



Building
a better world
*for future
generations*

Responsibility Report 2021





Contents

1 BUSINESS OVERVIEW

- 2 Message from our Chairman & CEO
- 5 About this report
- 6 About The Caravel Group
 - 6 Vision and mission
 - 7 Our core businesses covered in this report
 - 9 Facts and figures about the business
- 10 2021 performance highlights
- 16 Our response to the Covid-19 pandemic

19 OUR RESPONSIBILITY FRAMEWORK

- 21 Five focus areas of our responsibility framework
- 23 Stakeholder engagement and materiality assessment
- 25 ESG governance

26 CULTURE AND PEOPLE

- 28 Human capital management
- 29 Employee welfare and benefits
- 31 Non-discrimination and diversity
- 36 Human rights

37 HEALTH AND SAFETY

- 40 Occupational health and safety
- 49 Training and development
- 51 Anti-piracy measures

52 CONDUCT AND COMPLIANCE

- 55 Compliance
- 56 Security and privacy
- 57 Anti-corruption and money laundering
- 58 Supply chain management

62 ENVIRONMENTAL STEWARDSHIP

- 66 Emissions
- 73 Waste management
- 77 Biodiversity
- 78 Energy efficiency for office areas
- 79 Climate change

81 COMMUNITY

- 83 Community investment and dedication

86 APPENDICES

- 87 Memberships and associations
- 88 ESG data summary
- 91 GRI reporting index
- 95 Acronyms



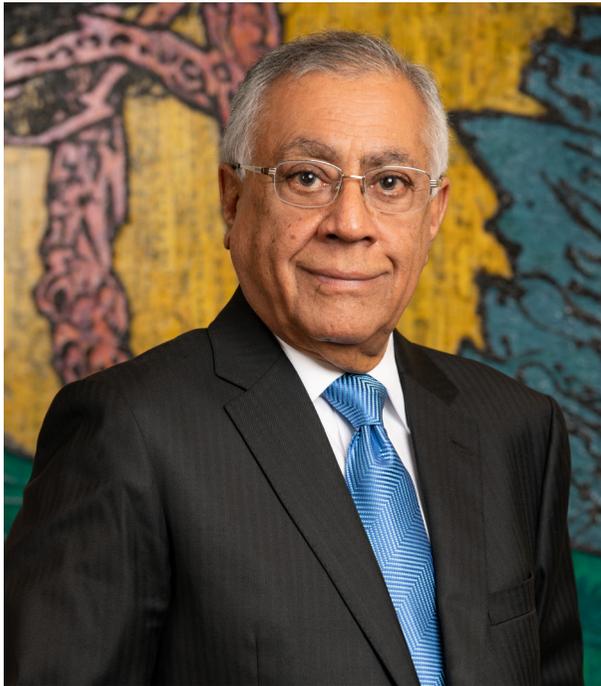
BUSINESS OVERVIEW

Embedding ESG into our business strategy

- Message from our Chairman & CEO
- About this report
- About The Caravel Group
- 2021 performance highlights
- Our response to the Covid-19 pandemic



Message from our Chairman and CEO



Dr. Harry Banga
Chairman & CEO
The Caravel Group Limited

Dear stakeholders,

As a diversified global conglomerate with businesses that span maritime, commodities, and investment management, The Caravel Group has faced many headwinds in 2021 and yet, we remained resolute in our desire to carve our path to a sustainable and responsible future. In formalizing an ESG strategy and responsibility framework, we are ready to work with our stakeholders to embrace sustainable business practices and have embarked on a process of addressing and closing the gap between knowing where we want to be and doing what is required today to get there. As a private entity, we have chosen to go beyond what is required and I am very pleased to introduce the inaugural Responsibility Report for The Caravel Group.

With this publication we demonstrate how we live up to our Environmental, Social, and Corporate Governance (ESG) responsibilities across The Caravel Group, and more importantly, how ESG is embedded into our business strategy. I wholeheartedly believe we have a key role to play in building a better world for future generations.

OUR RESPONSIBILITY FRAMEWORK

Our responsibility framework will help us focus on our overall impact and progress made as a responsible business and it is built upon five key responsibility focus areas: Culture and People, Health and Safety, Conduct and Compliance, Environmental Stewardship, and Community.

Under this responsibility framework, we have defined our long-term ambition of being recognized as a responsible, trusted, and ethical corporate brand – a reputation that will strengthen our position as the partner-of-choice both as an employer and a service and solutions provider.

Working towards our stated ambitions will sometimes mean sacrificing short-term gains in order to lay the groundwork for creating business platforms to thrive sustainably over the long term. It also means embracing change and building our business differently in order to succeed in a future we hope to help shape. We have done just that with our new purpose-led business, Caravel Sustainable Investments (CSI). Our mission with CSI is to support enterprises and entrepreneurs who are dedicated to making a positive and long-term impact in the areas of economic, social, and environmental importance, with sustainability embedded within the core of their operating models.

CARING FOR OUR PEOPLE

2021 was an extremely challenging year. It is unbelievable to think that nearly two years into the pandemic, many of us are still struggling to find our way in this 'new normal'. The very words pre-pandemic now strike a deeper chord than ever. Those of us involved in the maritime world know all too well that the challenges facing our seafarers run broad, deep, and unfortunately, they appear to be far from over.



Message from our Chairman and CEO

“We want to play a role in creating a future where zero-carbon shipping can one day be a reality.”

With a community of more than 24,000 seafarers and some 1,000 shore-based professionals across The Caravel Group, one thing is clear: we value our human capital. Therefore, our sights are set on investing in and improving the health and wellbeing of our people – both on and offshore. Our thinking around this topic is presented in the Health and Safety and Culture and People focus areas of our Responsibility Report.

Being recognized globally as the employer of choice at sea requires us to look beyond the boundaries of this pandemic and ensure we have a strong value proposition for those choosing to pursue a maritime career with The Caravel Group. This includes having programs and policies in place that support and enhance the safety and wellbeing of our seafarers and their families, allowing us to attract and retain strong talent who can build meaningful careers with us. We will continue to be a visible champion for the maritime industry underscoring the important role seafarers play in the health and operations of a global economy.

MANAGING OUR ENVIRONMENTAL FOOTPRINT

You cannot be part of the maritime ecosystem without charting out your role in the bigger picture of decarbonization. As articulated in the focus area of Environmental Stewardship, we want to play a role in creating a future where zero-carbon shipping can one day be a reality.

Our ship management business, Fleet Management Limited, is responsible for the technical management of more than 600 vessels of different types including dry bulk carriers, gas, oil and chemical tankers, container ships, and vehicle carriers. Hundreds of ship owners globally put their trust and confidence in our team from ship-to-shore to be fully prepared to support their journeys towards a greener future. We are working with our partners and investing in our skills, knowledge, technology, and capability so that we are well positioned to support our customers in achieving their emission reduction targets. Significant steps have already been taken to ensure the vessels in our managed fleet will be ready to comply with the upcoming regulatory requirements. This, I would contend, is one of our strongest value-added services now and a capability and expertise that differentiates us in the market. I am particularly excited about the work our team is doing in collaboration with other stakeholders on exploring the use of alternative fuels. We aspire to go beyond regulatory compliance and be a leader on this front.

Being a ship owner ourselves, The Caravel Group will be ready to comply with the IMO's initial targets on the reduction of the carbon intensity of emissions from ships (as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008). We are proud to have built a diverse team who bring an unparalleled breadth and depth of experience and expertise which will ensure our vessels meet these requirements whether by retrofitting vessels with energy-saving technologies or integrating data analytics.



Message from our Chairman and CEO

“We’ve risen to the challenges through the delivery of our commitments, and I see this as the start of an exciting new way forward, full of opportunities for growth.”

REINFORCING TRUST AND ETHICS IN OUR VALUE CHAIN

Heading down a similar track is our commodities trading business where in the last eight years, 17% of our traded cargo is coal. While coal is gradually giving way to other energy sources, coal and other fossil fuels still account for over 80% of the world's energy sources. The fact remains that socio-economic and industrial development factors make it the most viable energy source for many populations and industries so it will continue to play an essential role for years to come. As a responsible business, most of the cargo we sell is mid to high calorific value used in thermal power plants and we comply with regulations that limit impurities. In addition, over the last eight years, more than 75% of our traded cargo is iron ore and what we trade is of high iron content and purchased only from reputable mines. Choosing responsible and ethical business partners is of utmost importance and we have a rigorous due diligence process that is the foundation of our commodities business. Additionally, we must remain open to pivoting into new energy products and markets as these become more viable globally and begin to replace fossil fuels in a meaningful way.

That brings me to Conduct and Compliance, another focus area of our Responsibility Report. Through the process of creating our responsibility framework we have established an ESG governance structure which includes a representative from each of the relevant businesses across the Group. Together with the Board, this Group is engaged in our overall ESG strategy and reporting which will continue annually. Their responsibility extends to evaluating and determining ESG-related risks and ensuring appropriate

and effective ESG risk management and internal control systems are in place.

CHARTING A COURSE FOR RESPONSIBLE BUSINESS

While our inaugural Responsibility Report is now complete, we recognize this is just the beginning and there is still much work to be done. We are more determined than ever to bring transparency to our performance and how we are meeting our targets while not avoiding the challenges we have faced or areas where we may have fallen short. A key aspect of this work is also making sure we bring our people along on this journey and allow them to take part in building the future of The Caravel Group and share in our success.

I am tremendously pleased with the progress and accomplishments we have reported in 2021. We have risen to the challenges that we have faced through the delivery of our commitments, and I see this as the start of an exciting new chapter, full of opportunities for growth.

Thank you, and I hope you enjoy reading our report.

Sincerely,

Dr. Harry Banga

Chairman & CEO

The Caravel Group Limited



About this report

Our first Responsibility Report (the report) is to communicate The Caravel Group Limited's ESG strategy, initiatives, and performance with our stakeholders. The material topics highlighted in the report are defined by our internal stakeholders' materiality assessment conducted in 2021.

The report has been prepared with reference to the GRI Standards: Core option. This Responsibility Report covers the period from 1 January 2021 to 31 December 2021 and will be published on an annual basis.

REPORTING SCOPE

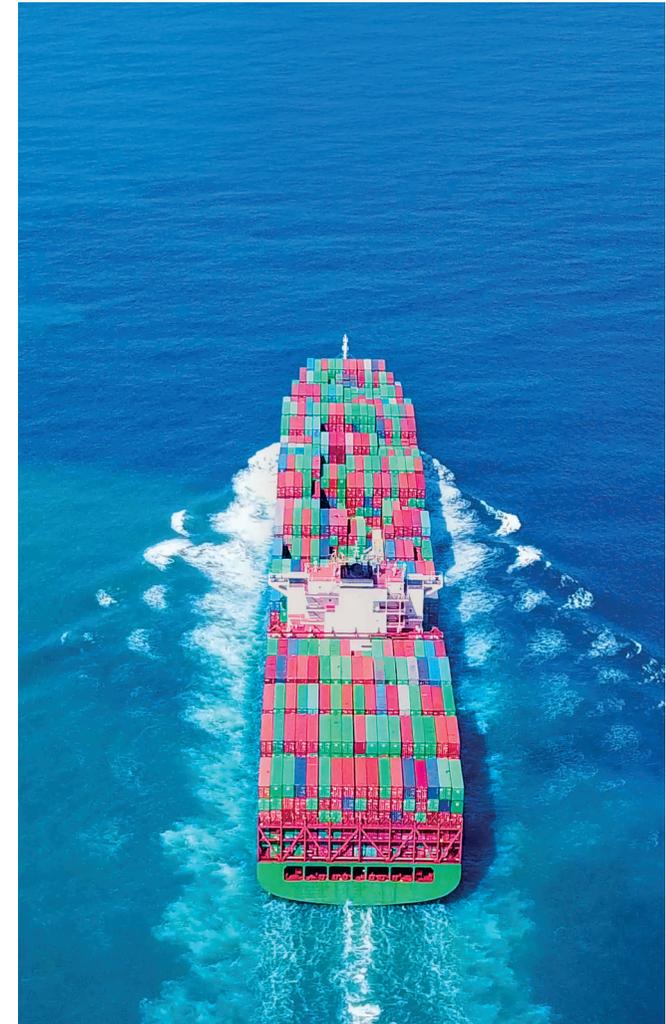
This report covers The Caravel Group Limited's maritime and commodities trading business which includes Caravel Resources Inc., Caravel Maritime Inc. and their wholly owned subsidiaries, as well as certain joint venture companies which are within the operational control of The Caravel Group Limited ("The Caravel Group" or "Caravel" or "the Group"). The social contributions made by The Caravel Foundation Limited are also within the scope of this report.

LEGAL DISCLAIMER

While we have made reasonable endeavors to provide correct and up-to-date information as of 31 December 2021, The Caravel Group makes no guarantees, representations, or warranties of any kind, express or implied, that the information made available in this report is complete, accurate or up to date in all cases. Further, certain materials in this report have been prepared by The Caravel Group on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. The Caravel Group has not sought to independently verify information obtained from public and third-party sources. The data and descriptions in this report cannot give rise to claims of any kind. Any reliance on this report therefore is strictly at your own risk.

The report may contain forward-looking statements, which by their very nature involve inherent risks and uncertainties, and risks exist that predictions and other outcomes described in them will not be achieved.

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





About The Caravel Group

Vision and mission

- To identify promising business opportunities and build on them to create a profitable, globally integrated, and sustainable world-class business that drives globalization, positive economic impact, and creates long-term value for all stakeholders of The Caravel Group and the companies in which we invest, as well as the communities in which we operate.
- To understand clients' needs in our chosen business sectors and geographies and provide them with high quality, reliable, and responsible value-added services and solutions, making us their partner-of-choice.
- To recruit and develop a hard-working, dedicated, and knowledgeable team, who share The Caravel Group's goals, values, and commitment towards operating with integrity.
- To operate as a socially and environmentally responsible organization, striving to manage our businesses and direct our investments in ways that contribute to positive change in addition to meeting financial objectives.



About The Caravel Group

Our core businesses covered in this report

CARAVEL MARITIME

Caravel Maritime encompasses all the maritime-related activities of The Caravel Group. A key part of the Group is our ship management business carried out through Fleet Management Limited, a company established in the Hong Kong Special Administrative Region along with affiliated entities and offices established in key geographical locations (FLEET). FLEET is one of the world's largest independent, third-party ship managers.

Caravel Shipping owns a growing fleet of vessels and provides commercial and chartering services and makes strategic investments in the maritime sector. We offer our customers fully integrated supply and delivery solutions by providing freight services for the products traded under our Caravel Resources business.

We are uniquely positioned in the marketplace given that we are one of the few fully integrated maritime companies providing technical and commercial management services, are engaged in vessel ownership, and have access to our own cargo base of commodities.

We transport 1% of the world's containers, and 2% of the world's commodities.

CARAVEL RESOURCES

Caravel Resources is a leading provider of solutions across the industrial dry bulk value chain. Our focus is on the trading of industrial dry bulk raw materials, principally those used in the steel and energy industries such as iron ore and thermal coal.

Caravel Resources provides a seamless supply chain utilizing the synergies provided by The Caravel Group platform. This offers all counterparties efficient, transparent, and cost-effective solutions for their needs which can be further tailored to meet the individual requirements of producers or consumers.

We source from origins that offer geographical and cost benefits for the consumers that we serve. Our origination expertise allows us to source a diverse range of products for each area of our business from mines around the globe.

Each transaction we undertake and manage is complex, requiring precise alignment throughout the supply chain and dedicated personal service. We add value by drawing from coordinated support across the Group, which allow us to offer our counterparties exceptional efficiency, logistical expertise, and strong risk management. Ultimately, this gives our counterparties the freedom to focus on their core businesses and optimize their available resources.



PRODUCTS TRADED BY CARAVEL RESOURCES

Iron Ore

We purchase iron ore from reputable mines in Australia, Brazil, and India. The iron ore is sourced almost exclusively for China.

Coal

We purchase coal that originates from reputable mines in Australia, Indonesia, the Philippines and Russia. The countries of destination are primarily China and India.



About The Caravel Group

Our core businesses covered in this report



FLEET NEWS

We publish a magazine called FLEET News which provides our key stakeholders with the latest news, updates, and milestones of our ship management business. It's a way for us to share our thought leadership, celebrate our wins, and put the spotlight on our passionate colleagues and seafarers who are at the heart of our success.

Our latest issue of FLEET News (issue 2 of 2021) was published in January 2022 and features in-depth opinion pieces from our leaders and experts on topics such as greener fuels for shipping, our sustainability journey, enhanced safety training for seafarers, and so much more.

 [Read it online here.](#)

THE CARAVEL FOUNDATION

The Caravel Foundation Limited (the Foundation) is a private Hong Kong-registered charity managed by the Chairman and CEO, Dr. Harry Banga and his family, with a focus on improving the education and wellbeing of underprivileged children primarily in the Hong Kong Special Administrative Region, India, and China. Through the Foundation, we seek to provide education and opportunities to disadvantaged young people, equipping them to become productive and successful citizens of tomorrow. In addition to providing funding through the Foundation to carefully selected charities, The Caravel Group encourages our employees to actively support and engage in their local communities.



"It is a matter of pride to be part of one of the most highly recognized shipping companies in the world. FLEET is like a second home to me."

Ali Colak
Captain



About The Caravel Group

Facts and figures about the business

The Caravel Group Limited is a privately owned company established in 2013 and headquartered in the Hong Kong Special Administrative Region. Its sole shareholders are Mrs. Indra Banga and Dr. Harry Banga.

Supported by 1,038 office-based employees (661 male and 377 female) and more than



24,000

qualified seafarers

As of 31 December 2021



3

bulk carrier vessels

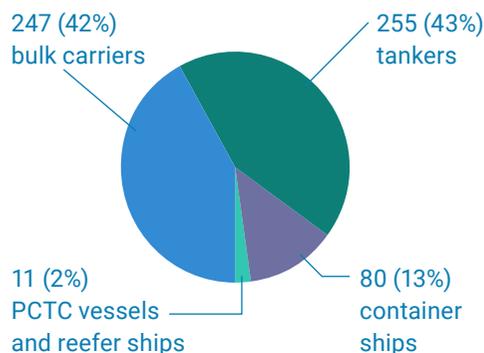


5

container ships

owner of 3 bulk carrier vessels in addition to 5 container ships as part of a joint venture with Mandarin Containers Limited

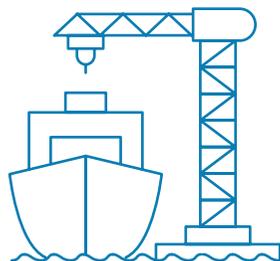
As of 31 December 2021, FLEET's portfolio comprised of 593 managed vessels including



Under FLEET, we manage

593 SHIPS

which represent 2% of the world's bulk, container and tanker ships, and with the support of 1.2% of the world's active seafarers. A leader in dual-fuel technology, we manage 10 (1.2%) dual-fuel ships currently at sea with another 20 (2.5%) under our supervision and being built in shipyards



In 2021, we transported/traded approximately 70 million metric tons of iron ore and approximately 28 million metric tons of coal-related cargo, such that iron ore represents more than 70% of transported/traded cargo within these two categories within Caravel Resources and FLEET

14 MARKETS

Legal presence in 14 markets globally



RECENT AWARDS

Outstanding Performance in Port State Control Inspection for the year 2020 awarded by Hong Kong Marine Department

Seafarers Awards for Hong Kong Ship Manager 2020 by Sailors Society

2021 Outstanding Ship Management and Crew Service Company Award by BIMCO, Pudong Shipping Youth Association, and Beyond Shipping

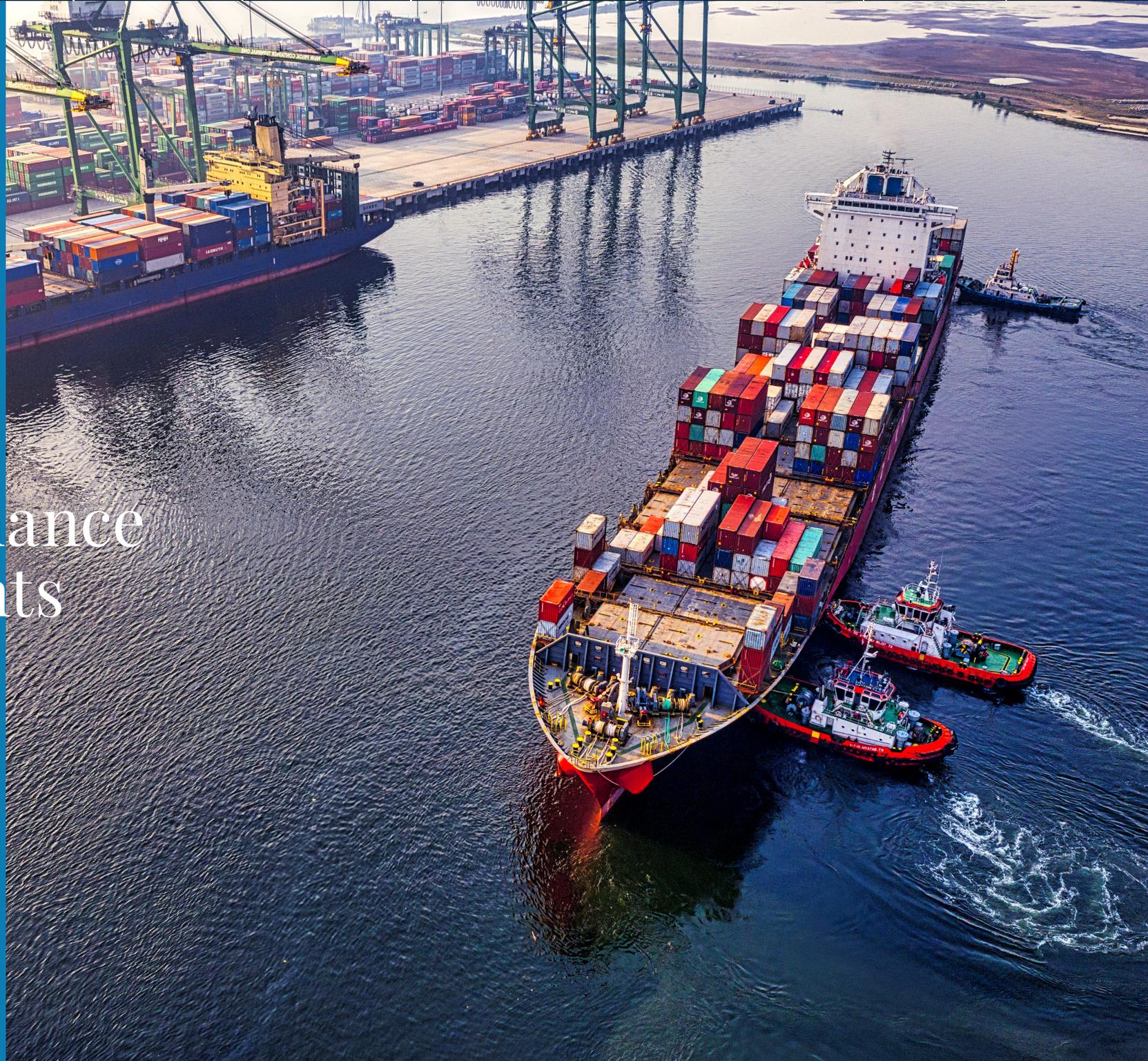
Awarded "SHE Company of the Year" for excellence in Marine Safety, Health, and Environment by the Samudra Manthan Awards

Outstanding Contribution to Search and Rescue Efforts in 2020 awarded by the Maritime and Port Authority of Singapore (MPA) for the search and rescue effort carried out by the crew onboard SAGAR SHAKTI on 18 October 2020

"Highly Commended" recognition in the Innovation Award category by The Mission to Seafarers Annual Seafarer Awards 2021 for embracing a new program, project, or training which has enhanced seafarers' welfare



2021
performance
highlights





“This is much more than a report for us — it signals an important shift in how we build our businesses and presents an opportunity for us to further align our culture and values around ‘why’ we do what we do.”



