



S U S T A I N A B I L I T Y R E P O R T 2 0 1 8



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1. About Penguin International Limited

Penguin International Limited (“Penguin”) is a Singapore home-grown, publicly listed designer-builder-owner-operator of aluminium high-speed marine craft. The company was incorporated in 1976 and listed on SGX in 1997.

Since 1995, we have delivered close to 200 aluminium vessels, including crewboats, patrol boats, passenger ferries and fireboats, to ship owners around the world, including some 120 of our proprietary-designed Flex offshore crewboats and security boats (“Flex Fighters”).

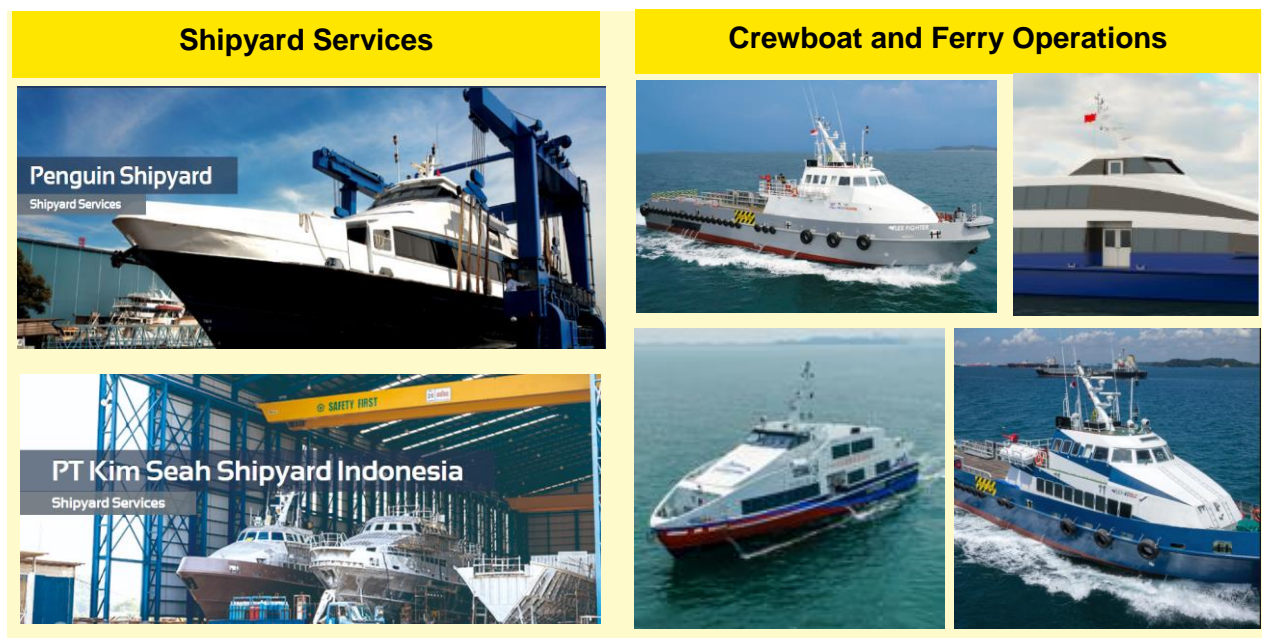
Penguin is the world’s most prolific builder¹ of mid-sized, multi-role crewboats/security boats for the offshore and maritime security industries. In some markets, the Flex brand has become the industry standard.

Our shipyards in Singapore and Batam operate build vessels for-stock and to-order, funded by internal cash reserves. Repair and conversion projects involving a variety of high-speed craft, including luxury yachts, firefighting search-and-rescue vessels, passenger ferries and patrol craft are also

In addition to shipbuilding, Penguin also operates a fleet of Flex crewboats (through its wholly-owned Pelican group) and passenger ferries that serve a myriad of clientele in Southeast Asia and beyond, including ExxonMobil, Shell, Singapore Civil Defence Force and those in the oil and gas industry.

Our vessels are well maintained and professionally manned by our in-house ship management team, backed by our two shipyards. We prize safety over profit and we abide by international standards on Health, Safety and the Environment.

FIGURE 1: PENGUIN'S PRODUCTS AND SERVICES



¹ According to data compiled by IHS Sea-web, a database that captures all International Maritime Organisation (“IMO”)-registered vessels worldwide

2. About the Report

It is our honour to bring to you our second sustainability report for FY2018 covering the period 1 January 2018 to 31 December 2018. This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – Core reporting requirements and the SGX-ST Mainboard Listing Rule 711(B). The GRI Standards have been chosen as it is a globally recognised reporting framework which consists of a comprehensive list of disclosures suited to Penguin’s business and the industry we operate in.

The SR2018 highlights our Economic, Environmental, Social and Governance (“EESG”) material matters that impact our business performance and key stakeholders across two business segments: (1) charter services, and (2) shipbuilding, ship repair and maintenance in Singapore, Indonesia (primarily Batam) and Malaysia (primarily offshore).

We have not sought external assurance on the disclosures for this report but may consider doing it as our reporting matures over time.

As our partner in our journey towards sustainability, your support, feedback and comments are of great importance to us. Please address them to Sustainability Report Committee at sr@penguin.com.sg. You may also visit us at www.penguin.com.sg for more information. The Sustainability Report for FY2017 can be accessed [here](#).

