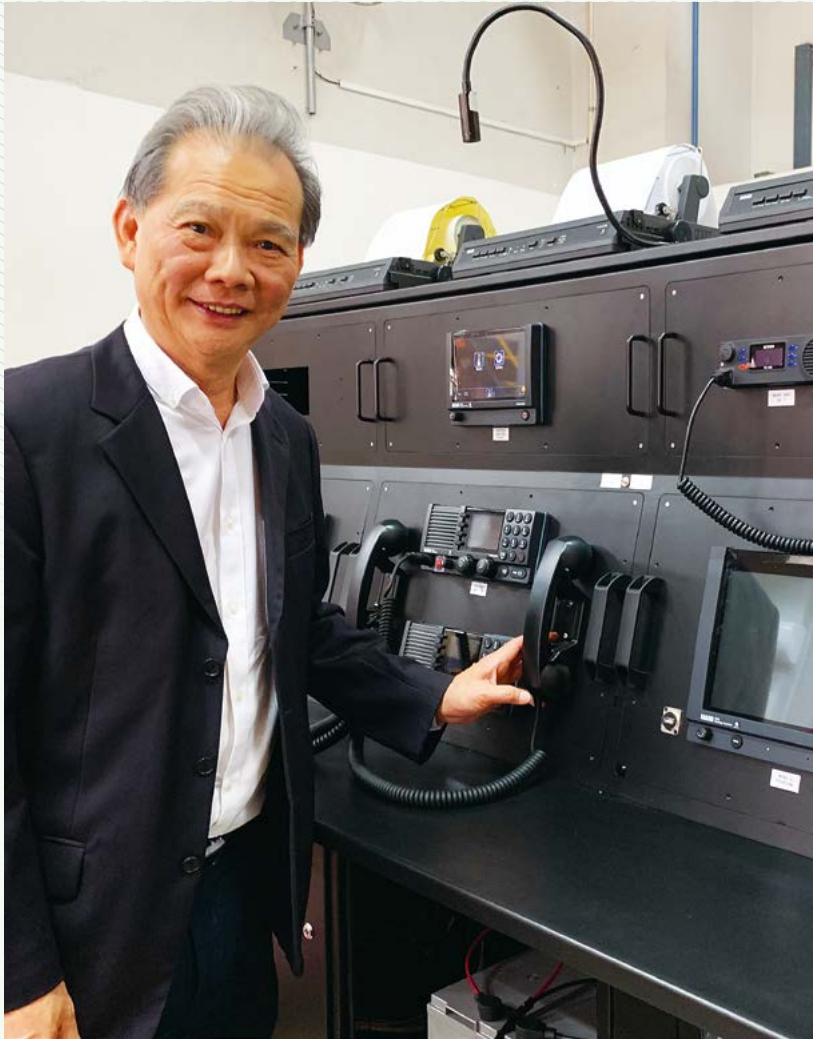
### Could you share with us the challenges faced during the development?

One of the challenges was to identify the materiality issues aligned with the business, so we can focus on doing it well. Having the support and commitment of all our staff in the organisation is important as well. However, there are few with the capabilities and experience in the GRI standards, and its reporting requirements. Thus, we sought the help from external experts to guide and develop our internal capabilities in sustainability reporting.

The other challenge is the scarcity of resources, especially carving time out from key executives, as well as the staff needed to work on data collection, analysis and putting together a reader-friendly report.

“A successful corporation is founded not only on its business achievements, but also on the positive role it plays in the community and in promoting environmental sustainability.”

**Mr Joseph Foo**  
Executive Chairman  
Jason Marine Group Ltd.



## Sustainability Champion:



### Who in the company led the movement?

**Mr Joseph Foo Chew Tuck**  
Executive Chairman

Our EC strongly believes that a successful corporation is founded not only on its business achievements, but also on the positive role it plays in the community and in promoting environmental sustainability. Thus, he started the movement in 2011, paving the way for our first report published in 2017.

### What was the management involvement?

Our top management was made a part of the SR committee to show that the organisation is serious about sustainability. Management were tasked to drive, plan and implement the SR; their direct involvement encourages staff to align their actions with the business objectives.



## Lessons Learnt:

### What are the things you never knew or realised prior to completing the company's first SR?

Doing an SR is not just about the sustainability of a company's revenue and profits, it's more about our universal values; an SR can help to build social cohesiveness as it requires the organisation to seek the views of all stakeholders on issues that are of universal concerns such as safety, opportunity to do well in career, responsibilities to the community and environment.

### Could you share with us your biggest takeaway/lessons learnt after the SR?

Doing an SR has given our organisation a better clarity on issues that are pivotal in steering the organisation towards a desirable future. The consolidating of information and outcomes with various critical business functions has allowed us to develop an integrated approach to ensure a coordinated effort towards a sustainable future for all stakeholders.

### Why should other companies do an SR too?

Organisations operate within a larger network of communities, stakeholders and social media. Therefore, an SR can help organisations identify material issues that affect these communities. Organisations are then able to ensure proper risk management of these issues, understand, measure and volunteer to communicate the performance in a transparent manner. It will also help the organisation ensure effective governance and targets sets, and to manage change more effectively.