“I am very pleased to introduce The Caravel Group’s first sustainability report which sees us join the ranks of other leading global organizations in our pursuit of building a brighter world for future generations.

This is much more than a report for us — it signals an important shift in how we build our businesses and presents an opportunity for us to further align our culture and values around ‘why’ we do what we do. It’s a conversation we started having a few years ago, and along that journey 2021 became the pivotal year we were ready to embrace change and chart a new course towards a sustainable future.

There are many key performance highlights from 2021 to be proud of: we followed through on our pledge to bring more

gender diversity both on and offshore, invested in the health and wellbeing of our employees and seafarers, strengthened our responsible procurement processes and practices, and took proactive steps to prepare our fleet of some 600 vessels to address a rapidly evolving and complex regulatory landscape driven by the necessity to reduce greenhouse gas emissions in shipping.

I look forward to building upon the progress we have made so far backed by our strong commitment and desire to continuously raise the bar and push ourselves to do better at every turn.”

Angad Banga
Chief Operating Officer
The Caravel Group





2021 Performance Highlights

Culture and People

FOR SHORE-BASED EMPLOYEES

Diversity



NUMBER OF **WOMEN IN DIRECTOR OR HEAD OF BUSINESS FUNCTION ROLES**¹: **5**

99%

OF OUR EMPLOYEES GLOBALLY HAD AN INDIVIDUAL PERFORMANCE REVIEW IN 2021

NEW BESPOKE COMPETENCY FRAMEWORKS DEVELOPED FOR ALL SHORE-BASED EMPLOYEES, DRAWING ON INPUT FROM

150 colleagues

¹ Only covers businesses within the scope of the report

FOR SEAFARERS

Diversity



NUMBER OF **WOMEN SEAFARERS ON BOARD SHIPS**: **4**

FMTI CONDUCTED

296,753

HOURS OF TRAINING FOR ALL SEAFARERS



2021 Performance Highlights

Health and Safety

OUR FLEET CARE DEPARTMENT CONDUCTED

11,800 welfare calls

TO THE FAMILY MEMBERS OF OUR SEAFARERS

LOST TIME INCIDENT RATE

0.31

PER MILLION MAN-HOURS



ESTABLISHED A

24 × 7 crisis helpline

FOR SEAFARERS IN MULTIPLE LANGUAGES



Conduct and Compliance

INTRODUCED A KYC DUE DILIGENCE SYSTEM WITH SUPPLIERS AND COMPLETED

1,167

CHECKS ON SUPPLIERS AND COUNTERPARTIES



96 voyage compliance checks completed

Whistleblowing

371

OPEN REPORTS RECEIVED

100%

CLOSED





2021 Performance Highlights

Environmental Stewardship

OWNED SHIPS CARBON EMISSIONS (SCOPE 1)

41,677

METRIC TONS

SCOPE 2 (excluding emissions from employee travel) EMISSIONS

1,106

METRIC TONS

MANAGED SHIPS CARBON EMISSIONS (SCOPE 3)

12,246,515

METRIC TONS

AER FOR OWNED SHIPS

4.36

GRAMS OF CO₂ PER METRIC TON-MILE

AER FOR JOINT VENTURE OWNED SHIPS

14.61

GRAMS OF CO₂ PER METRIC TON-MILE

AER FOR MANAGED SHIPS

5.30

GRAMS OF CO₂ PER METRIC TON-MILE

10,000

TREES PLANTED

WITH AN AVERAGE ANNUAL CARBON CAPTURE CAPACITY OF 521 METRIC TONS

344

SHIPS FITTED WITH

BALLAST WATER TREATMENT SYSTEM

183

SHIPS FITTED WITH

BILGE WATER EVAPORATORS

NO MAJOR SPILLS OR RELEASES

(of more than 1 cubic meter) into the environment



2021 Performance Highlights

Community

AMOUNT CONTRIBUTED FOR COMMUNITY DEVELOPMENT GLOBALLY

(excluding contributions made by
The Caravel Foundation)

US\$1,000,000

A CORPORATE DONATION OF

US\$396,000

WAS MADE TO THE PRIME MINISTER'S
CITIZEN ASSISTANCE AND RELIEF IN
EMERGENCY SITUATIONS FUND (PM CARES) TO
HELP THE FIGHT AGAINST COVID-19 IN INDIA



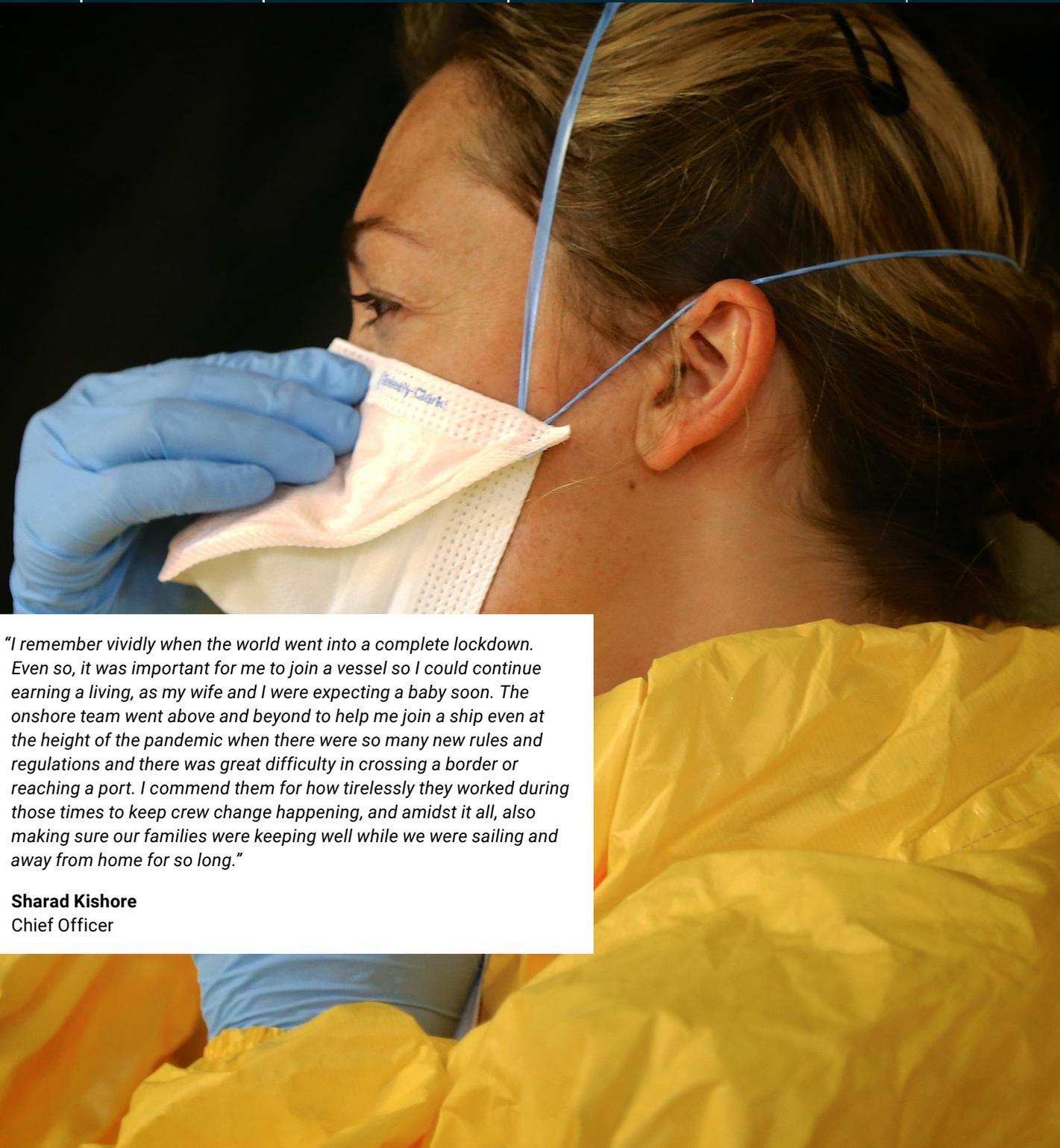
IN PARTNERSHIP WITH **CRICKET HONG KONG**,
OUR YOUTH PATHWAY PROGRAM MADE
CRICKET ACCESSIBLE TO CHILDREN AND
YOUTH IN HONG KONG, INCLUDING

88 youth players

IN THE FIRST-EVER UNDER 16 TRIALS



Our response *to the* COVID-19 pandemic



"I remember vividly when the world went into a complete lockdown. Even so, it was important for me to join a vessel so I could continue earning a living, as my wife and I were expecting a baby soon. The onshore team went above and beyond to help me join a ship even at the height of the pandemic when there were so many new rules and regulations and there was great difficulty in crossing a border or reaching a port. I commend them for how tirelessly they worked during those times to keep crew change happening, and amidst it all, also making sure our families were keeping well while we were sailing and away from home for so long."

Sharad Kishore
Chief Officer



Our response to the COVID-19 pandemic

For our seafarers

The COVID-19 pandemic resulted in one of the worst shipping crises the world has ever seen – putting lives and global trade at risk. Since the onset of the pandemic in 2020, The Caravel Group has made every effort to ensure the safety and wellbeing of our seafarers and shore-based employees.



About
84%
of our seafarers have been vaccinated thus far and our aim is to reach 100%

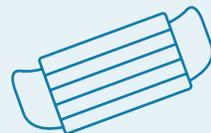


350
(59%) of our managed ships have been outfitted with an oxygen concentrator on board

Chartered
320
flights to help stranded crew members repatriate home



Close to
60,000
face masks were distributed to ships calling Hong Kong ports




Partnered with Sailors' Society to establish a Crisis Response Network (CRN), a multilingual 24x7 helpline



Made available the use of mental health support services via our CRN and in-house clinical psychologists for all seafarers



11,800
welfare calls were made directly with family members of seafarers



Enhanced our global insurance policy for all seafarers and their dependents, improving their medical coverage and benefits in light of the pandemic

Even before the pandemic, FLEET recognized the need to support our community of seafarers. We have a team called FLEET Care who are dedicated to ensuring the holistic wellbeing of our seafarers. When the pandemic hit, the consequences to our seafarers were devastating and profound. In 2021 our FLEET Care team expanded, and they did not hesitate to step up to be that necessary pillar of support for our seafarers day in and day out amidst all the unpredictability of the pandemic. This unique team is made up of professionals from different backgrounds including aviation, hospitality, and psychology. Together, they channel their shared passion to do everything in their power to nurture the health and wellbeing of our seafarers. They conduct regular outreach to seafarers and their family members, providing emotional, social, and psychological support via phone calls, emails, instant messages. They also host engagement activities and produce a digital newsletter capturing moments and highlights from the daily lives of our seafarers and their

families to help them stay connected. The tremendous time, effort and energy put in by our FLEET Care team is one of the reasons why we have been able to build such a highly engaged and very close-knit community of seafarers.

To ensure seafarer training could continue despite the pandemic, the Fleet Management Training Institute (FMTI), our leading maritime training center in India, quickly went digital: training courses used cloud-based simulators, course materials were created as QR-coded data packages which could be downloaded on any mobile device, and collaboration platforms like SharePoint, Zoom and Microsoft Teams were adopted. Leveraging technology allowed FMTI instructors to work around the many rules and restrictions that prevented travel and gathering in-person without compromising the quality and effectiveness of the critical training required for our Indian seafarers.



Our response to the COVID-19 pandemic

For our shore-based employees



Digital technologies were leveraged to aid productivity and communication including the use of Zoom, Microsoft Teams and SharePoint



All our offices provide ample supply of hand sanitizer at the main entrances and in common areas and meeting rooms



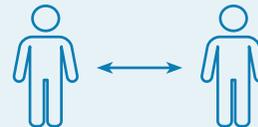
Scheduled services for regular disinfection of office areas such as telephones, door handles, stairway handrails and elevator buttons



Enforced a strict policy to restrict external visitors



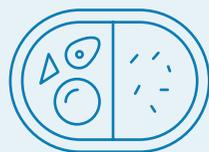
Professional services engaged for regular indoor air sanitation in all offices



Implemented social distancing measures within all offices with posters and notices to ensure colleagues were informed



Provide a regular supply of facemasks



In FLEET's Hong Kong office, our canteen (The Galley) continued to provide employees with the option to have their daily meals which are offered at a subsidised cost

In July 2021, The Caravel Group launched an Employee Assistance Program (EAP) to provide all our shore-based employees and their immediate family members with free, confidential counselling and consultation services with specialized professionals on a broad range of personal and professional issues. Resources are also available to our employees through an online web portal and mobile app. EAPs are designed to help our people deal with the different challenges that arise in our daily lives including relationship issues, parenting problems, grief resulting from the loss of a loved one, stress management, emotional distress, financial and legal matters, general wellness, nutrition, and more.

For the community

At one point, India was at the epicenter of the Covid-19 pandemic. India is an important market for The Caravel Group. Not only does our founder have proud Indian roots, but it is also one of the top nations from which we recruit our seafarers. As such, we made efforts to support the community through:

Procured

210 oxygen concentrators



and donated them to our offices as well as local hospitals, law enforcement agencies, charities, and NGOs across India

A corporate donation of

US\$396,000

was made to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES) to help the fight against Covid-19 in India





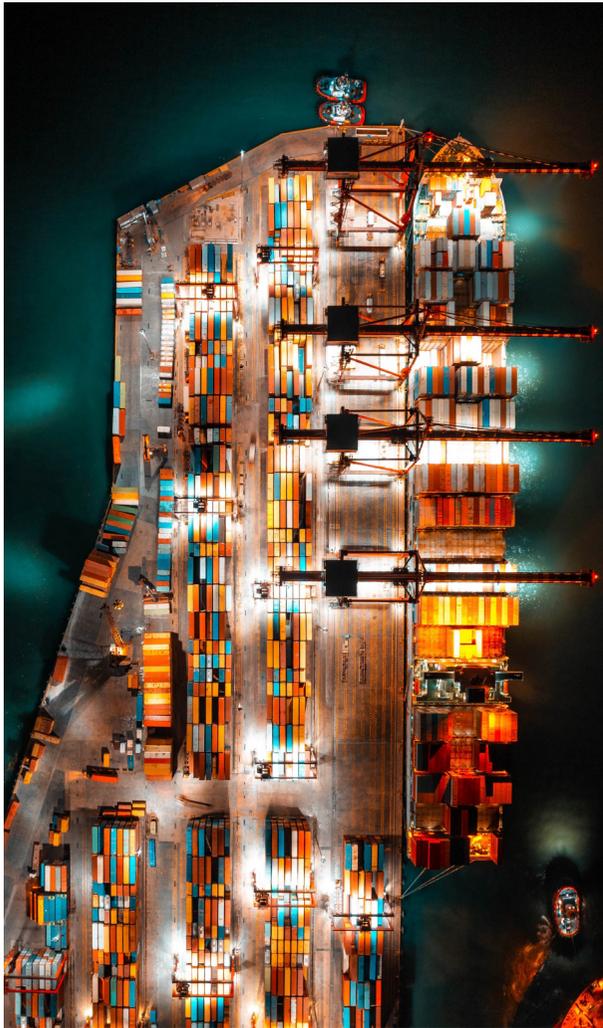
OUR RESPONSIBILITY FRAMEWORK

Charting our path to a sustainable future

- Five focus areas of our responsibility framework
- Stakeholder engagement and materiality assessment
- ESG governance



Our responsibility framework



At The Caravel Group, we are committed to bringing positive impact to society while creating long-term economic and social value for all our stakeholders.

As part of our effort to support global economic development, we strive to be an employer of choice with a reputation as a responsible brand that our customers and business partners trust to uphold the highest ethical standards.

Along our sustainability journey, we believe digitalization and technology play a vital role in streamlining business processes and improving transparency and efficiency. At FLEET, we have launched the next generation of our ERP system PARIS (Planning and Reporting Infrastructure for Ships) and created a digital ecosystem of products and services, PARIS 2.0. In addition to increasing transparency, the PARIS 2.0 digital ecosystem will better process compliance, drive operational efficiency, and provide data-driven insights to our seafarers, shore teams and customers for better decision making.

Together with Paris 2.0, we have initiated digitization of our vessel requisition and purchase processes by implementing Oracle SCM (Supply Chain Management Cloud) and Oracle Financials in 2021. The platform will allow us to make increased quantitative and qualitative decisions on our vessel costs and enable a unified, holistic view on inventory management – for our teams both on and offshore. This will further our efforts towards continuous improvement in business processes, audit requirements and cost transparency. The combination of Paris 2.0 and Oracle SCM will be an important enabler of our data strategy; to in-turn provide increased support to realize our sustainability targets in the coming years.



Five focus areas of our responsibility framework

The following framework will guide The Caravel Group's ESG strategy and will be used to set reasonable goals around understanding business growth and sets the tone for our current and future sustainable development.

There are five key focus areas in our responsibility framework: Culture and People, Health and Safety, Conduct and Compliance, Environmental Stewardship, and Community. These were developed to align with our business strategies, guide the development of our sustainable business practices, and underpin our ambition to have a positive impact on the world.

Each of the focus areas in this report represents the material topics which were defined by our management team, ESG Working Committee (EWC), and the representatives from our business units. The aim of our Responsibility Report is to share our vision, policies, measures, and performance highlights with both internal and external stakeholders.

The United Nations Sustainable Development Goals (UNSDGs) were set in September 2015 by the United Nations General Assembly and formed an agenda for achieving sustainable development by the year 2030. Our responsibility framework aligns with ten UNSDGs where we believe our initiatives and future plans will help shape a more sustainable world.





Five focus areas of our responsibility framework

The focus areas of our responsibility framework go hand in hand with the vision and purpose of our leadership. Culture and People was found to resonate deepest within the organization, and it is an area we have made solid progress but aspire to do even more.



Culture & People

- Human Resources Management
- Employee Welfare and Benefits
- Non-discrimination and Diversity
- Human Rights



Health & Safety

- Occupational Health and Safety
- Training and Development
- Anti-piracy measures



Conduct & Compliance

- Compliance
- Security and Privacy
- Anti-corruption and Money Laundering
- Supply Chain Management



Community

- Community Investment and Dedication



Environmental Stewardship

- Emissions
- Waste Management
- Biodiversity
- Energy Efficiency for Office Areas
- Climate Change





Stakeholder engagement and materiality assessment

To better understand the material ESG topics at The Caravel Group, we conducted our first stakeholder engagement exercise with internal parties in 2021. Open conversations and surveys with several representatives across every business unit enabled us to obtain and understand views from different angles within the business operation and their understanding of stakeholders' expectations. The ESG topics identified were reviewed and ranked by the stakeholders according to how material the topic is to The Caravel Group's business operation and to the external stakeholders, incorporating the economic, societal, and environmental aspects. As this is our first Sustainability Report, we leveraged feedback from our internal stakeholders on the expectations of our external stakeholders. Going forward, we will continuously increase stakeholder coverage in future engagements to better understand their concerns and expectations towards us as a business.

The materiality matrix below demonstrates the outcome of our materiality assessment. The results reveal that our stakeholders are most concerned around issues concerning people, legal compliance, and anti-corruption and money laundering in the value chain. Environmental topics such as water management and other environmental impacts are material but rated as a lower priority, as this area is regulated, and we are meeting necessary compliance throughout the normal course of the business.





Stakeholder engagement and materiality assessment

To engage with our key stakeholders for their feedback and views for the Group's future responsibility reporting and development, we have established multiple communication channels:

STAKEHOLDER GROUPS	ENGAGEMENT CHANNELS
Employees	Town Halls, training sessions and informal feedback during the year
Shipowner clients	Customer feedback survey and informal feedback during the year
Suppliers/vendors ²	Quarterly Supplier Relationship Management (SRM) meetings
Underwriters	Informal feedback mechanism during the course of business operation
Regulators/classification societies	Informal feedback mechanism during the course of business operation
Industry associations/think-tank bodies	Periodic member meetings

² We are setting up quarterly supplier relationship management (SRM) meetings for suppliers. The agenda for these meetings is (1) to conduct supplier performance management based on contracted KPIs set as part of service level agreements and (2) to tap into any innovative offerings that are being developed in the shipping industry. We are setting up this approach to review key suppliers for opportunities to learn about ESG, improve quality and ensure the financial stability of the supply chain.

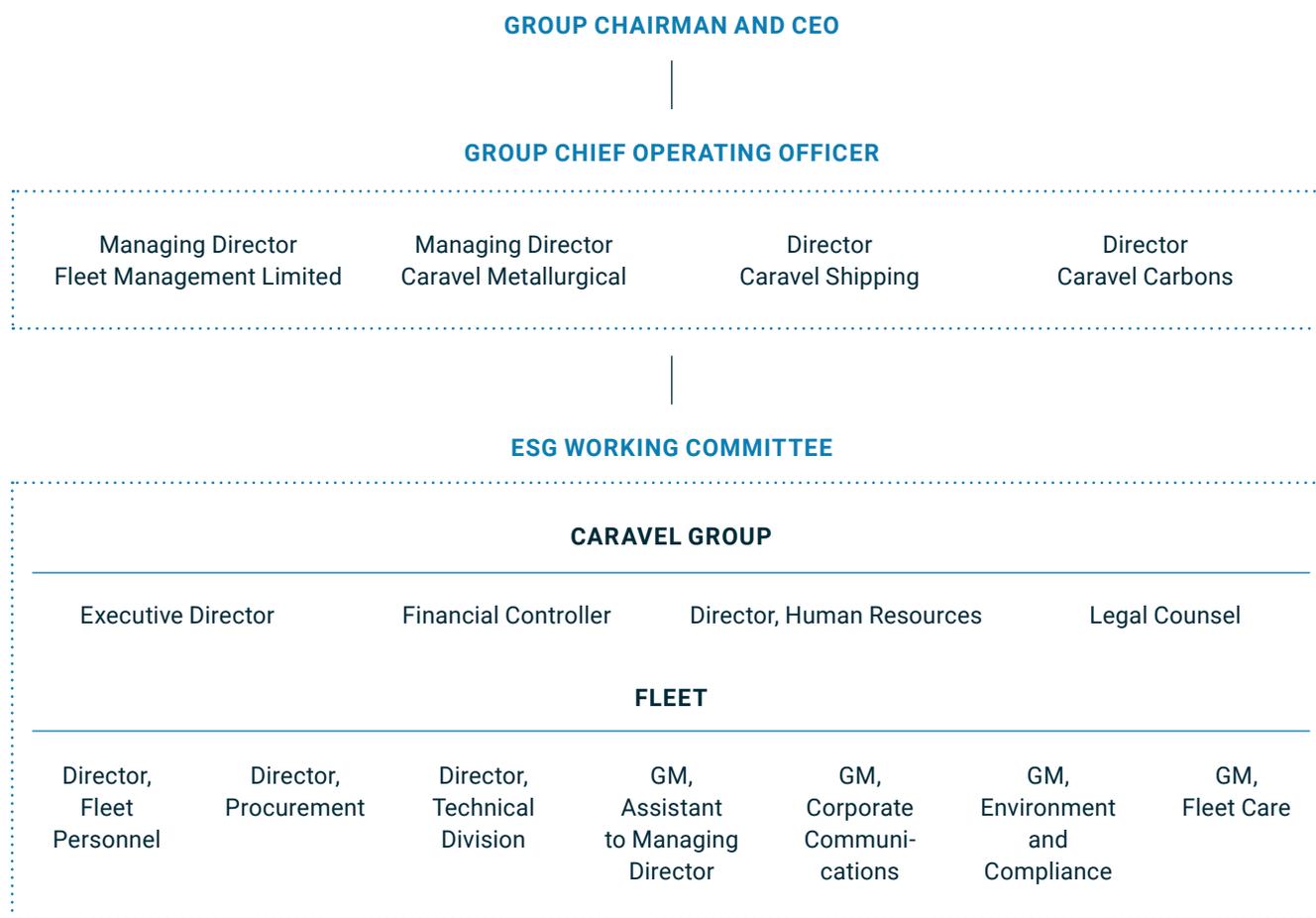


ESG governance

We have established a robust ESG governance structure with clear roles and responsibilities for effective management of the Group's ESG agenda. Our first EWC was formed in the beginning of 2021 and comprises 10 representatives (of which 3 are female) each representing a business vertical or support function within The Caravel Group. The EWC has overall responsibility for and is engaged in building and upkeeping the Group's responsibility framework and reporting, including coordinating the implementation of the ESG initiatives, proposing new and applicable ESG programs and targets, and facilitating the compilation of data for the annual Responsibility Report. The EWC aligns with The Caravel Group's management team comprising the Group Chairman and CEO, Group Chief Operating Officer, and the most senior leaders (Managing Directors/Directors) of the four business verticals, namely Fleet Management Limited, Caravel Metallurgical, Caravel Shipping, and Caravel Carbons.

The EWC also engages employees across the business units and functions with the purpose of promoting a culture of sustainability so that business decisions and choices made will be good for society and the environment.

The Caravel Group's ESG Working Committee structure is as follows:





CULTURE AND PEOPLE

Cultivating an inclusive and employee-centric culture

- Human capital management
- Employee welfare and benefits
- Non-discrimination and diversity
- Human rights



Priorities and progress in 2021

FOR OUR SHORE-BASED EMPLOYEES

Establish a comprehensive human capital management approach to support the success and development of our shore-based professionals

- New bespoke competency frameworks developed for all shore-based employees, drawing on input from 150 colleagues. This framework will underpin recruitment, development, performance management and promotion activities for years to come
- In Q4 2021 we partnered with Santa Fe as part of our intended gold standard approach to the onboarding of our new joiners into Hong Kong and other countries in which we operate. Santa Fe will assist with immigration, schooling, housing, banking, and a host of other transition needs
- 99% of our shore-based employees globally had an individual performance review in 2021

Provide a continuous development platform to equip our talent with a comprehensive skillset

- Started Get Abstract, a curated leadership content service, which was launched for 300+ employees globally who have managerial responsibility
- 30 of our managers attended a training program run in partnership with the Buckingham Academy to develop their interviewing skills to support a more sophisticated and globally consistent approach to the recruitment of new talent to the business

Create an inclusive and supportive working environment for our talent to thrive

- Established a Diversity Steering Committee to oversee the development of our diversity policies
- Number of women in Director or Head of business function roles: 5

FOR OUR SEAFARERS

Ensure fair and equal business operations and respect of human rights

- 540 ships (90% of our fleet) are covered under various collective bargaining agreements depending on the nationality of the crew on board
- We signed the Neptune Declaration on Seafarer Wellbeing and Crew Change calling for worldwide action to end the unprecedented crew change crisis caused by Covid-19

Introduced gender diversity on board our managed fleet

- Onboarding of 4 women seafarers on different vessels

OUR PRIORITIES AND ACTIONS IN THIS PILLAR CONTRIBUTE TO THE FOLLOWING UNSGDS



Achieve gender equality and empower all women and girls

Guided by the target to ensure women’s full and effective participation and equal opportunities for leadership, we formed a Diversity Steering Committee to promote diversity, gender equality and inclusion within The Caravel Group.



Reduce inequality within and among countries

Guided by the target to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status we channel our commitments driven by our Diversity Steering Committee to promote inclusion and prevent all forms of discrimination.



Human capital management

The Caravel Group is committed to delivering industry-leading human capital management, resulting in a signature employee experience for all employees in our companies.

Our focus on continuous improvement of the employee experience reinforces our commitment to employee safety, wellbeing, and development – and increasingly strengthens our focus on diversity and our commitment to human rights through all our employment and business practices.

The Caravel Group requires all shore-based employees to sign a declaration upon joining, outlining their agreement to comply with our Code of Conduct and policies – which forms part of their terms of employment. We continue to ensure all our employees reinforce their knowledge and awareness on issues concerning topics such as EU's General Data Protection Regulations (GDPR), Equality and Diversity in the Workplace, Anti-Money Laundering, Sexual Harassment, Anti-bribery, and Corruption. By December 2021, 84% of the workforce had completed a suite of training modules and we expect the number to increase to 100% by the end of 2022.

The wellbeing of our seafarers is one of our top priorities and we take it as our responsibility to safeguard their rights and wellbeing. In response to the unprecedented crew change crisis caused by Covid-19 The Caravel Group and FLEET have joined forces with more than 300 companies by being a signatory to the Neptune Declaration on Seafarer Wellbeing and Crew Change. Developed by a taskforce of stakeholders from across the maritime value chain, the Neptune Declaration calls for worldwide action to ensure the crew change crisis is resolved as soon as possible. Additionally, FLEET contributes critical up-to-date information on the crew change situation to the crew change indicator. The crew change indicator was developed based on data provided by the top 10 ship managers. The focus is to encourage seafarer vaccination globally in addition to tracking crew who are overdue for relief.



"We're working toward building a signature employee experience at FLEET, where we recognise and address the many ways our diverse people engage with work. A big part of crafting this experience is our commitment to developing a comprehensive learning and development programme that will enable our business to continue to quickly respond and adapt to the ever-changing business context and industry transformation, particularly as we emerge from the Covid-19 pandemic."

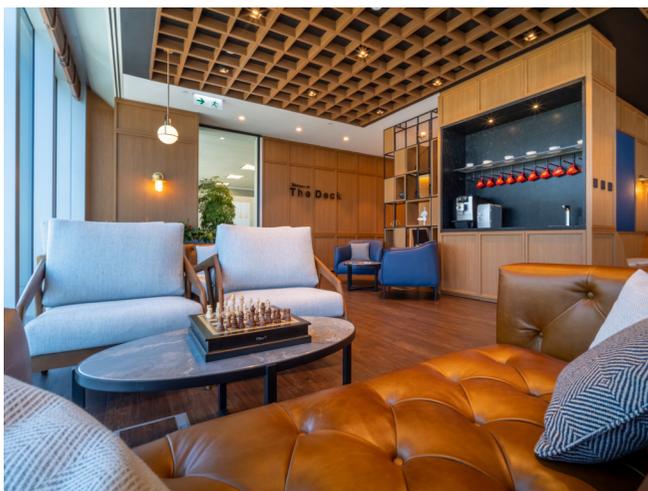
Jordan Lumley

General Manager, Employee Experience – HR
The Caravel Group



Employee welfare and benefits

As an employee-centric company, The Caravel Group offers comprehensive health, dental, and benefit coverage to all full-time employees.



The Group takes a more generous approach than the legislation requires in several areas, including compassionate leave and non-paid leave where individual circumstances are considered, and approvals are made that best meet the mutual needs of the employee and the business. In Hong Kong, we match the contribution made by our employees to their pensions up to 5% of their salary each month.

Our seafarers working on ships managed by FLEET work on fixed-term contracts. Medical care and benefits for seafarers when on board are covered under the Vessels Protection and Indemnity (P&I) club cover. For our seafarers' immediate family members and for those seafarers on leave and therefore not under the P&I club cover, we offer comprehensive medical insurance and care – with a dedicated website hosted by a third-party insurance solution provider Marine Benefits, providing information and advice, access, and contact information for medical practitioners and for managing the medical claims processes.

When seafarers are ready to make the transition from 'ship-to-shore' they are provided with a comprehensive training program to support that pathway, which includes a five-day program to equip them with skills, knowledge, and competencies to increase their speed to competence. With the support of a relocation service provider (Santa Fe) superintendents who are relocating abroad are provided with an individual needs analysis and online platform to manage all their requirements. In addition, generous benefits are provided to assist them and their family with settling into a new life including local support for schooling, housing, banking, and cultural immersion.



"I first sailed with FLEET as a Chief Engineer and then joined them onshore as a Technical Superintendent – first in India and then Hong Kong where I've been based for three years. The supportive and inclusive culture made it that much easier for me and my family to adapt to a completely new home and environment. That certainly extends to management who have given me opportunity to learn about the many facets of running a ship management business. Through that kind of exposure, I've been able to grow and develop as a maritime professional."

Himanshu Joshi
Senior Technical Superintendent
Fleet Management Limited



Employee welfare and benefits



In 2021 we introduced a 'Buddy on Board' program to help new trainees sailing with FLEET for the first time and provide them with moral and emotional support as they transition into a new workplace and lifestyle onboard. In assigning a new trainee with a 'Buddy' — someone experienced, whose role is to care for the trainee — our aim is to give him or her a sense of confidence and assurance in the new environment as well as additional support for challenging moments. The purpose of this program is to ensure that the trainees have a positive experience when sailing with FLEET for the first time resulting in both their positive performance and willingness to sail with FLEET again in the future.

TALENT ENHANCEMENT

Work is underway to reimagine the entire end-to-end onboarding experience for superintendents, considering new technology and processes, a mentoring program, and revamped training to ensure they are equipped with the skills and confidence to start a new career path onshore. This new onboarding program will focus on their first 12 months with The Caravel Group and set them up for a long and successful career with us.

We partnered with the Buckingham Academy to run a training program for 30 of our managers with the aim of developing their interviewing skills. The program focused on introducing a range of assessment and selection methods with a focus on competency-based interviewing and some skills-based practical application of those methods. The training has helped support a more sophisticated and globally consistent approach to the recruitment of new talent to the business and to support consistent internal promotion activity.

The Caravel Group's entire employee population has access to our Learning Library on Success Factors which cover a range of topics on personal development, leadership, operations, and more. Our management population across The Caravel Group has access to Get Abstract, a service that delivers bite-sized summaries of the best business books, videos, and podcasts right to our email inboxes to help our colleagues stay on top of business and leadership trends.

GRIEVANCE POLICY

A grievance policy is in place for all Caravel Group shore-based employees and seafarers.

Seafarers

For seafarers onboard our ships, the primary channel for raising a concern is the ship Master. As the Master is familiar with the crews' roles and responsibilities, they are in the best position to assist. One of the most important roles of the Master is to ensure that seafarers under their guidance are treated fairly and with respect. If the Master cannot resolve a seafarer's grievance, the seafarer can reach out to the respective designated person ashore (DPA) who will provide them prompt support and guidance.

Shore-based employees

Shore-based employees of The Caravel Group can raise their concerns with their direct supervisor, local HR representative, or Group HR Director. Strengthening the channel for employees to raise grievances and concerns is being formalised in 2022.

For FLEET employees and seafarers, there is also a grievance mechanism called an 'Open Reporting System' which is readily accessible online for any person to anonymously report misconduct, violations, or any other issue of concern. This grievance mechanism is overseen and managed by a panel of representatives from across FLEET's key departments to prevent any potential conflicts of interest.



Non-discrimination and diversity

The Caravel Group is committed to attracting and retaining qualified employees and providing equal opportunities free from unlawful discrimination in all aspects of employment, including compensation, benefits, promotions, development, as well as the overall working environment.

The Caravel Group intends that all employees, regardless of their title or scope of responsibility, have ownership when it comes to promoting equal opportunity, encouraging supportive and responsive relationships, and contributing to an environment that is open and inclusive (regardless of age, race, gender identity, sexual orientation, marital or family status, religion, disability, and political beliefs).

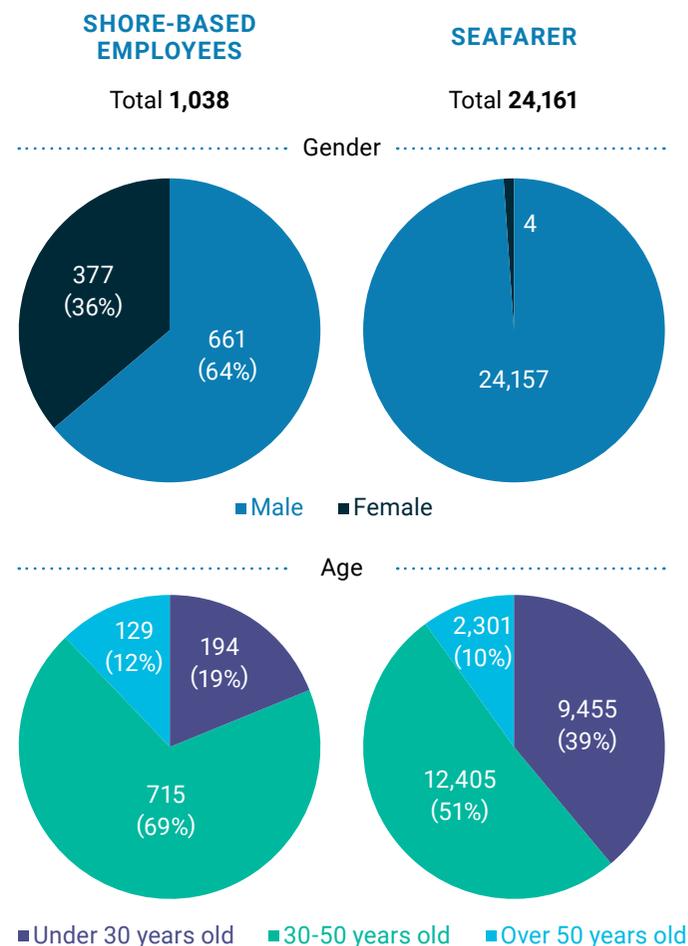
We know that diversity of talent, thought, and experience has been key to our success over the years. Strengthening our focus on and commitment to diversity will remain at the heart of our strategy for success going forward.

Excluding FLEET and our asset management business, The Caravel Group has eight operating legal entities across six geographic locations. In these businesses, we have a diverse group of employees, with a balanced ratio of 47% male and 53% female. In addition, we have a broad

mix of ethnicities comprising 69% Chinese, 16% Indian, 6% Singaporean, 3% Australian/New Zealander, and the rest are American, European, and Indonesian. Meanwhile, 25% of our senior leaders are female. This number increases to 36% across our teams and Hong Kong and Singapore entities. Continuing to improve female representation at senior leadership levels is a priority for The Caravel Group in the years ahead.

Within FLEET, again a diverse workforce exists with more than twenty different nationalities working for the business globally, including eleven different nationalities in our Hong Kong headquarters. The board comprises seven members including the Group Chairman and CEO, Group Chief Operating Officer, and Fleet Management Limited's Managing Director and four Executive Directors – all of whom are male. In addition, two of FLEET's business function heads (Director, Procurement and General Manager, Communications) are female, from a functional director/business function head population of seventeen. New succession planning processes to be introduced in 2022 will focus on ensuring we have a healthy pipeline of female leadership talent in the years ahead.