### What's the biggest impact doing an SR has made on you and your company?

Our business development strategy relies heavily on our people resource. Thus, we need various talents with diverse cultural backgrounds. Corporate sustainability policies such as equal opportunity and a transparent process for any grievances help to encourage a strong relationship between management and employees. This openness fosters trust between management and employees, enabling the organisation to quickly adapt to rapid changes in the business environment.



# Kim Heng Offshore and Marine Holdings Limited



## Company Overview:



### OVERVIEW

Kim Heng Offshore & Marine Holdings Limited is a 50-year old company listed on the Singapore Stock Exchange (SGX). We are an established integrated offshore and marine value chain services provider serving customers from over 25 countries in the regions of Southeast Asia, USA, Latin America, Australasia, Middle East and Europe. We provide a host of services comprising offshore marine services, supply chain management, shipbuilding, conversion, repairs and engineering works, vessels sales and charter, heavy equipment sales and rental, marine salvage and oil spill response.

### NATURE OF BUSINESS:

Offshore marine services, supply chain management, shipbuilding, conversion, repairs and engineering works, vessels sales and charter, heavy equipment sales and rental, marine salvage and oil spill response.

### STAFF STRENGTH:

>340 members

 More details  
Go to <https://www.kimheng.com.sg/>

## Challenges:



### How did your team go about the development and implementation process? What was the first thing on the to-do list? How long was the process?

We engaged an external consultant to help us kick-start our sustainability reporting process last year. Our journey started with the materiality assessment to identify the factors most material for the organisation. This was followed with alignment to the GRI standards, data collection and drafting of the report. The entire process took us almost a year.

### Could you share with us the challenges faced during the development?

There were a number of challenges along the way. The first key challenge was around changing mind-sets within the organisation. Like many other companies, we also felt sustainability reporting will bring additional cost and resource burdens for the company. However, as we understood the benefits, this misconception soon went away and we started understanding the value and benefits that could be derived in the long-run. The other challenge was around data collection. As the process went on, we realized that most data was available within the company, but often in different formats and breakdowns or requiring further calculations and conversions in accordance to GRI formats. While this seemed daunting at first, it gradually became easier with the support of the consultants and supporting materials available online.



## Sustainability Champion:



### Who in the company led the movement?

#### Senior Management

**Michael Law**

Group Chief Financial Office

**Jocelyn Tan**

Head of Corporate Services

### What was the management involvement?

The Board took overall responsibility and handed the sustainability reporting mandate to a committee which comprised of the Group's CFO and Head of Corporate Services. The daily implementation of sustainability responsibilities was handed to managers from respective departments across the company.



## Lessons Learnt:

### What are the things you never knew or realised prior to completing the company's first SR?

Prior to commencing our sustainability reporting journey, we did not view our business from the eyes of multiple stakeholders. Sustainability reporting allowed us to understand the expectations of different stakeholders and how these can impact our growth and license to operate in future.

### Could you share with us your biggest takeaway/lessons learnt after the SR?

This helped us convert from a business taking short-term decisions to one with a more strategic business outlook. Furthermore, we started recognizing and addressing leakages resulting in cost reductions by measuring and monitoring issues such as energy, water and waste. We also started looking at our employees and talent differently, emphasizing on their need-based growth and development.

### Why should other companies do an SR too?

With all these benefits, we encourage other companies to start their sustainability journey. The first year of sustainability reporting has evidently helped us achieve greater heights towards our mission and vision and positioning ourselves as an organisation that makes a positive impact towards a sustainable global economy.

### What's the biggest impact doing an SR has made on you and your company?

The Sustainability Reporting exercise has unified and aligned the whole company towards a common goal and vision. It was also an opportunity for various members to work together and interact. More importantly, it helped to profile Kim Heng as a company who values its people and is a responsible organisation who placed importance in sustainability. For me, it allows me to gain a better understanding of the company and better appreciation of the jobs done by my colleagues.

**"I believe that our enduring company of 50 years has the wisdom to stay steadfast to position our company for the future. We demonstrate value through action, are constantly evolving and ever vigilant."**

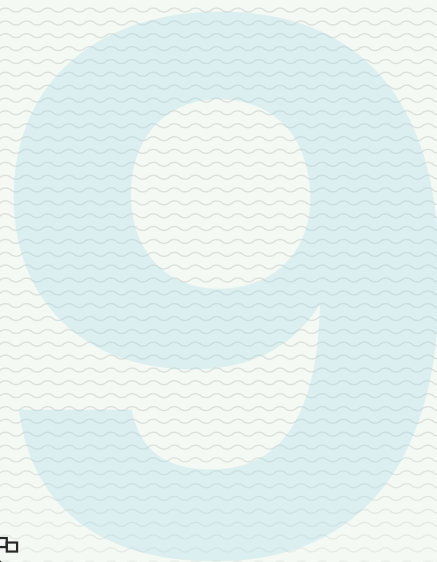
**Mr Thomas Tan**

Executive Chairman and CEO

Kim Heng Offshore and Marine Holdings Limited



# Heatec Jietong Private Limited



## Company Overview:



### OVERVIEW

We design and manufacture heat exchangers from our headquarter in Singapore. Our equipment are used on-board FPSOs and in refineries, petrochemical plants and power stations etc situated all over the world, including Europe, Middle East, Australia, Asia etc. Heatec also services various types of heat exchangers that are utilised on board marine vessels. Our heat exchanger services include on-site inspection, engineering, consultancy, fabrication and restoration of main engine charge-air coolers, condensers, heaters, fresh water generators and other heat transfer.