The breakdown of gender and age for businesses covered within the scope of this report is as follows:



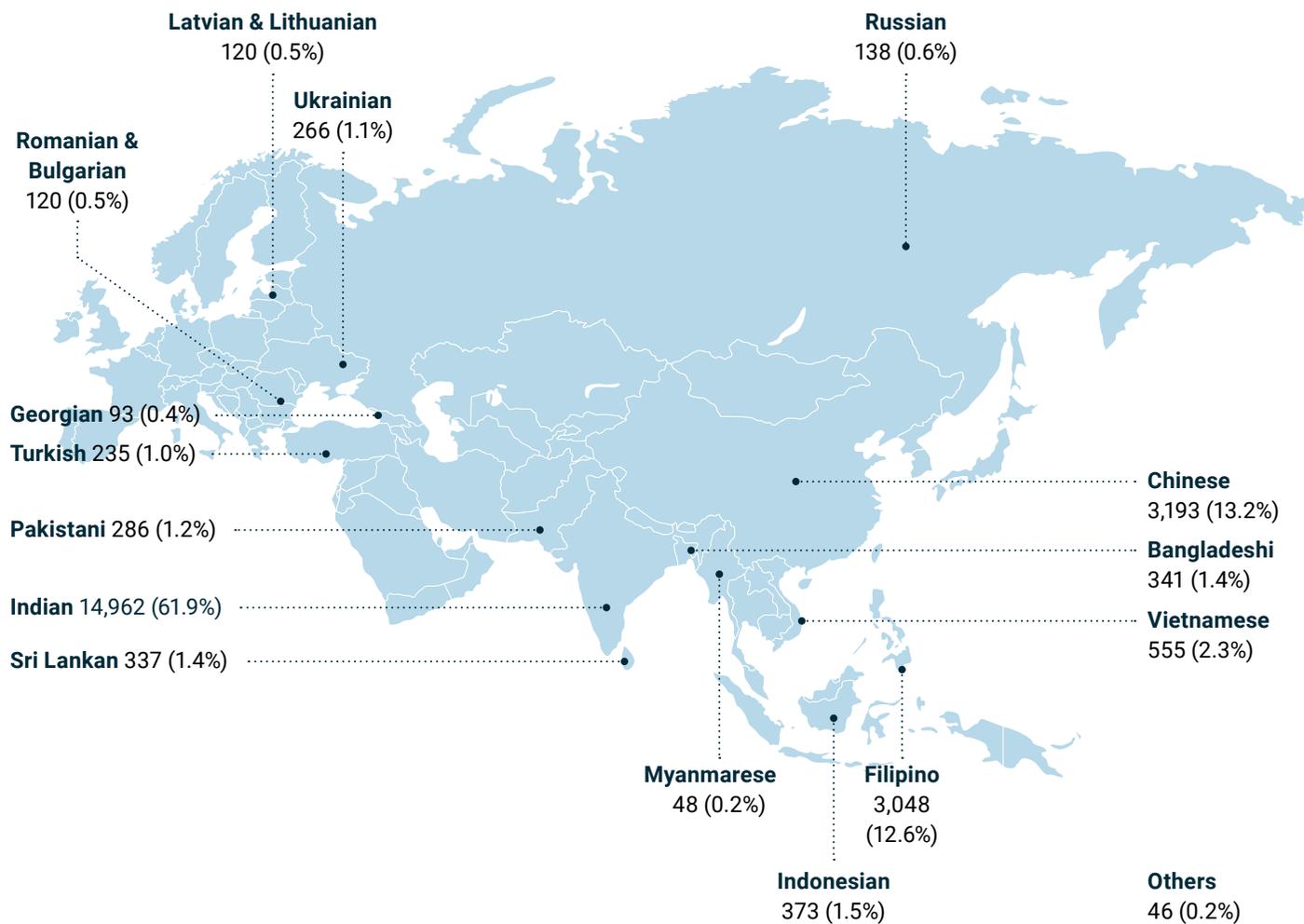


Non-discrimination and diversity

The breakdown of nationality for businesses covered within the scope of this report is as follows:

TOTAL SEAFARERS

24,161



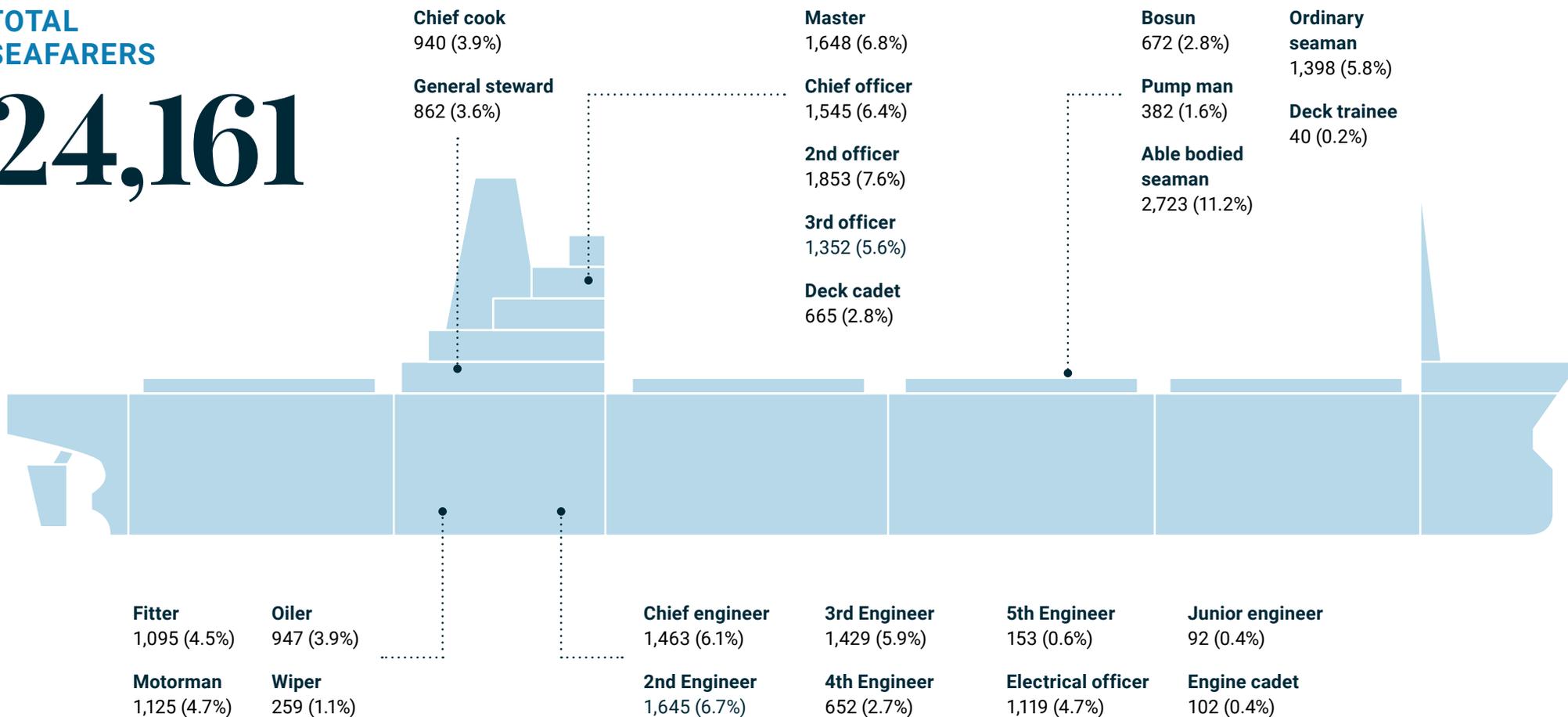


Non-discrimination and diversity

The breakdown of rank of seafarers is as follows:

TOTAL SEAFARERS

24,161

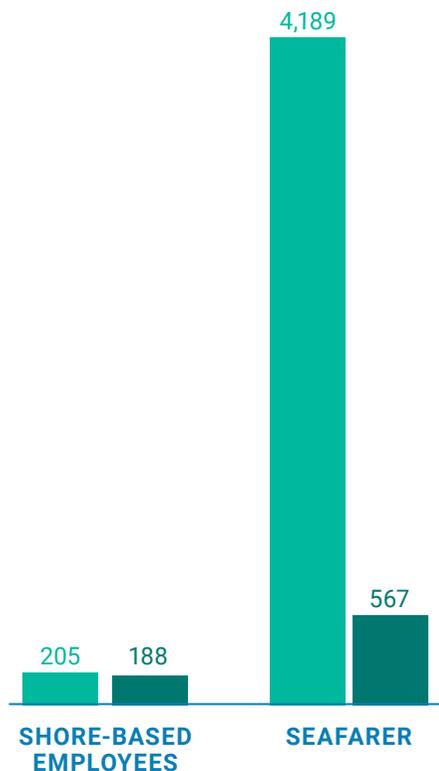




Non-discrimination and diversity

Staff turnover in 2021:

- Joined in 2021
- Left in 2021



In 2021, The Caravel Group established a Diversity Steering Committee to oversee the development of a five-year diversity strategy, establishing priorities (including women in leadership), subgroups and networks, targets, and reporting lines.

The Diversity Steering Group has leaders from The Caravel Group's businesses and geographies. The Steering Committee comprises eight men and five women, with eight employees from Fleet Management Limited and five working in other entities of The Caravel Group. The Steering Committee meets quarterly to oversee progress, take any necessary corrective action, and support new initiatives as required.

Our commitment to diversity also extends to our ships. According to the IMO, women represent less than 2% of the world's estimated 1.2 million seafarers. 94% of those female seafarers work in the cruise industry and only 6% are employed on cargo vessels, container ships or oil

tankers. It's a widely known fact that commercial shipping is a historically male-dominated industry, but this dynamic is changing.

This year, The Caravel Group signalled our commitment to bring more gender diversity and equality on board our managed fleet with the onboarding of four women seafarers on different vessels. The Master and crew onboard were required to complete a specially designed training module on 'Gender Socialization' and as part of the onboarding process, FLEET's Managing Director personally welcomed each officer and established a direct, open line of communication.



Non-discrimination and diversity

CASE STUDY

Women at sea

WE BELIEVE THAT GENDER INCLUSION AND EQUALITY IN THE WORKPLACE IS A NECESSARY BUSINESS REQUIREMENT, AND WE ARE INVESTING IN WOMEN ONBOARD BECAUSE WE BELIEVE IT WILL DELIVER BENEFITS NOT JUST TO OUR COMPANY, BUT WILL ALSO RESULT IN A PROGRESSIVE BOOST TO THE BROADER MARITIME COMMUNITY.



“I feel like a valued member of the FLEET family, and this makes me really proud. The support and guidance I’ve received while onboard has been nothing short of encouraging, and it’s made me want to conquer the oceans and make my company proud.”

Sidika Surbhi
Third Officer



“Knowing FLEET has put so much emphasis and support to bring more gender diversity onboard their ships motivates me to always be at the top of my game. My advice to women interested in pursuing a career at sea is simple: being in this male-dominated field will come with its challenges. Be confident in your abilities and be true to yourself and the job you’ve been hired to do.”

Sarmistha Roy
Third Engineer

Diversity is not an issue you can tackle over night, but we are committed to the long-term goal of minimizing the gender gap onboard and are making every effort to manage this change responsibly to ensure its success. As a leading ship manager, we are proud to share the responsibility and lead the drive to bring this positive and much needed change to our industry.

The Caravel Group is committed to equal pay for work of equal value for all employees, and during 2021 work has progressed in some of our geographies to examine pay patterns upon joining and following appointment. This work will be completed for all geographies in 2022.



“I started as a Second Officer in the summer of 2021 and from day one I was given a very warm welcome. I felt so supported and taken care of by the FLEET Care team who were in contact with me regularly to ensure my experience was going smoothly. I love what I do, and I hope one day to become a Master Mariner. It gives me a lot of pride thinking about the kind of impact and contribution I can make on other women who otherwise weren't aware or informed about the possibility of a successful career as a seafarer.”

Ozke Turkata
Second Officer





Human rights



The Caravel Group is committed to ensuring that our employees understand and value basic human rights and freedoms – focusing on ensuring the dignity, respect, and wellbeing of all individuals. We recognize that respecting the human rights of our employees and seafarers is a non-negotiable responsibility. Accordingly, we strive to adopt business practices that respect international human rights standards and have established a set of internal policies covering health and safety, equal opportunity, non-discrimination, and non-harassment to safeguard the basic human rights of our employees and our seafarers.

COLLECTIVE BARGAINING AGREEMENT (CBA)

540 ships (90% of our fleet) are covered under various CBAs depending on the nationality of the crew on board. Out of 12,500 seafarers actively on board, about 11,300 seafarers are covered under different CBAs.

We adhere to global standards of human rights practices within the working environment including occupational health and safety, non-discrimination, and diversity. The related policies, measures and initiatives are defined and expanded on in the following sections.



HEALTH AND SAFETY

**Putting our people's health,
safety and wellbeing at the forefront**

- Occupational health and safety
- Training and development
- Anti-piracy measures



Provide a safe, and healthy, working environment for our employees and seafarers to realize their potential.

We count on over 24,000 seafarers and over 1,000 shore-based employees who are the most significant contributors to our overall success, and we strive to create a safe and healthy working environment for them. Safety of our seafarers and minimizing accidents onboard is our top priority and we achieve this goal through training, robust processes and safety management systems.



Priorities and progress in 2021



Build a safe working environment to promote both physical and mental health and wellbeing

- Prioritized seafarer vaccination and achieved 84% vaccination rate thus far and our aim is to reach 100%
- 11,800 welfare calls were made to seafarers' families
- Rate of fatality as a result of work-related injury was 0.03 per mil exposure hours
- Established a 24x7 crisis helpline for seafarers in multiple languages
- Established an Employee Assistance Program to offer counselling and consultation on a broad range of personal and professional issues for shore-based employees and their families

Provide continuous training to equip our talent with a relevant and competitive skillset

- Conducted 22 internal training sessions covering 64 topics for shore-based employees
- FMTI conducted 9,700 hours of cloud-based simulator training for cadets

Safeguard the physical security of our seafarers

- To enhance the physical protection of our seafarers, we follow Best Management Practices (BMP-5/BMP West Africa), which outline the security measures to be implemented to deter piracy in high piracy risk areas. These include hardening each vessel by rigging double-layer barbed wire all around it, to restrict access to the accommodation quarters and engine room

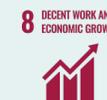
OUR PRIORITIES AND ACTIONS IN THIS PILLAR CONTRIBUTE TO THE FOLLOWING UNSGDS



3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote wellbeing for all at all ages

Guided by the target to achieve universal health coverage, we are providing medical insurance support and counselling service to our seafarers.



8 DECENT WORK AND ECONOMIC GROWTH

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

Guided by the targets to create decent jobs in decent conditions to improve living conditions and standards for all, we are enhancing the physical protection of our seafarers and providing counseling and consultation support for shore-based employees and their families.



Occupational health and safety

Ships owned or managed by The Caravel Group are covered by an exhaustive occupational health and safety management system that seeks to provide all crew onboard ships with a high workplace safety standard. FLEET's occupational health and safety management system covers all seafarers serving on ships as well as the contractors and visiting shore-based employees who are temporarily assigned to perform work on the ship.

FLEET's health and safety procedures contain clear statements requiring all onboard incidents and near misses to be promptly reported and investigated. The procedure includes an incident reporting system and investigation process, with defined time frames for reporting and investigating incidents and near misses. In addition, the procedures include clear definitions of all reportable incidents and serious near misses. According to the procedure, the appointed Investigation Manager/Team Leader is responsible for investigating whether a full investigation by an investigation team or an investigation through the Master/Chief Engineer onboard is required. The Quality, Health, Safety and Environment Management (QHSE) department is responsible for maintaining all investigation records.

SAFETY INCIDENTS IN 2021

LOST TIME INCIDENT RATE

0.31 per million man-hours

RATE OF RECORDABLE WORK-RELATED INJURIES

0.52 per million exposure hours

RATE OF HIGH-CONSEQUENCE WORK-RELATED INJURIES (excluding fatalities)

0.09 per million man-hours

RATE OF FATALITIES AS A RESULT OF WORK-RELATED INJURY

0.03 per million exposure hours



Occupational health and safety

All ships have safety committees that include representatives from all ranks of the ship's crew.



Members of the safety committee are tasked with carrying out inspections of all parts of the ship in order to detect any hazardous conditions and report these to the ship's management, which then shares such information routinely with shore management.

In addition to routine reporting, all crew members are given the tools and training to submit near miss and non-conformity reports to the shore management directly without consulting the ship's management, thereby alerting the shore management while retaining anonymity on board.

During monthly 'QHSE Reviews' onboard ships, the ship's management interacts with the crew on all issues concerning the crew's safety and environment. The ship and shore management's feedback is used to review or enhance the safety management system and amend it as necessary to ensure it is relevant and effective in preventing hazardous situations from developing and responding to them effectively should they occur.



"When it comes to crew safety, I genuinely believe each of us from ship-to-shore have the responsibility to uphold a strong safety culture and it's a direct result of our everyday behaviour, attitude, and actions. In the ship management world, that's the mindset you must have, that every day and every action can and does make a difference. This is how we build and sustain our safety culture at FLEET."

Issaq Ansari

Director — Bulk Carriers, Dry Cargo
Fleet Management Limited



Occupational health and safety

Incident management system



The incident reporting system contains guidelines for mandatory notifications of all serious incidents and/or accidents such as collisions, groundings, fires, oil spills, man overboard, serious injury, or casualty.

Mandatory notifications include reporting serious incidents to the DPA/Company Security Officer (CSO), Flag states, Coastal Authorities and/or Port states, Classification society, and qualified individuals, as applicable. Reports to the Flag states, Coastal Authorities and/or Port states are made in the incident reporting formats provided by these organizations.

FLEET has adopted DNV-GL's Marine Systematic Cause Analysis Technique (M-SCAT) model for incident investigation. M-SCAT is used as an analysis tool for the investigation of all incidents and near misses. An analysis is carried out stepwise by evaluating the loss, type of incident, immediate and root cause, and the corrective measures required to prevent recurrence of incidents. Such actions

may include changes to policies and procedures of the Quality and Safety Management System (SMS), Planned Maintenance System (PMS), Safety Alerts and follow-up, Technical Alerts and follow-up, newsletters/circulars, training, and other measures.

The investigation process includes procedures for the scope of the investigation. The level of investigation and investigation team composition is based on the severity and type of the incident. When appointing an investigation team leader, care is taken to ensure the person appointed is not directly connected to the incident. We have many managers and superintendents who have undergone incident investigation and root cause analysis training through a recognized classification society.



Occupational health and safety

Occupational risk management

Before the start of each workday, each ship's management team is required to conduct a safety meeting in which the entire crew actively participates.

The hazards associated with each task planned to be undertaken are discussed, and control measures required to prevent hazardous situations from developing are explained to all attendees.

Formal risk assessments are conducted for all special and critical operations that involve heightened risks. Hazard identification and elimination are part of shipboard activities and are audited annually by the shore management to ensure that the quality of these processes is maintained.

FLEET's vessel type-specific cargo operation manual (oil/chemical/gas) includes precautions on specific cargo hazards including but not limited to aromatic hydrocarbons, toxic cargoes, incompatible cargoes, high vapor pressure

cargoes, cargoes containing mercaptans and/or H₂S, solidifying cargoes, high viscosity cargoes, polymerizing cargoes, self-reactive cargoes, static accumulators, corrosive cargoes etc.

We arrange for health checks including blood tests for seafarers who have worked on chemical tankers to ensure their health is not impacted by their work after they disembark from such ships.

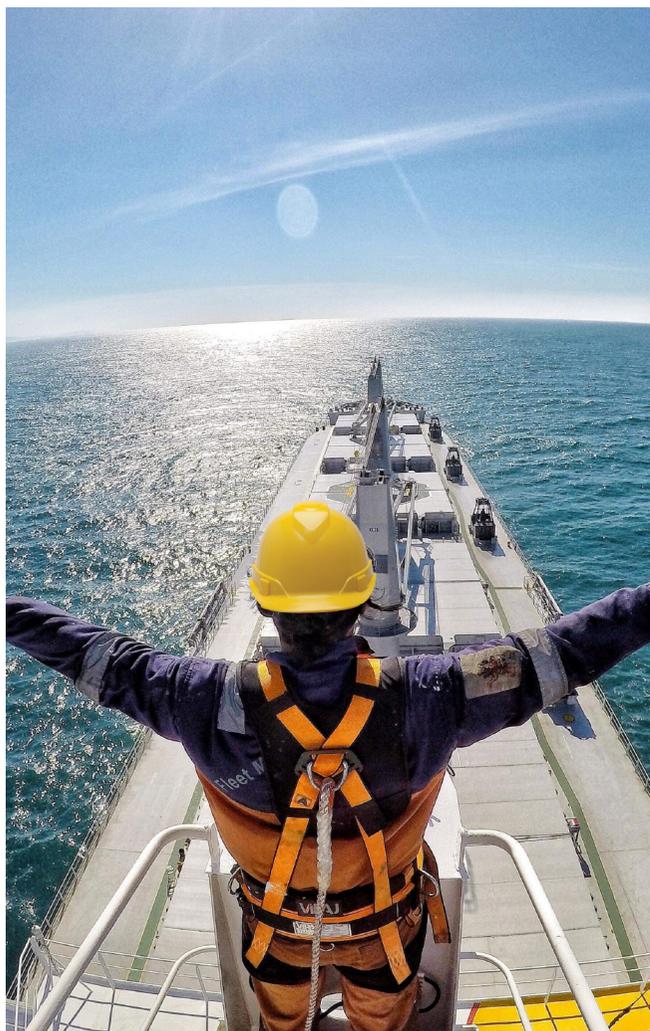
We endeavour to comply with applicable data privacy laws and make efforts to ensure that personal health-related information is accessible only to relevant persons, with controls built into the system to prevent unauthorized or illegal use of such data.





Occupational health and safety

Employee health and wellbeing support



All seafarers have access to free healthcare services at any port visited by their vessel during the voyage.

At the same time, a comprehensive assortment of medicines and medical equipment are maintained onboard our managed and owned ships, under the care of employees who are trained to administer basic first aid and more complicated medical care to the sick and injured onboard as the situation demands. In light of the pandemic, we pledged to outfit every managed vessel with an oxygen concentrator – to date 350 ships (59%) have one on board.

Our FLEET Care team is dedicated to ensuring the holistic wellbeing of seafarers. The team runs regular mental health awareness programs and initiatives, conducts regular outreach and hosts engagement activities with seafarers and their families to help them stay connected. The FLEET Care team includes two in-house clinical psychologists

who provide free counselling services to any seafarer who seeks assistance. Our aim for 2022 will be to continue to support our seafarers in managing and maintaining mental health onboard.

The team makes welfare calls every day to the families of seafarers experiencing personal emergencies, to check on their wellbeing, cater to their needs or respond to any queries they may have regarding their family member onboard. In 2021 alone, more than 11,800 welfare calls were made to the family members of our seafarers. Furthermore, if a seafarer sustains an injury while onboard a ship, the team continues to support him or her and the family until he or she is medically fit to return to work. This also includes the process of ensuring medical claims are paid.



CASE STUDY (PART 1)

Mental health *at sea*



Maintaining the general wellness of our seafarers has always been a top priority. However, with the changes the Covid-19 pandemic has brought forward, more than ever we have witnessed the need to provide support in managing mental wellbeing. Our onboarding-house clinical psychologist shares her thoughts:

"From my interactions with the seafarers, I have noted them to be a highly adaptable group. The stressors they face are unique and as such, maintaining good mental health becomes a very important yet challenging task. Most of us are aware that mental health is important, but what is less understood is that mental health is not just the lack of a disorder. Good mental health means the ability to be effective in different areas of life and includes psychological, emotional, and social wellbeing. In seafarers, higher instances of low mood and anxiety are being commonly noted due to various factors including the dynamic work environment. Many are hesitant to reach out for help due to stigma, fear of being ridiculed or shamed by

fellow crew members or due to lack of awareness of mental health concerns. Despite all this I have noted a steady change in seafarers actively seeking help and supporting each other in times of a mental health crisis. Perhaps, accessibility to in-house psychologists has made reaching out easier. Awareness campaigns via infographics, webinars, and psychological first aid have also increased the knowledge on good mental health and disorders alike. As such, when there is a crew member who requires psychological assistance, there is immediate help and action taken from all stakeholders, which is very heartening to note. I do hope with continuous training and more awareness programs, more seafarers have a deeper understanding of holistic wellbeing and will be a mental health soldier in times of need to their fellow seafarers and families."

Divya Nair

Clinical Psychologist – FLEET Care
FLEET Management Limited



CASE STUDY (PART 2)

Mental health *at sea*

Implementation of the FLEET Care team has been very well received amongst our seafarer communities. Every day this dedicated team works hard to provide the support that is needed.

"The mental health services provided by FLEET Care show how much of an effort the company is making to ensure that all their employees are well taken care of, particularly in those moments they need it most. I know they treat employee concerns with the utmost priority and have resources to help us deal with the troubles and stresses that weigh on our minds. Speaking from personal experience, I was given tremendous support at a time when I really needed it, and the FLEET Care team always made sure they were available to me at any time of day or night. I remain forever grateful for all their help."

Abhijeet Banerjee
Fourth Engineer

Fleet Management Limited



Occupational health and safety

Employee health and wellbeing support

CRISIS RESPONSE NETWORK AVAILABLE IN

English, Hindi, Marathi, Bengali, Tamil, Telugu, Konkani, Gujarati, Mandarin, Tagalog, Korean, and Turkish.

Part of our wellbeing services includes a partnership with Sailors' Society who helped us launch a Crisis Response Network (CRN) in March 2020, a 24x7 crisis helpline to provide one-on-one counselling services via phone calls or instant messaging. Any seafarer onboard can access this helpline at any time. The CRN received an average of 35 calls per month in peak months of the pandemic. It is available in many languages including English, Hindi, Marathi, Bengali, Tamil, Telugu, Konkani, Gujarati, Mandarin, Tagalog, Korean, and Turkish.

The Caravel Group's EAP launched in 2021 provides confidential services such as counselling and consultation to our shore-based employees on a broad range of personal wellbeing and professional development issues. In 2021, 179 employees accessed this service. Our EAP will continue to be the cornerstone of our employee wellbeing program and will expand and evolve to be more comprehensive in the coming years.

The Caravel Group has a well-documented business continuity plan that contains plans for responding to situations, including those related to public health and pandemics and ensuring business continuity.



The Caravel Group's facilities in most geographies have nursing facilities, wheelchair access and state of the art technology to support wellbeing at work and to recognize different personal circumstances and different abilities. The Hong Kong Headquarters for FLEET has breakout areas throughout the office and an entertainment room with a pool table, TV, darts, and exercise equipment to give people the space and equipment to unwind, recharge, and socialise. The Caravel Group and FLEET offices in Hong Kong also have sufficient space to allow for social distancing and an additional 30% capacity.



“Our hope is to emerge as a stronger, more resilient team, united with a common purpose: to advance global economic development and help humanity thrive.”



“The business of being a ship manager is at its core, a people business, and this was made even more evident by the pandemic. Weathering the Covid storm together was as much about relying on the skill, experience, and commitment of our people as it was about our responsibility to safeguard their health and wellbeing. We want our crew to know they can count on us to be there for them through any challenge that comes our way.

As for the current pandemic, we hope for brighter days ahead but remain steadfast in our promise to implement practical solutions and help bring an end to the crew change crisis. This includes increasing crew vaccination rates, expanding our support for crew mental health and wellbeing, and using our platform and position in the industry to ensure we as an industry do not become complacent to the plight of seafarers.

It’s equally important that we look ahead and ensure our people both on and offshore see how their roles continue to evolve and

add value in the future of shipping. A key part of this aspect is to invest in the training and knowledge building of our employees, to ensure they have the right skills, competency, and expertise to manage our fleet today and any future vessel that comes under our management. Whether that is about technical expertise in the latest engines and alternative fuels or keeping up to date with the ever-changing processes and regulations that will come into play, we want our people to be at the forefront.

As a leading ship manager, we are committed to carry our people through this transformative time in our industry. Our hope is to emerge as a stronger, more resilient team, united with a common purpose: to advance global economic development and help humanity thrive.”

Kishore Rajvanshy
Managing Director
Fleet Management Limited



Training and development

Employee and seafarer training and development is intertwined into our DNA as we believe that business success is contributed by our people from sea and shore. The Caravel Group is committed to providing continuous improvement and learning for all our employees and seafarers through a mix of on-the-job learning, manager mentoring, class-based and other learning sources.

FOR SHORE-BASED EMPLOYEES

22 training sessions | **64** topics

Within FLEET, hundreds of employees globally attend a training session held every Friday, hosted in-person and virtually. The program is curated each week depending on developments in the business or within the industry, with the goal of being relevant and topical. The purpose of these training sessions is to share best practices and review key learnings through real-life case studies, review changes to relevant regulations, and learn, share, and apply new knowledge and skills. All of our internal training content and presentations can be easily accessed in an online repository. This year we conducted 22 training sessions covering 64 topics. Our target for 2022 is to enhance our ESG training to our employees with an aim to build up their knowledge and capacity to enable them to identify relevant risks and embed ESG practices in their everyday work.

FOR SEAFARERS:

96,852 hours of training | **57,460** hours of training | **296,753** hours of training
for Filipino, Indonesian, and Vietnamese seafarers | for our Chinese seafarers | for our Indian seafarers

Training is a critical component of a career as a seafarer as it is necessary to have the knowledge and skillset to uphold safety standards, ensure regulatory compliance, and improve commercial and operational efficiency. FMTI is our maritime training center based in India which offers a curriculum covering a wide spectrum of subjects and topics. Historically, candidates could attend training courses in person at the Institute, or via our computer-based learning management system, TOLAS. However, in light of the pandemic, FMTI was swift to further expand their digital training capabilities, leveraging technology such as cloud-based simulators to carry out that type of training virtually. In addition to the logistical benefits, cloud-based simulators can be easily recreated at any time and capacity utilization can be scaled according to our needs and requirements. In fact, FMTI can run up to

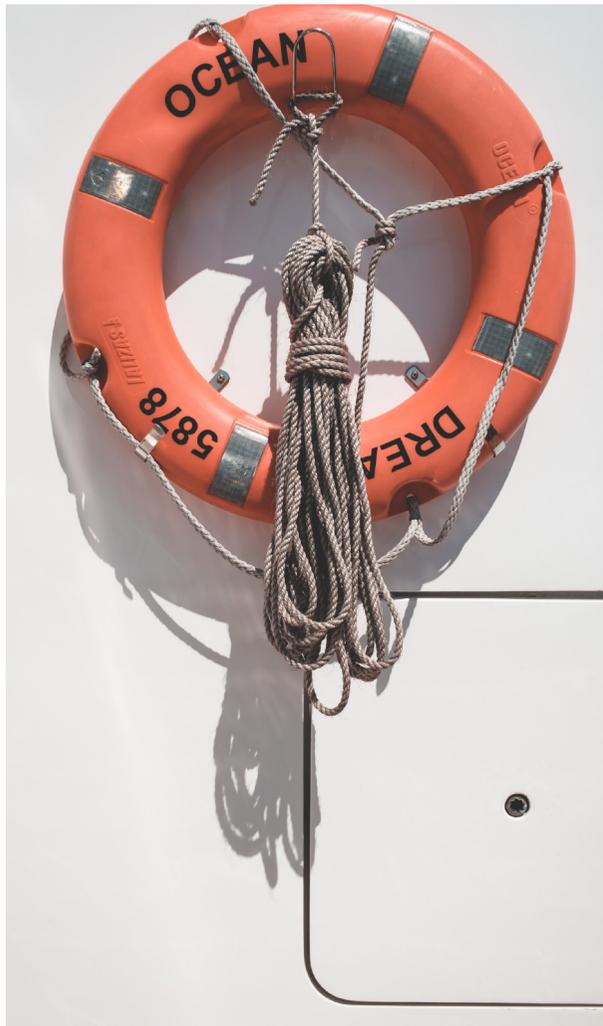
three simultaneous courses of different subjects on the same day, unlike a physical simulator which could run only one batch of around 4 candidates. Since the onset of the pandemic in 2020, as travel was restricted, the Institute clocked in 9,700 hours of training using their cloud-based simulators. Also in 2021, FMTI conducted 296,753 total training hours for Indian seafarers, averaging 24 hours per candidate.

FLEET also has maritime training centers in Manila, Philippines and Dalian, China. In 2021, we carried out 96,852 hours of training for our Filipino, Indonesian, and Vietnamese seafarers, averaging 31, 24, and 21 training hours per candidate for each respective nationality. In addition, our Chinese seafarers received a total of 57,460, hours of training, averaging 25 hours per candidate.



Training and development

Enhancing seafarer safety (SafeR+ T-CUP)



For more than a decade, FLEET's flagship safety program SafeR+ has been the bedrock of our seafarer safety training and has enhanced safety performance of our vessels and cultivated a strong safety culture among our seafarers. This year, we developed a new component called T-CUP (Total Control Under Pressure) to further enhance and complement our SafeR+ program.

T-CUP looks at safety from a behavioral and mindset perspective having been designed to bring about an attitudinal shift in our seafarers. It incorporates psychological principles of modelling, positive reinforcement, and token economy to tap into and develop the inherent human potential to act in a safe manner for the benefit of the individual as well as for the collective group.

Maritime work, and more specifically, working onboard a ship comes with inherent safety hazards. Learning how to deal with situations while under pressure and still control emotions or feelings of anxiety is a level of self-awareness that is built into the mindset. Our belief is that once seafarers get their mindset right then safe behavior becomes second nature. It is on this basis that T-CUP was developed.

The T-CUP program involves a significant amount of training that helps participants dive deeper into understanding how factors like mental health, getting a good night's rest, developing trust-based relationships, and sharing key learnings with our colleagues are all part and parcel of building a strong culture of safety onboard our vessels. The training material is robust in exploring these topics in detail using language and a narrative that is easy to understand and relatable for our seafarers.



Anti-piracy measures

Seafarers' safety and security is the top priority in our day-to-day business operation, and this includes protecting them from the risk of a piracy attack. At FLEET, we are fully committed to combatting the threat of piracy. Any vessel visiting a high piracy risk area (such as the Gulf of Guinea or Gulf of Aden) must undergo a thorough voyage risk assessment with the CSO. Ships plan voyages using the most recent intelligence to know where the pirates are operating to avoid those areas.

Moreover, we follow Best Management Practices (BMP-5/ BMP West Africa), which outline the security measures to be implemented to deter piracy in this region. These include hardening each vessel by rigging double-layer barbed wire all around it, to restrict access to the vessel and her accommodation quarters and engine room.

Further, to achieve full lockdown in the event of an attack, a hardened 'citadel' is fitted on each vessel. The 'citadel' prevents the ship from getting hijacked or the crew getting kidnapped. It is fully equipped with the minimum survival and communication equipment needed to outlast an attack.

We are also one of the signatories to BIMCO's Gulf of Guinea Declaration on Suppression of Piracy, which demands that no seafarer should face the grave risks of kidnapping and violence when transporting cargo, supporting the offshore sector, or fishing in the Gulf of Guinea.

KEY INITIATIVES IN PLACE TO SAFEGUARD SHIPS AND PERSONNEL

Standard operating procedures

(SOP) are in place for transiting security High Risk Areas (HRA)

A security voyage risk assessment

is completed for each HRA transit

best management practice

Vessels are hardened using (BMP-5/BMP-West Africa) standards using barbed wire and hardening equipment prior transiting HRA

hardened citadel

Vessels are provided with a fitted with standard security equipment for communication and survival, and forms part of crisis management

Security drills and training

are conducted regularly and from time to time, third-party security entities are included in drills, as part of crisis management

Use of advance security technology and real time position tracking of vessels is done using

StratumFive/ Fleet Operation Solution

(FOS)



CONDUCT AND COMPLIANCE

Reinforcing our values of trust and ethics

- Compliance
- Security and privacy
- Anti-corruption and money laundering
- Supply chain management



Cultivating a strong ESG culture upholds ethical business conduct, builds customer trust, and elevates the communities in which we operate.

As one of our core missions is to be our clients' partner-of-choice by providing them with high quality, reliable, and responsible value-added services and solutions, we are committed to the highest ethical standards which sets the foundation for us to grow and build customer trust.



"It is both our individual and collective responsibility to ensure our activities comply with and respect laws and regulations in all jurisdictions we operate in, abide by The Caravel Group's principles, and uphold strong ethical principles to build trust in our partnerships."

Aditi Garg
Legal Counsel
The Caravel Group





Priorities and progress in 2021

Establish a sound and robust compliance system to comply with all the applicable laws and regulations

- **371** open reports were received and resolved or closed
- Conducted **96** voyage compliance checks

Safeguard the operational data of our offices and employees

- Partnered with Classification society ABS to create a robust Cyber Security Management Program to mitigate potential threats to our fleet's equipment and data, bringing cyber security controls to CS1 standards
- Conducted a review of all existing IT security practices across our office systems to implement remedial action and further protective measures to reduce risk following a review by an external consultant

Set up a thorough approach to eliminate all kinds of corruption and money laundering events

- As part of our due diligence process, we conducted 1,167 KYC and 39,391 'Refinitiv World-Check Screenings' across The Caravel Group
- FLEET became a member of the Maritime Anti-Corruption Network (MACN) and commenced data collection to closely monitor anti-corruption practices

Develop a supply chain management system to ensure effective vessel management services for our customers

- Conducted assessment for existing suppliers, reducing our supplier base from 3,400+ suppliers in 2020 to our current supplier base of 1,026 approved suppliers
- Developed and finalized the implementation plan for integration and roll out of Oracle SCM platform for our current fleet of vessels. With this, we have initiated digitization of vessel requisition and purchasing, building a unified view for efficient and transparent ship management

Implement two new data analytics platforms in the Group to capture data in a structured manner to assist with operational decision making

- For Caravel Resources, a new data analytics platform went live in 2021 with the data pipeline built to capture data in a structured and secure manner. This will initially be used to develop enhanced governance reporting and extended to capture other data sources to improve reporting
- For FLEET, a secondary platform went live to capture vessel data for the purposes of powering our new NOVA solution – providing dashboards on vessel performance including emissions for use internally and to share with our clients

OUR PRIORITIES AND ACTIONS IN THIS PILLAR CONTRIBUTE TO THE FOLLOWING UNSGDS



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

Aligned with the target to reduce corruption and bribery in all their forms, we have a zero-tolerance approach towards all forms of unethical behavior.



Compliance

The Caravel Group has a zero-tolerance approach towards all forms of unethical behavior, bribery or corruption in the public and private sectors, and any other conduct that can expose The Caravel Group, its employees, and associated persons to reputational harm or criminal prosecution. We have therefore implemented The Caravel Group Compliance Policy to:

promote
honest and ethical conduct,
including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships

promote
compliance
with applicable governmental laws, rules and regulations

deter wrongdoing

require prompt internal reporting of breaches and accountability for
adherence to the policy

The policy applies to all employees and associated persons of The Caravel Group in their activities and dealings with persons and entities in both the public and private sectors.

Employees are encouraged to report potential violations of this policy. While they are requested to raise their concerns initially with their supervisors, if the issue that the employee wishes to report concerns their supervisor or the employee believes it is not appropriate to disclose information directly to his/her supervisor, the employee may make an initial report to the compliance officer. Compliance concerns can also be reported in writing anonymously or otherwise (a standard reporting form is enclosed with the policy).

VOYAGE COMPLIANCE

Under the sanctions compliance policy, we have a standard operating procedure (SOP) to ensure that no business is conducted with a designated entity or prohibited activity with specific focus on sanctions, legislation, or regulations emanating from the United States and United Nations. Before any voyage to a sanctioned country, the voyage information is obtained by the voyage compliance team. Thereafter, due diligence is carried out to ensure that the proposed voyage/fixture does not breach any sanctions. We have subscribed to the "Refinitiv World-Check" database to help meet our due diligence screening obligations. In the event a voyage/fixture appears to be in breach of sanctions, the matter is escalated to the highest levels of management within FLEET and with the relevant ship owner to ensure that the proposed voyage/fixture is rejected or altered to prevent a breach of sanctions. In 2021, 96 voyage compliance checks were conducted.

WHISTLEBLOWING SYSTEM IN FLEET

FLEET has an Open Reporting System which is available to all persons, onboard ships as well as shore-based employees of FLEET pursuant to which they can raise their grievances to the shore management to be promptly addressed. The system is completely anonymous and readily accessible. Awareness of the system and its details is widely disseminated and promoted amongst the seafarers and FLEET employees. In 2021, 371 open reports were received, and all were resolved or closed.



Security and privacy

PERSONAL DATA PROTECTION

The Caravel Group endeavors to comply with the applicable personal data protection laws. Accordingly, our employees and seafarers are duly provided with personal data collection statements describing how their personal data is collected, processed, stored, and transferred. The Group is also updating its policies to the extent required for compliance with China's Personal Information Protection Law.

We have established various initiatives to safeguard our intellectual property and operational data onshore and offshore.

CYBER RISK MANAGEMENT

As part of our ongoing focus on cybersecurity, we engaged a third-party consultant to review existing security practices of our office systems across the Group. The exercise identified several gaps in our controls of cyber risk. Following this we took immediate remedial action to further secure our office systems from potential threats and reduce overall risk.

Improvements conducted as a part of this work include reviewing external facing applications to minimize potential attacks, conducting enhanced phishing training (including random campaigns to validate compliance) and reviewing administrative access to servers to include multi-factor authentication. This work was done in addition to the regular IT Risk Register process in place for identifying potential vulnerabilities, putting in place mitigation

actions and our annual review of Disaster Recovery/ Business Continuity plans covering our backup strategy. The engagement also looked to help define our Target Operating Model for cybersecurity in order to standardize our approach further across office and vessel-based systems, so that common tools and processes can be used – something that we are looking to address in 2022.

THE MEASURES ADOPTED TO MANAGE THIS RISK AT OUR OFFICES ARE:

- Multi-factor Authentication (MFA) – each system account is protected using a secure login device
- Encryption of data at rest – stored data is encrypted
- Encryption in transit – data sent between systems is encrypted
- Systems are protected with standard network protections such as firewalls
- Systems are monitored for vulnerabilities and patched based upon criticality
- Systems are monitored using the latest security and malware detection systems
- Security compliance framework review for full certification
- Regular security penetration tests conducted by external third parties for our new PARIS 2.0 digital ecosystem

Equally important if not more is to manage the cyber risks faced by our vessels. The enhanced initiatives include collaboration with the classification society ABS to assess cyber security controls to CS1 standards.

KEY INITIATIVES IN PLACE TO SAFEGUARD CYBER SECURITY OF THE VESSELS:

- A dedicated Cyber Security Plan is provided to each vessel made in line with guidelines issued by BIMCO and other industry bodies.
- Employee training and awareness is done using online training modules and shipboard familiarization and security drills.
- Network management – Each OT and IT system identified, and networks topology laid down to ensure adequate segregation and risk management.
- Cyber incident response team (CIRT) and crisis management procedures in place to handle any cyber-attacks.
- The cyber procedures for each vessel mapped with Class ABS-CS1 standards.
- FCI risk calculations done using the Rapid Start Assessment Tool (RSAT) provided by ABS.
- External audits by Class of Office and Ships being undertaken for issuance for statement of fact for cyber risk management.



Anti-corruption and money laundering

At a Group level we endeavor to include appropriate anti-money laundering clauses in our commodity sales and purchase agreements, charter parties and the contracts with our suppliers. These clauses give us a right to terminate such a contract if the counterparty breaches its representations and covenants about anti-money laundering.

CARAVEL RESOURCES AND CARAVEL SHIPPING DUE DILIGENCE

We have established a robust Know Your Counterparties (KYC) due diligence system to conduct thorough financial due diligence on all our counterparties. As a part of this KYC, we also enquire from our counterparties if they have policies on the following topics:

- Anti-money laundering and combatting terrorist financing
- Market abuse/market conduct
- Anti-bribery and corruption (including gifts and hospitality)
- Modern slavery
- Code of Conduct
- Sanctions
- Fraud

Where counterparties are unable to provide their information, we conduct searches on them through publicly available information.

Most of the commodity trading contracts and charterparties entered into by Caravel Resources and Caravel Shipping already include clauses on sanctions and anti-bribery. We have the right to terminate these contracts if a counterparty is found to be in breach of these requirements. To enhance our responsible sourcing behavior going forward, we propose to introduce in our agreements with both suppliers as well as buyers representations and warranties that they do not engage in modern slavery, and if they are found to be in breach of this requirement, then Caravel Resources shall have the right to terminate the contracts.

ACCOUNTS PAYABLE DUE DILIGENCE FOR PAYMENTS TO SUPPLIERS AND COUNTERPARTIES

Prior to approving any payments to suppliers and counterparties, we conduct a 'Refinitiv World-Check' screening to confirm that the supplier's entity and the supplier's bank are not sanctioned parties, and if the entity's name matches the bank account holder's name. This process has been outsourced to a third-party vendor called MarTrust for FLEET. In 2021, the number of world checks conducted on suppliers and counterparties throughout the Group totaled 5,163.

PAYMENTS TO SEAFARERS

We follow a strict process at a Group level in relation to remittance of salaries to more than 24,000 seafarers. Before a seafarer is assigned a ship in our PARIS system, their profile is screened through Refinitiv World-Check One which is conducted by an outsourced team. In 2021 alone we conducted 34,228 profile screening checks. In case a seafarer's place of birth as per their passport is a sanctioned country, their current address proof is verified, and they are cleared for hiring only if they are residing outside that sanctioned country.