Our Piping Division provides piping services for all types of process pipes and systems to shipyards in Singapore, specialising in exotic materials and high pressure systems used on-board FPSO and oil rigs. Our scope of work includes turnkey project management, ranging from engineering, procurement, fabrication, installation and commissioning. Over the years, our piping division have been receiving multiple accolades by major shipyards in Singapore.

### NATURE OF BUSINESS:

Solution providers of heat exchangers, piping, pressure vessels and modular structure

### STAFF STRENGTH:

>100 members

### SUSTAINABILITY REPORTING: 2 years

+ More details  
Go to <https://www.heatecholdings.com/>

## Challenges:



### How did your team go about the development and implementation process?

Being new to Sustainability Reporting, Heatec had engaged the service of an external consultant to guide us through the development and implementation process. Internally, a steering committee, consisting of key management staffs, was formed to drive the efforts. Together with the external consultant, a materiality assessment was conducted to identify the material aspects. After which, we started a long process of data mining and analysis to extract the related statistics; and after a few iterations, we managed to zoom in to formulate our KPIs. Our next step is to monitor these KPIs and set realistic targets for ourselves; and constantly review these KPIs in our drive to a sustainable future for the company.

### What was the first thing on the to-do list? How long was the process?

The whole process took us 1 year to formulate our KPIs, of which most of the time were spent on data mining and analysis.

### Could you share with us the challenges faced during the development?

The main challenge for us is to balance our resources between daily operations needs and the sustainability efforts. Amidst this economy downturn whereby manpower is lean and financials is tight, it is painful to allocate resources to non-operational needs, even though it is beneficial over a long term. There was resistance among management to change and not enough time, budget and/or manpower were the typical excuses.



## Sustainability Champion:



### Who in the company led the movement?

**Mr Jeffrey Soon**  
Executive Director and  
Chief Executive Officer

The CEO leads the sustainability efforts at the company to recognize the importance of sustainability.

### What was the management involvement?

The CEO reports directly to the Board of the company to consider sustainability issues as part of its strategic formulation, determine the material environment, social and governance (ESG) factors and oversee the management and monitoring of these factors. A steering committee, consisting of key management staffs, were formed to drive the efforts.



## Lessons Learnt:

### What are the things you never knew or realised prior to completing the company's first SR?

Much data are actually available in various departments and these data could be analysed and made useful. Also, many initiatives had always been in place but not formalized. SR has served as a self-reflection for the management on the company's policies and overall improvement, especially on non-operational aspects.

### Could you share with us your biggest takeaway/lessons learnt after the SR?

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. Through SR, we are able to adopt better formal and informal channels of communication to understand the needs of key stakeholders (including but not limited to customers, suppliers, employees, investors and regulators), and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

### Why should other companies do an SR too?

At Heatec, we believe that companies are increasingly aware of the impact on environment, social and governance affecting long-term continuation of

business. Hence sustainability reporting has gained greater significance to investors. Today, it is widely accepted that good ESG practices contribute to the overall long-term success of the company and play an important part in the competition for investment. As such, it is important that companies should start doing their SR to be competitive.

### What's the biggest impact doing an SR has made on you and your company?

SR has facilitated the company to self-reflect in the way we conduct our business in a balanced manner. With the ESG factors recommended by GRI, it forms the framework for company to re-think again what is material to the company, and subsequently set the right KPIs/targets for the company, in the drive for a long term sustainable business

**"The sustainability reporting helps to embody our company motto of doing the right thing right, first time, everytime. And is an integral part of our working culture."**

**Mr Jeffrey Soon**  
Executive Director And Chief Executive Officer  
Heatec Jietong Pte Ltd.



# SGX launches Sustainability Reporting Guide and Rule in June 2016

SGX believes that the addition of sustainability reporting to financial reporting provides a more comprehensive picture of the issuer: statements of financial position and comprehensive income provide a snapshot of the present and an account of the past year, while sustainability reports of environmental, social and governance factors ("ESG factors") show the risks and opportunities within sight, managed for future returns. Taken together, the combined financial and sustainability reports enable a better assessment of the issuer's financial prospects and quality of management.

To achieve the additional transparency which encourages efficiency and innovation, SGX-ST requires each listed issuer to publish an annual sustainability report on a 'comply or explain' basis, in accordance with the Listing Rules. This Guide provides guidance to the issuer on compliance with the requirements under the Listing Rules.<sup>1</sup>

<sup>1</sup> For full guide and further details, please refer to <https://bit.ly/2qk1IQi>.



**Thank You.**



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