For remittances, payment details are first checked by our India allotment team. If the seafarer has provided a bank account that is in a sanctioned country, the allotment request is rejected, and the seafarer is asked to provide an alternate bank account that is not in a sanctioned country. As a secondary check, when payment details are sent to our third-party vendor, MarTrust, they screen the bank and beneficiary details of the seafarers. In case they have queries, their internal compliance team will ask us to provide further details such as beneficiary address, date of birth, place of birth, identify proof of beneficiary, and other details specific to said seafarer. MarTrust strictly enforces the policy that no remittances are to be made to bank accounts that are within sanctioned countries.



Supply chain management



Our global supply chain strategy is to deliver a dependable, resilient, and customer-centric end-to-end supply chain that ensures effective vessel management services.

The Caravel Group's strategy is rooted in building long-term relationships with our key mutually beneficial suppliers which allows us to tap into each other's shared goal to offer high-quality products and services to our end customers. To enable our strategy, we ensure that our standards of safety, quality, information and technology, analytics and operational efficiency are held to a high standard to provide sound ship management services via our chosen suppliers.

Our approach has been to engage with market leaders in their respective products and services to bring any new ideas and optimization opportunities to our customers for their benefit. In addition, we collaborate with major vendors on mutually agreed KPIs and hold quarterly feedback sessions to focus on continuous improvement. Our focus areas for continuous improvement with suppliers are:

Strengthening our foundation
via adherence to policies and transparency with analytics

Developing a **category strategy** by having a long-term view of our supplier base and partners

Optimizing operations through **supplier relationship management**

Driving innovation and partnership by bringing new developments to our customers by engaging actively with key suppliers in the market



Supply chain management

We strive to deliver services to remote locations where we often find our vessels. Most of our suppliers are global players and can therefore cater to our customers' needs in most geographies. We have focused on reducing our supplier base from 3,400+ suppliers in 2020 to our current supplier base of 1,026 approved suppliers for various technical and non-technical product and service categories. As part of our supplier onboarding program initiated at the end of 2020, we implemented financial verification of the suppliers via a third-party financial risk management company, Marcura Compliance (MCaaS) which screens and provides verification services for suppliers' financials. Upon positive verification, we collect ISO approval letters of the suppliers and then register them in our internal KYC vendor management process. The shortlisted supplier base ensures that we deliver dependable products and services while limiting exposure to fraud and avoiding qualitative and financial risk to our owners' assets and/or working capital. Additionally, owing to the ever-changing market and product developments, we are keen to engage diverse suppliers and increase our customer offerings via new services and market opportunities. To this effect, we are in the process of onboarding an additional 574 suppliers that we have evaluated to further build into our verified supplier pool, keeping us relevant and competitive in the ongoing transformation of the maritime industry while also managing the impact of Covid-19 on vessel operations.

A shared services team has been set-up to manage suppliers across all vessels to execute the rate agreements for such services. In addition, costs are regularly reviewed for compliance and competitiveness via the procurement P&SOP (policy and standard operating procedure) embedded in our supply chain processes, whereby we have zero tolerance for any breach. For instance, for every purchase order processed and invoice issued, the supplier is instructed with the below as a "must-have" set of requirements to comply and to continue to be registered as a KYC-approved supplier:

.....

**All vendors
are required to
refrain from offering
any gifts, favors,
or services
to influence a
purchasing decision**

.....

**Given our zero-tolerance
approach to bribery, any
employee found to be
involved in such cases would
be dismissed immediately.
Vendors who are involved
are blacklisted**

.....

With the above set-up and contractual obligations in place, we ensure suppliers are regularly reviewed for retaining their "approved" registered status.



Supply chain management

We believe we can learn from our product and service providers on new ways of reducing waste, recycling, and enabling future sustainable services to our customers.

To further ensure our supplier management system is comprehensive, we are setting up quarterly supplier relationship meetings which include a supplier performance review. The review will be conducted based on the key performance indicators of the supplier and the innovative offerings that are being developed in the shipping industry. We will also incorporate the essence of our ESG strategy to strengthen the ESG risk management for suppliers.

For key services and products, we collaborate with suppliers focused on their ESG agenda and plan to mature their value proposition in being a progressive and responsible supplier. We believe we can learn from our product and service providers on new ways of reducing waste, recycling, and enabling future sustainable services

to our customers. We plan to implement changes in our supplier selection and registration process to further our structured efforts towards responsible procurement starting 2022.

In 2022, two new developments will drive FLEET's supply chain – namely (1) Oracle SCM, the software for processing purchasing work orders and (2) PARIS 2.0 – our internal software for ship management which we are moving towards an API set up; towards digitized supply chain management. This allows us to partner on the new digital offerings being developed by our main suppliers and to further enhance vessel management analytics, safety, and transparency towards our customers.



"I'm really pleased to be part of The Caravel Group's ESG journey at a pivotal time in the shipping industry. It's especially satisfying to have full support from senior management and across the businesses to integrate responsible procurement by being fully committed with the expectation that not only does this bring more transparency to our purchasing practices, but also builds greater trust with our stakeholders, and ultimately, creates a sustainable value chain for our business."

Shaviya Sharma

Category Head – Machinery & Chemicals
Fleet Management Limited



CASE STUDY

Driving digital innovation across FLEET

Digital innovation is changing the maritime industry. We recognize that technology offers tremendous business benefits and strengthens our role as a strategic partner to our customers.

Almost 20 years ago we introduced our award-winning ERP platform, PARIS. We have invested to build upon our existing PARIS technology platform because even after twenty years it is still fit-for-purpose; perhaps more today than ever before. The next generation, PARIS 2.0, is a digital ecosystem of products and services we have built in-house to seamlessly integrate digital technology and data analytics into our existing ship management operations.

In October 2021 we launched the first product under the PARIS 2.0 ecosystem called SafeView, a mobile application which enables our teams to conduct and generate fully digitalized vessel inspection reports. The first edition of SafeView got off the ground thanks to funding from the Enterprise Support Scheme (ESS) launched by the Government of the Hong Kong Special Administrative Region, a scheme aimed at supporting private sector investment in R&D. After testing and trials, we forged ahead with the development of a full-scale application with the idea that it would comprise a full suite of inspection and audit-related services.

With this capability our inspections go beyond statutory requirements and are benchmarked against the highest industry standards ensuring full optimization of our fleet's performance and compliance with safety and environmental standards.

Whereas vessel inspections previously relied on multiple, manual data entry points, with SafeView all inspection data is directly input into the app and automatically shared with the relevant shore-based and offshore personnel. One of the key results is improved performance reporting and the ability to analyze data in real time from which recommendations can be made to ensure the safe condition of a vessel and meet shipowners' increasing need to better track and measure their safety and environmental compliance. A systematic scoring system gives shipowners full transparency and consistency of their vessel performance – enabling more effective technical and operational decisions.

With the SafeView platform we can run different types of inspections and cover auditing services performed by our QMS team, including ISPS internal audits, navigation audits, and others. SafeView is now available on both Android and iOS and is fully integrated with our PARIS 2.0 ecosystem.

We are also piloting NOVA, the data analytics platform of our PARIS 2.0 ecosystem that will provide data-driven insights to our shore-based staff and customers. In addition to dashboards on vessel performance to monitor data such as emissions and fuel consumption, we have also integrated NOVA Navigation powered by Wartsila FOS, allowing for insights on navigational elements. NOVA has the capability to provide an ever-growing range of data insights utilizing machine learning to provide predictive capabilities. This allows for better operational decision making – by harnessing the data we store and presenting it in a way to help make informed decisions. We expect a full-scale rollout of NOVA in 2022.



ENVIRON- MENTAL STEWARDSHIP

**Managing our environmental
footprint responsibly**

- Emissions
- Waste management
- Biodiversity
- Energy efficiency for office areas
- Climate change



Promote responsible use of resources and establish a sound monitoring system to manage our environmental impact.

As an environmentally responsible Company, The Caravel Group is committed to supporting the International Convention for the Prevention of Pollution from Ships (MARPOL) and other environmental requirements, complying with applicable marine environmental protection requirements, improving energy efficiency, and reducing energy efficiency GHG emissions from managed vessels.

In 2021, there were no significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations.



Priorities and progress in 2021

Develop reduction plans for both carbon emissions and air emissions to reduce our environmental footprint

- Upgraded two of our three owned ships to improve the Energy Efficiency Design Index (EEDI) with the third ship's retrofits planned for when it is dry docked in 2022
- Improvements on managed ships are being planned for their next dry docking periods

Manage and reduce our waste and encourage our employees to join the waste reduction journey

- Expanded the deployment of bilge water evaporation tanks on ships to allow the evaporation of bilge water as an alternative to the use of the oily water separator. This solution has been applied to 178 of our ships

Increase energy efficiency for our office operation

- FLEET's headquarter office in Hong Kong is fitted with light sensors and timers to reduce the office electricity usage. The office is also made-ready for installing an electricity consumption monitoring system to provide analytics on the trends on the usage of the office electricity.

Prevent impact on biodiversity through a clear set of operational guidelines

- 344 (58%) of our ships are equipped with a ballast water treatment system which prevents carrying external species between ecosystems
- To reduce the amount of bilge water discharged to the sea, 115 of our ships are fitted with both an evaporation tank and a clean drain tank, 63 ships are fitted with an evaporation tank only and 191 ships are fitted with a clean drain tank only

Commit to developing our approach to identifying the climate risks in our operation

- 'Gifting a Green Life' program provided 10,000 fruit-bearing tree saplings to marginalized farmers in the rural areas of India and was able to offset 50% of our Scope 2 carbon emissions (generated mainly by our offices)

OUR PRIORITIES AND ACTIONS IN THIS PILLAR CONTRIBUTE TO THE FOLLOWING UNSGDS



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

Guided by the target to upgrade infrastructure and retrofit industries to make them sustainable, we equip our ships with ballast water treatment systems and bilge water evaporation tanks.



Take urgent action to combat climate change and its impacts

Guided by the target to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries, we have policies in place to govern our environmental impact.



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

Guided by the target to enhance conservation and sustainable use of oceans, we have measures in place to conserve ocean biodiversity.



CLEAN IRON ORE AND COAL TRADING

In Caravel Resources we are committed to only trade iron ore and coal which comply with the environmental standards to minimise the environmental impacts.



IRON ORE

We mostly trade in mainstream cargoes purchased from reputable miners with iron content of 55-63 Fe. In 2021, we did not trade any “dirty iron ore” cargoes (i.e., a cargo with iron content of around 45 Fe or below). We also ensure that the impurities such as sulphur and phosphorous in our cargoes are within the acceptable range and we usually do not purchase cargoes from countries with high phosphorous content.

COAL

We mostly trade in coal with mid to high calorific value with most cargoes traded in 2021 being of GAR 3800 or above. We impose contractual obligations on our suppliers to limit the impurities in the cargo. Our traded cargoes comply with the environmental regulations of the countries of destination. Typically, we do not purchase cargoes from countries where the cargo may have high content of impurities like phosphorus.

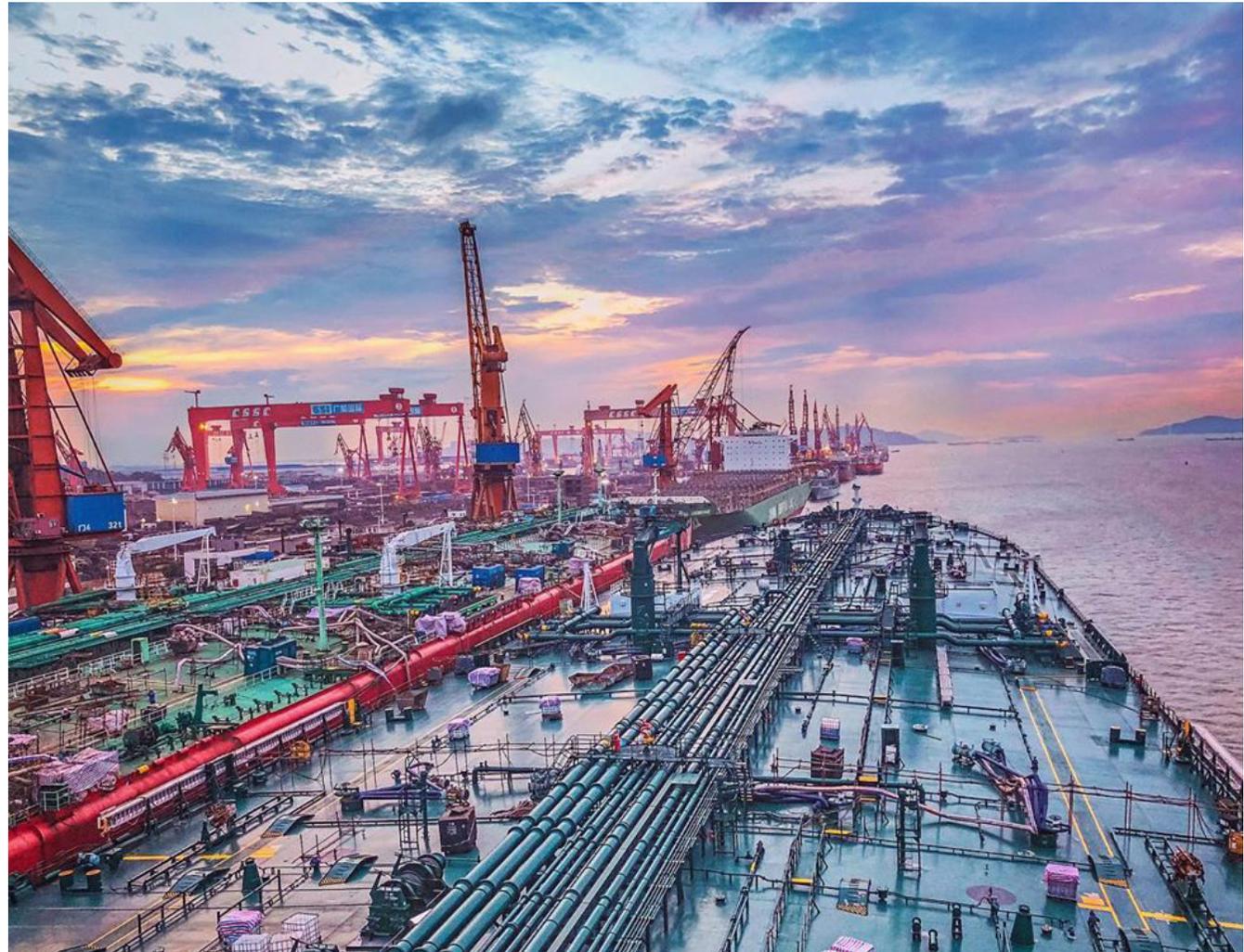


Emissions

Air emissions of carbon dioxide are directly related to fuel consumption, and this is measured routinely on all owned and managed ships. Fuel consumption figures are verified by a third-party, per regulatory requirement. Carbon intensity is also measured using the parameters of Annual Efficiency Ratio (AER) and Energy Efficiency Operational Indicator (EEOI). Based on the AER measured, the current and projected emission categories for the year 2023 have been calculated. Plans to reduce carbon intensity for ships that are projected to be non-compliant with the required carbon intensity indicator category in 2023 are in the process of being formulated. The emissions regulation that will come into effect in 2023 will require that the emission category of each ship conforms to either A, B or C categories and that a plan for the reduction in carbon intensity is prepared for each ship that does not conform to one of these categories.

We have also established a monitoring mechanism to keep track of the sulfur dioxide and nitrogen dioxide emissions from the ship's operation.

All our vessels have individual targets to ensure they are operating in compliance with the necessary regulations. We are reviewing these targets and are working to set overall emissions targets which we can apply across our fleet of both owned and managed ships to further drive operational and energy use efficiency.





“For any ship that is not on track we have mapped out a plan to achieve the required EEXI through a combination of engine power limitation and innovative energy efficiency technologies.”



“The Caravel Group is taking steps to ensure that our owned vessels and fleet of managed ships are on track to meet the two key decarbonization targets set by IMO’s initial GHG strategy: (1) a reduction in carbon intensity of international shipping (to reduce CO₂ 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); (2) and that total annual GHG emissions from international shipping should be reduced by at least 50% by 2050 compared to 2008.

In 2021 we calculated the attained Efficiency Existing Ship Index (EEXI) values for each ship in our managed fleet, and for any ship that is not on track we have mapped out a plan to achieve the required EEXI through a combination

of engine power limitation and innovative energy efficiency technologies such as fitting a propeller boss cap fin, mewis duct, or high-performance paint coatings. These retrofits can be made at the next dry-docking periods of said ships.

We have also calculated CII categories for the past three years based on verified carbon emissions in these years and have projected the categories that the fleet is likely to have in 2023 when the regulation for CII comes into effect.”

Ranvir Jatar
General Manager –
Navigation and Environmental Compliance
Fleet Management Limited



Emissions

For our owned ships, we have invested in various equipment and adapted different technologies to increase efficiency and reduce emissions. A brief summary follows:



"EXPLORER OCEANIA" AND "EXPLORER ASIA"

"Explorer Oceania" and "Explorer Asia" are sister ships purchased by The Caravel Group in 2018. They are gearless Bulk Carriers, delivered in 2015 and 2016 respectively by Jiangsu New Hantong Ship Industry Co Ltd at Changhong Shipyard in China. Each has a summer DWT of about 81,000 MT.

Prior to their respective dry dockings in 2020 and 2021, a feasibility study was conducted along with a third-party vendor and Class BV to improve fuel efficiency. These studies led to a few design alternations/retrofits on both ships. Their propellers were trimmed, and Hub Vortex Absorbed Fins were installed. Their hulls were also applied with premium paint. On completion of these alterations/retrofits, the EEDI for each ship was found to be in line with the IMO emissions requirement. These alternations/retrofits have resulted in a fuel reduction of approximately 8.6%.

Additionally, these ships are fitted with MAN B&W 6S60ME-C8.2 (TIER II) and PMI auto-tuning function, giving these vessels an additional advantage in reducing GHG emissions.

These ships are fitted with our NOVA analytics engine which assists in better voyage planning and fuel

optimization. The NOVA Navigation platform provides us the real-time position of the vessels. The shipboard team is equipped with the present and predicted weather information and voyage planning tools based on which a navigator can plan the shortest and the safest route to the destination port. These ships are also fitted with SMARTShip digital technology for monitoring the performance of the ship machinery.

"EXPLORER AFRICA"

"Explorer Africa" was purchased by The Caravel Group in 2021. This vessel was delivered in 2012 by Oshima Shipbuilding Co Ltd at Oshima Shipyard, Japan. It is a Bulk Carrier and its summer DWT is 61,360 MT.

This ship will be dry docked in the second quarter of 2022. Like the above two owned ships, "Explorer Africa" has planned improvements for its energy efficiency by installing Hub Vortex Absorbed Fins and Propeller Shroud Vanes along with the application of premium paint on the hull, resulting in reduced fuel oil consumption.

The ship is also being fitted with NOVA Navigation and SMARTShip for vessel performance monitoring.



Emissions

Carbon emissions from ships in 2021

CARBON INTENSITY (AER) FOR OWNED SHIPS

4.36 grams of CO₂ per metric ton-mile

CARBON INTENSITY (AER) FOR JV OWNED SHIPS

14.61 grams of CO₂ per metric ton-mile

CARBON INTENSITY (AER) FOR MANAGED SHIPS

5.30 grams of CO₂ per metric ton-mile³

Each ship's

environmental objectives and targets include a target limit for diesel generator NOx emissions

(nitrous oxide is a greenhouse gas). Performance against this target is monitored monthly by ship and shore management

Voyage route optimization

by incorporating predicted weather patterns to improve fuel efficiency and reduce carbon intensity

8.5% of the managed fleet has open-loop scrubbers installed

As the ship manager, we have already implemented the following measures throughout the fleet to

increase resources efficiency and reduce carbon, SOx and NOx emissions

- Monitor marine growth on hull and work with charterers and owners for hull cleaning and propeller polishing
- Keep the engine balanced and maintain the engine within its operating parameters
- Where a waiting period is expected prior to berthing, reduce speed to the minimum economical speed recommended by makers, after consulting with charterers, owners, and managers
- Plan the optimum passage in consideration of the expected wind, wave, and ocean current conditions
- Save fuel by reducing electrical loads and minimizing consumption of power through prudent use of ship's machinery, switching off lights in cabins
- Maximize the efficiency of the exhaust gas economizer
- Provide air emission-reduction training to shore management and ship staff

³ Data stated is from a total of 648 ships managed during the course of the year in 2021 and includes data for owned and JV owned ships.



Emissions

SOx and NOx emissions from ships in 2021

SOX INTENSITY FOR OWNED SHIPS

0.01 grams of SOx per DWT-mile

NOX INTENSITY FOR OWNED SHIPS

0.08 grams of NOx per DWT-mile

SOX INTENSITY FOR JV OWNED SHIPS

0.07 grams of SOx per DWT-mile

NOX INTENSITY FOR JV OWNED SHIPS

0.56 grams of NOx per DWT-mile

SOX INTENSITY FOR MANAGED SHIPS ⁴

0.02 grams of SOx per DWT-mile

NOX INTENSITY FOR MANAGED SHIPS ⁵

1.05 grams of NOx per DWT-mile



^{4,5} Data stated is from 618 ships managed during the course of the year 2021 and includes data for owned and JV owned ships.



CASE STUDY

Developing our expertise in alternative fuels for greener shipping

As the maritime industry make a concerted effort to decarbonize shipping, alternative fuels are certainly leading the conversation. In line with the targets set by IMO's initial GHG strategy, FLEET is taking a proactive and systematic approach to adopting cleaner fuel solutions.

Liquefied Natural Gas (LNG), Methanol (low-flash point fuel), Liquefied Petroleum Gas (LPG), Ethane and Ammonia (under development) are some of the alternative fuel options the industry is exploring.

FLEET currently manages nine vessels powered by alternative fuels and twenty more in the shipyards that we are supervising to build. We are also actively working on building Ammonia powered vessels in close collaboration with key industry leaders.

We have been exploring the use of Methanol as a fuel since 2016 where we collaborated with a shipyard in Korea to develop a new design for a bulk carrier that will run on Methanol, and we are working with one of our ship owner customers to develop a Methanol-fuelled main engine.

Today we manage two MR tankers fuelled by Methanol and four tankers carrying Methanol as cargo. This means we already have a large pool of crew experienced to handle Methanol and can easily

obtain the Certificates of Proficiency for IGF vessels. Our engineers are being trained by MAN Primeserv academy to effectively handle the LGIM (Liquid gas injection – Methanol) engines and with two methanol fuelled ships in operation, this pool is continuously growing. The crew is also being trained at NTC, Manila and FMTI, Chennai on the International Code of Safety for Ship Using Gases or Other Low-flashpoint Fuels (IGF code) requirements.

We have also collaborated with industry partners to build a bulk carrier powered by Methanol. The vessel design is now ready and being offered to owners to order.



MARI INNOVATOR truly lives up to her name as she is the first ship to be IMO Tier III compliant, harnessing an innovative methanol-and-water blending/diesel in water emulsion system in her main engine. This new system brings significant cost savings compared to a Selective Catalytic Reduction (SCR) emissions control system or an Exhaust Gas Recirculation (EGR) NOx emissions control system.

She also boasts several cutting-edge, energy-saving design features. These include a propeller boss cap fin to enhance propeller efficiency, a speed/fuel pilot that keeps the consumption to an optimum level and frequency-controlled pumps and fans. She's also fitted with a power factor compensator for her alternators, which brings her power factor to 0.96 (compared with the average 0.84 for most ships), enabling her to save 11% more energy. Her vessel incinerator is capable of evaporating bilge water instead of pumping it out to sea, so this ship does its part to protect our marine biodiversity.

We are proud to have MARI INNOVATOR in the FLEET family and are committed to do everything we can to support our customers on their green transition pathway, which leads the industry towards a more sustainable future.



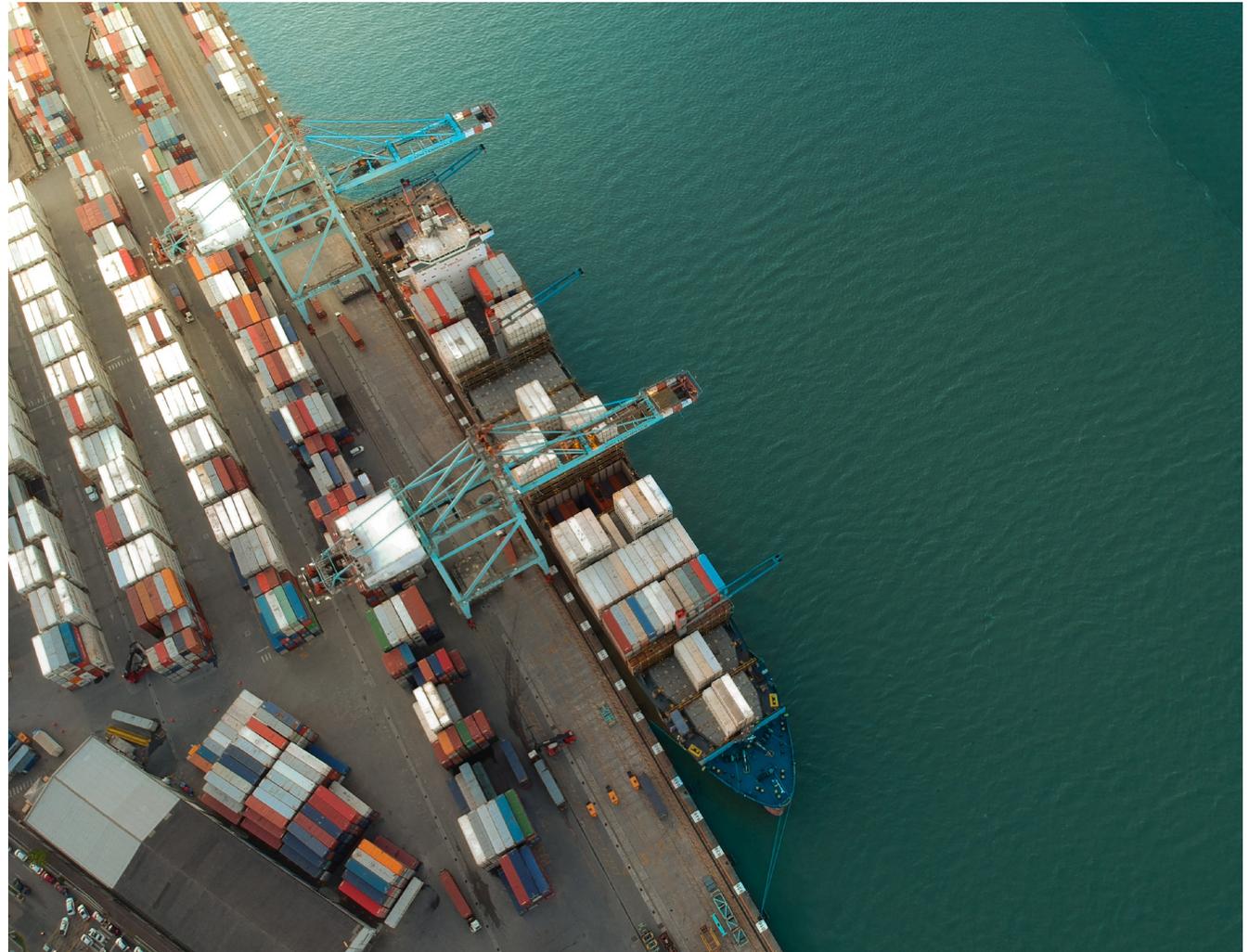
Emissions

Cold ironing

The adaptation of shore power (also referred to as “cold ironing”) allows ships at berth to turn off their engines and obtain electricity supply from shore facilities. This can effectively reduce greenhouse gas emissions from the use of power generators on the vessels.

The US California Air Resources Board has strict at-berth emission regulations. To comply with these requirements, all our container ships (15 in total, including 5 newbuilding ships) are compatible with the Alternate Marine Power (AMP) system. AMP requires the installation of a high voltage switchboard, transformers, and cables on the ship. These have been retrofitted to our container ships wherein, in some cases the equipment is fitted in a container as a temporary fixture to the ship’s existing equipment. These fittings allow for the ship’s power system to be connected to the shore supply within one hour of berthing, limiting the consumption of fossil fuels by the ships at ports.

Currently ports of Los Angeles, Oakland, and Yantian, China allow vessels to use AMP. Busan, Korea and Rotterdam are evaluating this, and may put in place cold ironing measures in the future. All our electrical officers working on these ships are trained to handle high voltage equipment and possess the required certification. We arrange an annual inspection of AMP-related equipment that is conducted by approved engineers to ensure that equipment operates efficiently.





Waste management

BILGE WATER FROM SHIPS IN 2021

BILGE WATER EVAPORATED FOR OWNED SHIPS

11.93 M³ per ship in 2021

BILGE WATER EVAPORATED FOR JV OWNED SHIPS

0.00 M³ per ship in 2021

BILGE WATER EVAPORATED FOR MANAGED SHIPS ⁶

5.94 M³ per ship in 2021

BILGE WATER DISCHARGED FOR OWNED SHIPS

29.63 M³ per ship in 2021

BILGE WATER DISCHARGED FOR JV OWNED SHIPS

65.04 M³ per ship in 2021

BILGE WATER DISCHARGED FOR MANAGED SHIPS ⁷

76.35 M³ per ship in 2021

Other reduction measures routinely adopted:

- 115 of our ships are fitted with both an evaporation tank and a clean drain tank (a tank for the retention of clean drains)
- 63 ships are fitted with an evaporation tank only and 191 ships are fitted with a clean drain tank only
- Confirm that the M/E air cooler condensate drain goes to the bilge tank or clean drain tank
- Find sources of water draining to the bilge wells
- Minimize leaks from pump glands/seals that drain to the bilge wells
- Check for leaks from machinery
- Check for leaks from piping, particularly seawater piping and make temporary or permanent repairs

In addition to the above, we have taken the following initiatives to assist in the reduction of water leakage and the efficient disposal of accumulations:

- Retrofit mechanical seals on frequently used seawater pumps (in place of glands that require more maintenance to achieve the required performance)
- Install evaporation tanks for bilge water using waste heat from the exhaust gas economizer. This aids in the efficient disposal of bilge water without having to use the oily water separator and aids in the recovery of waste heat

^{6,7} Data stated is from 618 ships managed during the course of the year 2021 and includes data for owned and JV owned ships.



Waste management

SLUDGE FROM SHIPS IN 2021

SLUDGE INCINERATED FOR OWNED SHIPS

9.87 M³ per ship in 2021

SLUDGE LANDED FOR OWNED SHIPS

32.87 M³ per ship in 2021

SLUDGE INCINERATED FOR JV OWNED SHIPS

0.32 M³ per ship in 2021

SLUDGE LANDED FOR JV OWNED SHIPS

152.46 M³ per ship in 2021

SLUDGE INCINERATED FOR MANAGED SHIPS ⁸

14.73 M³ per ship in 2021

SLUDGE LANDED FOR MANAGED SHIPS ⁹

44.68 M³ per ship in 2021

REDUCTION MEASURES ROUTINELY ADOPTED

Check if de-sludging frequency of purifiers is excessive

Check if operating/sealing water consumption is excessive

Avoid/minimize co-mingling of fuel oils while bunkering

Discharge sludge regularly to shore reception facilities

Ensure that at least 50% of tank capacity is available at any given time for storing sludge. Sludge must be incinerated to control the amount of retained sludge

^{8,9} Data stated is from 618 ships managed during the course of the year 2021 and includes data for owned and JV owned ships.



Waste management

GARBAGE FROM SHIPS IN 2021

GARBAGE LANDED FROM OWNED SHIPS

1.34 M³ per ship per month

GARBAGE LANDED FROM JV OWNED SHIPS

1.57 M³ per ship per month

GARBAGE LANDED FROM MANAGED SHIPS¹⁰

1.80 M³ per ship per month

REDUCTION MEASURES ROUTINELY ADOPTED

Ensure the maximum packing material is removed

from supplied stores and returned to the supplier. Purchase orders require the supplier to agree to take backpacking material

Ensure effective discharge of bulk cargoes

from holds, proper sweeping of decks and return of dry cargo residues to the receiver where possible

Use the compactor if provided

Avoid mineral or distilled drinking water supplied in disposable plastic bottles and encourage consumption of ship's water.

Avoid disposable cutlery

Minimize food wastage

and discharge at sea by preparing appropriate quantities of meals

Ensure correct maintenance of drinking water fountain filters, sterilizer, and mineralizer, where provided. Clean drinking water tanks regularly

Maximize unit sizes when ordering provisions to reduce packaging

¹⁰ Data stated is from 618 ships managed during the course of the year 2021 and includes data for owned and JV owned ships.



Waste management

PACKAGING AND DELIVERY

The Caravel Group supports use of environmentally safe and biodegradable products. We encourage 'reduce, reuse, minimize and recycle'. Packaging materials used by our suppliers need to be environmentally sound and recyclable. To enable the same, we are working with our suppliers on the following initiatives:

We
do not accept
any materials containing
asbestos,
and declaration for the same is
asked before accepting supply

Feedback on vendor's
environmental performance
to the above is
obtained from the vessels
for each requisition

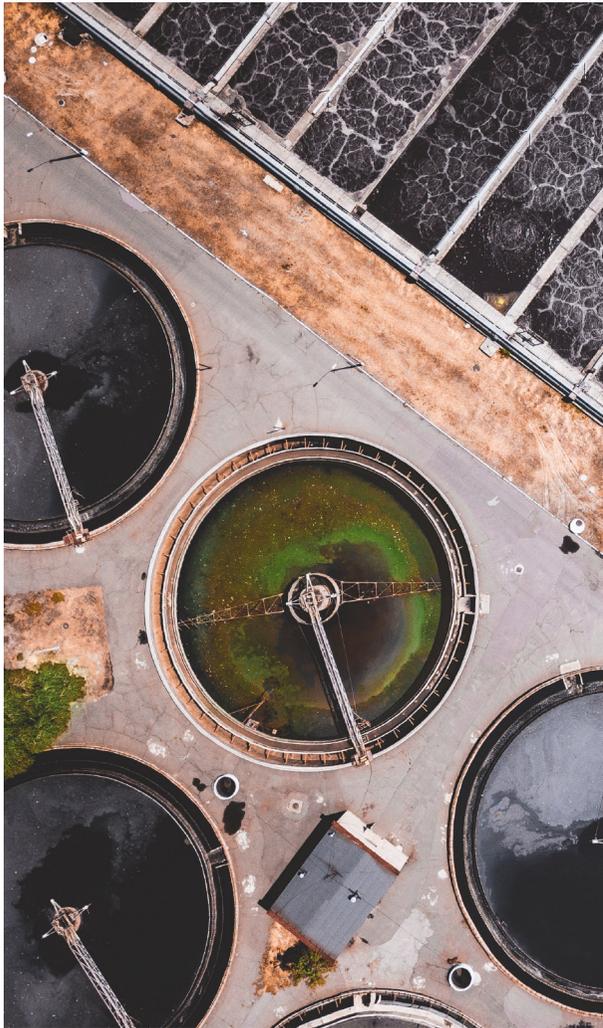
General use detergents
and soaps are quoted to be
phosphate-free detergents

Packing crates,
delivery containers, and
dunnage for supply purposes
are returned to the supplier
for recycling

We are exploring the initiative to supply drinking water in Tetrapaks to reduce the consumption of plastic. Moving forward, our approach will include such initiatives as a part of our responsible procurement set-up, taking a holistic approach of mitigation of financial and environmental risks.



Biodiversity



Shipboard operations can impact biodiversity by transferring unwanted aquatic organisms that may be present in ballast water or mud taken onboard along with ballast.

To prevent this, we have established guidelines and requirements for crew to follow that help minimize the transfer of unwanted aquatic organisms. These include:

- Discharge only the minimal amount of ballast water essential for operations
- Minimize ballast water discharge and uptake in marine sanctuaries, marine preserves, marine parks, or coral reefs
- Minimize or avoid uptake of ballast water in:
 - Areas with known infestations of nonindigenous organisms and pathogens
 - Areas near a sewage outfall
 - Areas for which the vessel has been informed of the presence of a toxic algal bloom
 - Areas of poor tidal flushing or high turbidity
 - Periods of darkness when bottom-dwelling organisms may rise in the water column
 - Areas where sediments have been disturbed (i.e., near dredging operations)
- Clean ballast tanks regularly in mid-ocean waters
- Rinse anchors and anchor chains when retrieving
- Maintain ballast water treatment systems in optimal operating condition to ensure that they are effective in neutralizing unwanted organisms
- If ballast water exchange is the approved ballast water management method for the ship, exchange ballast at the earliest, when safe to do so

As of 2021, 344 of our ships are equipped with a ballast water treatment system.



Energy efficiency for office areas

SCOPE 2 CARBON EMISSION INTENSITY FOR OFFICE

8.02 kilograms of CO₂ per gross floor area (sq.ft.)¹¹ in 2021¹²



Apart from the ship operation energy efficiency measures mentioned above, we emphasize office energy efficiency. We have initiated measures to reduce the office electricity usage. Measures include but are not limited to:

Prefer the usage of energy-efficient appliances such as LED lighting and motion sensors

Adopt environmentally conscious office design to maximize the use of natural light

We will continuously monitor and review energy use within our office spaces and make necessary adjustments to further enhance the efficiency of our offices.

¹¹ Covers The Caravel Group's office electricity consumption and cooling consumption.

¹² Covered 25 offices and in total 198,531 gross floor area (sq.ft.)



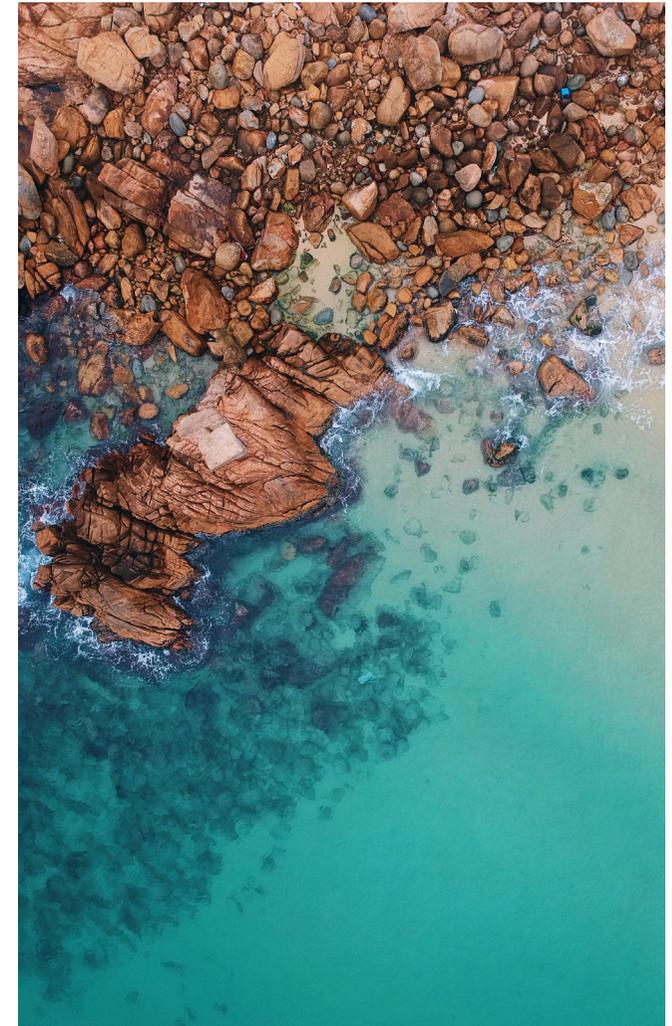
Climate change

The Caravel Group understands the potential impact of climate change, especially for the shipping industry. Therefore, we have implemented various measures for our shipping operation and office to reduce our greenhouse gas emissions.

As a ship owner, The Caravel Group will be ready to comply and align with the IMO's initial GHG strategy and part of our solution is to collaborate with other major maritime players to seek new technology to achieve ship decarbonization. For example, Fleet Management Limited signed a memorandum of understanding in 2021 alongside other industry peers to contribute to a feasibility study to develop ammonia and LPG bunkering in Singapore. The study aims to cover the entire end-to-end supply chain of ammonia bunkering, which includes the development of a cost-effective green ammonia supply chain, design of ammonia bunkering vessels, and related supply chain infrastructure.

The Caravel Group is also a partner of the Global Maritime Forum and a signatory to their Call to Action for Shipping Decarbonization, which calls for decisive government action to enable the decarbonization of international shipping by 2050. The Call to Action was developed by a multi-stakeholder task force convened by the Getting to Zero Coalition with members from the entire maritime ecosystem including shipping, chartering, finance, ports, and fuel production.

We have set a clear progressive roadmap to assess the potential climate risks and opportunities, and they will be shared in our future Responsibility Reports.





CASE STUDY

Gifting a Green Life

We partnered with SankalpTaru Foundation, an India-based NGO to distribute 10,000 fruit-bearing tree saplings to marginalised farmers in the rural areas of Maharashtra, Punjab and Rajasthan as part of our Gifting a Green Life program. It is an investment in nature that provides meaningful returns for both people and the planet. The SankalpTaru Foundation has carried out an impact assessment and have estimated the total amount of carbon that can be captured in the average life span of the fruit bearing trees of 20 years to be 10,123 tonnes.

To drive engagement around this ESG-led initiative we decided to build a 'digital forest' and gift a planted sapling to seafarers as a gift in honour of their birthday or a career milestone. Using individualised QR codes, the sapling is 'tagged' so the recipient can track their tree throughout its life cycle.

We believe in giving back not only to our communities but also to our planet. Through this program we are paving a long-term carbon capture through replenishing natural capital (i.e. trees). Considering the average lifespan of a fruit-bearing tree is 20 years, when the 10,000 saplings

are fully grown, they will be able to generate 19,980 tonnes of oxygen, thereby having the capability to offset 10,424 tonnes of carbon dioxide throughout their 20-year lifespan.

To date, all 10,000 saplings have been planted and gifted to seafarers. The average annual carbon capture capacity of the three plantations is 521 tonnes of carbon dioxide.

We carried out site visits to all the plantation sites and our farmers have reported a 100% survival rate of all the planted saplings. In terms of short-time impact, this program has been able to offset 521 tonnes of carbon dioxide annually, which is able to offset almost 50% of the total Scope 2 emissions generated mainly by our offices.

The progress of this green initiative is truly heart-warming and based on the positive results we have achieved The Caravel Group has committed to expand this program next with a partnership in the Philippines to roll-out in 2022. Our goal for this program is to be able to fully offset our direct emissions going forward and contribute to the restoration of natural capital wherever we can.



Pictured in the lush green growth is local farmer Mr. Dhaygude on his land in Kazad, a village in the Maharashtra region of India. This burgeoning fruit farm is producing guava, custard apples, and pomegranates and is the only source of income for Mr. Dhaygude and his family. Mr. Dhaygude says he is grateful for receiving high-quality plants that give good yield and is optimistic about the future having improved his family's earning potential.



COMMUNITY

**Investing in community development
through long-term partnerships**

• Community investment and dedication



Priorities and progress in 2021

As a responsible corporate citizen, it is important that we understand and provide support to communities in which we operate. In recognition of our social responsibilities, each year, we make efforts to invest a minimum of 2% of The Caravel Group's average net profits for the preceding three years on charitable contributions, programs, and community engagement.



Engage with different stakeholders in the community and improve their wellbeing through programs and events

- With support from The Caravel Foundation, Cricket Hong Kong was able kick-start a Youth Pathway Program and revive their School Cricket initiative – all with the aim of giving local Hong Kong youth access to cricket
- At the height of the Covid pandemic in India, hosted vaccination drives for seafarers and their family members across multiple locations in India
- After a Covid-related hiatus, The Caravel Foundation resumed our sponsorship of International Yoga Day in partnership with the Indian Consulate in Hong Kong

OUR PRIORITIES AND ACTIONS IN THIS PILLAR CONTRIBUTE TO THE FOLLOWING UNSGDS

4

QUALITY EDUCATION



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

Guided by the targets to ensure equal access for all to affordable and quality tertiary education and equal access for the vulnerable to all levels of education, we endow scholarships at leading universities and support non-profit organisations that educate and empower underprivileged children.

17

PARTNERSHIPS FOR THE GOALS



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

Guided by the target to strengthen public, public-private, and civil society partnerships, we have partnered with various organizations to promote social wellbeing.



Community investment and dedication

The Caravel Group cares deeply about the health of our communities. We support organizations and initiatives through corporate contributions and long-term partnerships through our charitable arm, The Caravel Foundation.

The Caravel Foundation is a private, Hong Kong-registered charity focusing on improving the education and well-being of underprivileged children primarily in Hong Kong, India, and China. We seek to provide education and opportunities to disadvantaged young people, equipping them to become productive and successful citizens of tomorrow. Some of our charitable partners and initiatives include:

CITY UNIVERSITY OF HONG KONG (CITYU)

We are a long-term partner with the City University of Hong Kong and take part in many events and engagements aimed to develop the next generation of leaders for a brighter future. Our support extends to the Indra & Harry Banga Gallery. As a showcase for CityU, the gallery focuses on wide-ranging themes that bridge the arts and sciences and connect Western and Asian art; drawing on the strengths of the university to stage technologically innovative presentations that engage directly with the viewer.

CARAVEL SCHOLARS

The Caravel Foundation endows scholarship funds providing sustainable financial aid for deserving students. Currently, the Caravel Foundation has Caravel Scholarship Funds and Caravel Scholars at three of the most respected higher education institutions in the United States – Dartmouth College, Duke University and Princeton University. These are the alma maters of the Banga family.



DARTMOUTH



Duke
UNIVERSITY



INTEGRATED BRILLIANT EDUCATION (IBEL)

We are long-time supporters of Integrated Brilliant Education (IBEL), a non-profit organization that aims to educate and empower underprivileged, non-Chinese speaking children in Hong Kong. A network of education centers provides educational support with a special focus on Chinese language proficiency and life skills development to help these children secure a better future. Mrs. Indra Banga, a member of the Board of Directors of The Caravel Group and co-founder and member of the Board of Directors of The Caravel Foundation serves as Patron to IBEL.

INTERNATIONAL YOGA DAY

Working closely with the Indian Consulate in Hong Kong, we have been a key sponsor for International Yoga Day officially every year since 2016. Unfortunately, the event did not take place in 2020 due to Covid, however it resumed in full spirit again in 2021. The parameters of the

sponsorship differ each year depending on the event set-up and requirements, and it is determined upon discussion with the Indian government. Some years, The Caravel Foundation has been the sole sponsor and other years we have been a co-sponsor alongside other sponsors.

CRICKET HONG KONG (CHK)

We support Cricket Hong Kong and their mission to make cricket accessible to children and youth in Hong Kong. Our partnership encompasses a Youth Pathway Program and Cricket Hong Kong's School Cricket Initiative. The Youth Pathway Program's objective is to develop a constant stream of local, representative, and international cricketers through an aligned and consistent skill development pathway. Meanwhile the Cricket in Schools initiative aims to engage more local primary schools in Hong Kong and give them the opportunity to see and experience cricket and play matches in playgrounds between different schools.



CASE STUDY

Sharing our love of cricket with local Hong Kong communities

In 2021 The Caravel Group (through its charitable arm, The Caravel Foundation) formed a partnership with Cricket Hong Kong (CHK) to support their mission to make cricket accessible to children and youth in Hong Kong. The partnership comprises two key initiatives, a Youth Pathway Program and School Cricket, aligning perfectly with the Foundation's focus on children's health and education, and on creating opportunities for young people.

YOUTH PATHWAY PROGRAM 2021 SUMMARY

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

SCHOOL CRICKET 2021/2022 SEASON SUMMARY

- Support from The Caravel Foundation revived this program and the beloved Ted Wilson trophy, which was first played in 1976-77
- For the primary school league, 46 schools signed up and an additional 16 schools opted in for the School Fun Days program
- For the secondary school league, 16 schools signed up and an additional 5 schools have signed up for beginner programs. 26 matches were played in the season so far

We hire most of our seafarers from three countries: India, the Philippines, and China. As we rely on these local communities for our manpower needs, we believe it is our responsibility to engage and support their social and economic health and development. Our ambition is to support social upliftment programs and ensure initiatives are aimed to promote education needs, conduct fair hiring, generate employment, and build on the social and economic wellbeing of these key communities.



"We are delighted to partner with Cricket Hong Kong and support their mission to make cricket accessible to children and youth in Hong Kong. This partnership aligns perfectly with the Foundation's focus on children's health and education, and on creating opportunities for young people. It gives us a great sense of pride knowing that our support will have a role in fostering the future cricket talent for Hong Kong."

Indra Banga
Director
The Caravel Foundation



Community investment and dedication

Caravel Investment in Sustainable Deposit



We believe sustainable investing is one of the essential instruments to create a better world. Through sustainable investment, we fund projects that positively influence society for a more sustainable future. In 2021, Caravel Resources Limited deposited US\$8 million in a 3-month Time Deposit in the Standard Chartered Bank's Sustainable Deposit with the aim of providing sustainable finance according to its Green and Sustainable Product Framework. The funds from this deposit will be used for the following purpose:

financing of eligible projects which qualify as **green and/or sustainable activities** based on such framework

to provide loans to, or investments in, **non-publicly listed corporations** where at least 90% of the company's revenues are derived from activities in such framework

In the future, we will keep on looking for the right sustainable investment instrument to contribute in creating a better world.



APPENDICES

- Membership and associations
- ESG data summary
- GRI reporting index
- Acronyms



Memberships and associations

We actively participate in various organizations, associations, industry bodies, and committees to share our learnings and experience with our industry peers and stakeholders. We engage in open dialogue at these forums and take a leadership role to create synergy and collaboration amongst the members as we firmly believe that the pressing challenges faced by the entire world can only be tackled by working together.

The Caravel Group's employees hold positions at various industry and non-industry associations, including but not limited to the below list:

Membership and Association	Position	Membership and Association	Position	Membership and Association	Position
HONG KONG SHIPOWNERS ASSOCIATION	Deputy Chairman	BIMCO	Member, HKMPB – Manpower Development Committee	INTERTANKO	Member, Environment Committee
	Executive Committee member		Member, Fundraising Committee, Hong Kong Maritime Museum		Member, Chemical Tanker Committee
	Chairman, Marine Sub-committee		Member, HKSAR Seafarers' Advisory Board		Observer, Safety & Technical Committee
	Member, Marine Sub-committee		Chairman, Ship Manager Advisory Panel		Observer, Nautical Sub-committee
	Member, Technical Sub-committee		Member, Maritime Safety & Security Committee		Observer, Human Element in Shipping Committee
	Member, Insurance Sub-committee				Observer, Gas Tanker Committee
HONG KONG SHIPPING BODIES	Member, Hong Kong Maritime and Port Board (HKMPB)	WEST OF ENGLAND P&I CLUB	Vice-Chairman, West of England P&I	SHELL	Maritime Partners in Safety
	Member, HKMPB – Maritime and Port Development Committee	INTERCARGO	Executive Committee Member	CHEMICAL DISTRIBUTION INSTITUTE (CDI)	Member
	Member, HKMPB – Promotion and External Relations Committee	INTERMANAGER	Technical Sub-committee	METHANOL GROUP	Member
			Executive Committee Member		



Memberships and associations

Membership and Association	Position	Membership and Association	Position	Philanthropic Representation	Position
CLASSIFICATION SOCIETY	Chairman, Llyod's Register – Asian Shipowners Committee	TRAINING SHIP RAHMAN (T.S. RAHMAN)	Governing Council	INTEGRATED BRILLIANT EDUCATION	Patron
	Member, ABS Technical Sub-committee	SINGAPORE SHIPPING ASSOCIATION	Member	CITY UNIVERSITY OF HONG KONG	Member of the Court of CityU
	Member, BV Technical Committee	CYPRUS SHIPPING CHAMBER	Member		Honorary Vice President of CityU Foundation
	Member, NK Technical Committee	CYPRUS MARINE ENVIRONMENT PROTECTION ASSOCIATION (CYMEPA)	Member	Member of Steering Committee of the Capital Campaign Program for CityU	
	Member, CCS Technical Committee			DUKE UNIVERSITY	Board of Visitors, The Trinity College of Arts and Sciences
GLOBAL MARITIME FORUM	Member, Zero Coalition Forum	BALTIC EXCHANGE – OPERATING EXPENSE INDEX	Panellist	DARTMOUTH COLLEGE	Board of Visitors of The John Sloan Dickey Centre for International Understanding
MARITIME ASSOCIATION OF SHIPOWNERS SHIP-MANAGERS AND AGENTS (MASSA)	Director				Presidential Commission for Financial Aid
NATIONAL UNION OF SEAFARERS OF INDIA (NUSI)	Board Member	MARITIME ANTI-CORRUPTION NETWORK (MACN)	Member		
		RIGHTSHIP	Member		



ESG data summary

	Unit	2021
GENERAL INFORMATION		
Owned ships	ships	3
ENVIRONMENT ⁸		
Owned Ships		
AER	grams of CO ₂ per tonne-mile	4.36
Scope 1 CO ₂ emission from fuel consumption	metric tonnes	41,67741,614
Scope 1 CO ₂ emission from refrigerant	metric tonnes	62.75
NOx emission	metric tonnes	758.05
SOx emission	metric tonnes	107.88
Light fuel oil	metric tonnes	12432
Diesel/gas oil	metric tonnes	761.39
Sludge incinerated	cubic meter	29.60
Sludge landed	cubic meter	98.60
Bilge water evaporated	cubic meter	35.80
Bilge water discharged	cubic meter	88.90
Garbage landed	cubic meter	48.30

	Unit	2021
Joint Venture Owned Ships		
JV owned Ships	Ship	5
AER	grams of CO ₂ per tonne-mile	14.61
Scope 3 CO ₂ emission from fuel consumption	metric tons	112,923
Scope 3 Refrigerant gasses emissions	kilograms	17
NOx emission	metric tons	1958
SOx emission	metric tons	236
Light fuel oil	metric tons	34,596
Diesel/gas oil	metric tons	1220
Heavy fuel oil	metric tons	0
LNG	metric tons	0
Sludge incinerated	cubic meter	1.6
Sludge landed	cubic meter	762
Bilge water evaporated	cubic meter	0
Bilge water discharged	cubic meter	325
Garbage landed ashore	cubic meter	94

⁸ November and December data are estimated based on the usage pattern.
Data adjustment will be made in next year's report if there is a huge data discrepancy.



ESG Data Summary

	Unit	2021
Managed Ships		
Managed ships	Ship	593
AER	grams of CO ₂ per tonne-mile	5.33
Scope 3 CO ₂ emission from fuel consumption	metric tonnes	12,379,113
Scope 3 CO ₂ emission from refrigerant	metric tonnes	20,305
NOx emission	metric tonnes	2,430,560
SOx emission	metric tonnes	55,040
Light fuel oil	metric tonnes	3,093,102
Diesel/gas oil	metric tonnes	418,373
Heavy fuel oil	metric tonnes	363,323
LNG	metric tonnes	43,591
Sludge incinerated	cubic meter	9,177
Sludge landed	cubic meter	27,838
Bilge water evaporated	cubic meter	3,702
Bilge water discharged	cubic meter	47,568
Garbage	cubic meter	13,492

	Unit	2021
Onshore		
Scope 2 CO ₂ emission from onshore activities	metric tonnes	1,106 ⁹
SOCIAL		
Safety		
Lost time incident rate	per mil man hrs	0.31
Rate of fatalities as a result of work-related injury	per mil exposure hours	0.03
Rate of high-consequence work-related injuries (excluding fatalities)	per mil exposure hours	0.09
Rate of recordable work-related injuries	per mil exposure hours	0.52
Employees		
Shore-based employees		
Number of employees	Number	1,038
Turnover	%	17.9
Seafarers		
Number of seafarers	Number	24,161
Turnover ¹⁰	%	2.35
Supply chain management		
Approved vendors	Number	1,026

⁹ Covered The Caravel Group's office electricity consumption and cooling consumption

¹⁰ Calculated as per INTERTANKO's retention rate formula



GRI reporting index

GRI Indicator	Description	Section References and Comments
GRI 102 GENERAL DISCLOSURE 2016		
Organization profile		
GRI 102-1	Name of organization	About this report
GRI 102-2	Activities, brands, products and services	Our core businesses covered in this report
GRI 102-3	Location of headquarters	Facts and figures about the business
GRI 102-4	Location of operations	Facts and figures about the business
GRI 102-5	Ownership and legal form	Facts and figures about the business
GRI 102-6	Markets served	Facts and figures about the business
GRI 102-7	Scale of organization	Non-discrimination and diversity
GRI 102-8	Information on employees and other workers	Non-discrimination and diversity
GRI 102-9	Supply chain	Supply chain management
GRI 102-10	Significant changes to the organization and its supply chain during Reporting Period	Supply chain management
GRI 102-11	Precautionary principle or approach	Our core businesses covered in this report; Supply chain management
GRI 102-12	External initiatives	Community investment and dedication
GRI 102-13	Membership of associations	Culture and people

GRI Indicator	Description	Section References and Comments
GRI 102-16	Values, principles, standards, and norms of behavior	Culture and people; Human resources management; Employee welfare and benefits
Strategy		
GRI 102-14	Statement from senior decision-maker on ESG development	Message from our Chairman and CEO
Ethics and integrity		
GRI 102-18	Governance structure	ESG governance
Stakeholder Engagement		
GRI 102-40	List of stakeholder groups	Stakeholder engagement and materiality assessment
GRI 102-41	Collective bargaining agreements	Human rights
GRI 102-42	Identifying and selecting stakeholders	Stakeholder engagement and materiality assessment
GRI 102-43	Approach to stakeholder engagement	Stakeholder engagement and materiality assessment
GRI 102-44	Key topics and concerns raised through stakeholder engagement	Stakeholder engagement and materiality assessment
Reporting practice		
GRI 102-45	Entities included in the responsibility report	About this report
GRI 102-46	Defining report content and topic boundaries	About this report
GRI 102-47	List of material topics	Stakeholder engagement and materiality assessment



GRI Reporting Index

GRI Indicator	Description	Section References and Comments
GRI 102-48	Restatement of information	Not applicable
GRI 102-49	Changes in reporting	Not applicable
GRI 102-50	Reporting period	About this report
GRI 102-51	Date of most recent report	Not applicable
GRI 102-52	Reporting cycle	ESG governance
GRI 102-53	Contact point for questions regarding the report	Not applicable
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About this report
GRI 102-55	GRI content index	GRI Reporting Index
GRI 102-56	External assurance	Not applicable
GRI 103: MANAGEMENT APPROACH		
GRI 103-1	Explanation of the material topic and its Boundary	Stakeholder engagement and materiality assessment; Culture and people
GRI 103-2	The management approach and its components	ESG governance; Culture and people
GRI 103-3	Evaluation of the management approach	ESG governance
GRI 200: ECONOMIC		
GRI 203: INDIRECT ECONOMIC IMPACTS 2016		
GRI 203-1	Infrastructure investments and services supported	Community investment and dedication
GRI 203-2	Significant indirect economic impacts	Caravel impact investment

GRI Indicator	Description	Section References and Comments
GRI 205: ANTI-CORRUPTION 2016		
GRI 205-1	Operations assessed for risks related to corruption	Anti-corruption and money laundering
GRI 205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption and money laundering
GRI 300: ENVIRONMENTAL		
GRI 301: MATERIALS 2016		
GRI 301-3	Reclaimed products and their packaging materials	Waste management
GRI 302: ENERGY 2016		
GRI 302-1	Energy consumption within the organization	Energy efficiency for office areas; ESG data summary
GRI 302-3	Energy intensity	Energy efficiency for office areas; ESG data summary
GRI 302-4	Reduction of energy consumption	Energy efficiency for office areas; ESG data summary
GRI 303: WATER AND EFFLUENTS 2018		
GRI 303-5	Water consumption	ESG data summary
GRI 304: BIODIVERSITY 2016		
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity
GRI 304-3	Habitats protected or restored	Biodiversity



GRI Reporting Index

GRI Indicator	Description	Section References and Comments
GRI 305: EMISSIONS 2016		
GRI 305-1	Direct (Scope 1) GHG emissions	Emissions; ESG data summary
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Emissions; ESG data summary
GRI 305-3	Other indirect (Scope 3) GHG emissions	Emissions; ESG data summary
GRI 305-4	GHG emissions intensity	Emissions; ESG data summary
GRI 305-5	Reduction of GHG emissions	Emissions
GRI 305-6	Emissions of ozone-depleting substances	Emissions
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions; ESG data summary
GRI 306: WASTE 2020		
GRI 306-1	Waste generation and significant waste-related impacts	Waste management; Supply chain management
GRI 306-2	Management of significant waste-related impacts	Waste management
GRI 306-3	Waste generated	Waste management; ESG data summary
GRI 306-5	Waste directed to disposal	Waste management; ESG data summary
GRI 307: ENVIRONMENTAL COMPLIANCE 2016		
GRI 307-1	Non-compliance with environmental laws and regulations	Environmental stewardship and regulations
GRI 400: SOCIAL		

GRI Indicator	Description	Section References and Comments
GRI 401: EMPLOYMENT		
GRI 401-1	New employee hires and employee turnover	Human resources management; ESG data summary
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human resources management; Employee welfare and benefits
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
GRI 403-1	Occupational health and safety management system	Occupational health and safety
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Occupational health and safety
GRI 403-3	Occupational health services	Occupational health and safety
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety
GRI 403-5	Worker training on occupational health and safety	Occupational health and safety
GRI 403-6	Promotion of worker health	Occupational health and safety
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	Occupational health and safety
GRI 403-8	Workers covered by an occupational health and safety (OHS) management system	Occupational health and safety



GRI Reporting Index

GRI Indicator	Description	Section References and Comments
GRI 403-9	Work-related injuries (for both employees and workers that are not employees but controlled by Caravel)	Occupational health and safety
GRI 403-10	Work-related ill health (for both employees and workers that are not employees but controlled by Caravel)	Occupational health and safety
GRI 404: TRAINING AND EDUCATION 2016		
GRI 404-1	Average hours of training per year per employee	Training and development
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Training and development
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Training and development

GRI Indicator	Description	Section References and Comments
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
GRI 405-1	Diversity of governance bodies and employees	Non-discrimination and diversity
GRI 405-2	Ratio of basic salary and remuneration of women to men, and other groups	Not applicable
GRI 406: NON-DISCRIMINATION 2016		
GRI 406-1	Incidents of discrimination and corrective actions taken	Not applicable
GRI 418: CUSTOMER PRIVACY		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Security and privacy



Acronyms

ABS American Bureau of Shipping

AER Annual Efficiency Ratio

AMP Alternate Marine Power

BIMCO Baltic and International Maritime Council

CBA Collective Bargaining Agreement

CHK Cricket Hong Kong

CII Carbon Intensity Indicator

CIRT Cyber Incident Response Team

CRN Crisis Response Network

CSO Company Security Officer

CYMEPA Cyprus Marine Environment Protection Association

DPA Designated Person Ashore

DWT Deadweight Tonnage

EAP Employee Assistance Program

EEDI Energy Efficiency Design Index

EEOI Energy Efficiency Operational Indicator

EEXI Efficiency Existing Ship Index

EGR Exhaust Gas Recirculation

ESG Environmental, Social and Corporate Governance

EWC ESG Working Committee

FMTI Fleet Management Training Institute

FOS Fleet Operations Solution by Wartsilla

GAR Gross as Received

GDPR General Data Protection Regulation

GHG Greenhouse Gas

GRI The Global Reporting Initiative

HRA High Risk Areas

IBEL Integrated Brilliant Education Limited

IGF code International Code of Safety for Ship Using Gases or Other Low-flashpoint Fuels

IMO International Maritime Organization

ISM International Safety Management

IT Information Technology

KYC Know Your Counterparties

LGIM Liquid Gas Injection – Methanol

LNG Liquefied Natural Gas

LPG Liquefied Petroleum Gas

MACN Maritime Anti-Corruption Network

MARPOL International Convention for the Prevention of Pollution from Ships

MASSA Maritime Association of Shipowners Shipmanagers and Agents

MEPC Marine Environment Protection Committee (under IMO)

MFA Multi-factor Authentication

MT Metric Ton

OT Operational Technology

PARIS Planning and Reporting Infrastructure for Ships

PMS Planned Maintenance System

QHSE Quality, Health, Safety and Environment

RSAT Rapid Start Assessment Tool

SafeR+ FLEET's flagship behavior-based safety program

SCM Supply Chain Management

SCR Selective Catalytic Reduction

SEEMP Ship Energy Efficiency Management Plan

SOP Standard Operating Procedures

SMS Safety Management System

STCW International Convention on Standards of Training, Certification and Watchkeeping for Seafarers

T-CUP Total Control Under Pressure (a component of FLEET's SafeR+ safety program)

TOLAS Training on Land and Sea (a component of FMTI's training curriculum for seafarers)