3. Highlights for FY2018

FY2018 HIGHLIGHTS

2nd

annual **Sustainability Report published** disclosing Economic, Environmental, Social and Governance ("EESG") material matters that impact our business performance and key stakeholders

↓ 12%



**LESS ENERGY USED
AND CARBON
EMISSIONS**
PER VESSEL RUNNING
HOUR

Attained at
Penguin
Shipyard
International



**highest level of bizSAFE*

55%

Reduction in reportable Incident Frequency Rate at shipyards

↑ 36.2%

INCREASE IN REVENUE FROM
\$82.8M IN FY2017 TO
\$112.8M IN FY2018



**PENGUIN
REDEEM**

**First of its kind in
Singapore**

Through "solarification", solar energy generated during the day powers the entire vessel overnight, without the need to turn on the on-board diesel generator



World's **1st**

mid-sized crewboat
with Voluntary Green
Passport commitment
certified by Bureau
Veritas

Zero confirmed cases of
corruption

and non-compliance to all
applicable regulatory laws and
legislations in environmental and
socioeconomic areas



**SIGNATORY TO
EMPLOYERS'
PLEDGE OF FAIR
EMPLOYMENT
PRACTICES
SINCE**



2014

202

new hires
in FY2018

HEADCOUNT OF

542

with employees
from 8
countries



FAMILY

“As a global citizen, we believe in conducting our business in a sustainable and socially responsible manner. We believe that sustainability helps us achieve our full potential to become the world’s leading provider of aluminium fast craft.”

Our activities are aimed at creating value for all our stakeholders - Employees, Investors, Customers and the Communities in which we operate.

The Penguin Sustainability Statement



4. Approach to Sustainability

Sustainability lies at the core of Penguin. We believe that value creation should transcend the needs of the present and contribute to the welfare of the future. From our daily operations to our long-term strategic direction and business model, we adopt and implement measures which bring about sustainable changes for sustainable growth. Through our pragmatic management and unique capabilities as an integrated designer-builder-owner-operator of high-speed aluminium vessels, we take on new challenges and drive at innovation. Together with management and employees, we stand strong in the face of adversity, endeavour to stay ahead of competitors and pursue growth to deliver sustainable returns across all areas for our stakeholders.

a. Sustainability Governance

The Board of Directors (“The Board”) oversees our sustainability strategy and the management of critical sustainability matters. The Sustainability Committee comprised of our Managing Director and our Finance and Administration Director ensures the implementation of the sustainability strategy and evaluation of our progress against commitments. Our implementation of respective practices relies heavily on the various Department and Unit Heads. They are responsible for integrating sustainable practices in our day-to-day operations.

Through regular discussions and updates, our Sustainability Committee continually assesses our performance and provides input where needed. Annually, during our Board Meeting, a review of our overall enterprise risk management process including sustainability performance, is undertaken by The Board.

Sustainability topics and impacts as well as risks and opportunities will also be reviewed to ensure its continued relevance. For more information on overall Corporate Governance, please refer to page 25 to 36 of our Annual Report 2018.

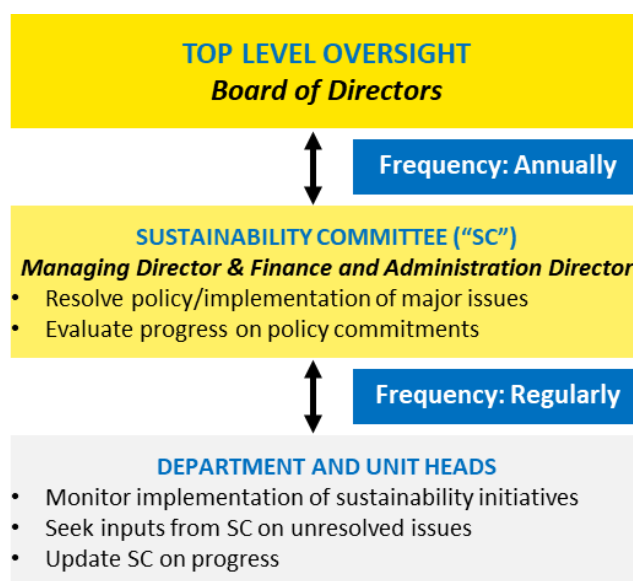


FIGURE 2: PENGUIN'S SUSTAINABILITY GOVERNANCE STRUCTURE

Board Statement

The Board is pleased to present its second sustainability report prepared in accordance to SGX-ST Sustainability Reporting Guidelines for all listed companies in Singapore. The Board, together with the Sustainability Committee considers sustainability matters as part of the Group’s strategic formulation. The Board has approved the material ESG factors and determined them to be relevant for the current year. The Board oversees that these ESG matters are monitored and managed.

As we progress on our sustainability journey, we urge our stakeholders to share the Group’s commitment to transparency to work towards a common goal of improving the economic, environmental and social well-being of the communities we operate in.

b. Stakeholder Engagement

We ensure channels of communication are open and accessible for all stakeholders. The regular engagement helps us identify and respond appropriately to their key concerns and interests. For a closer look on our stakeholder engagement platforms, please refer to Figure 3 below.

FIGURE 3: PENGUIN'S APPROACH TO STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Key Concerns/Interests Raised by Stakeholder Groups	Penguin's Response	Methods of Engagement	Frequency of Engagement
Employees, Workers and Crew Members	<ul style="list-style-type: none"> Fair and inclusive workplace Safe working environment Career progression and personal development 	<ul style="list-style-type: none"> Practicing an open-door culture Ensuring timely feedback and interaction with employees to ensure alignment of expectations between both parties Establishing robust Health and Safety management system Ensuring consistency in Human Resource Policies across the operating countries to be in compliance with the prevailing labour laws 	Appraisals	Annually
			Memo update from Managing Director	Quarterly
			Safety toolbox meetings	Daily
			Training and workshops on skills upgrading	As and when required
Clients	Provision of consistent and good quality products and services from Penguin	<ul style="list-style-type: none"> Building long-term relationships with clients to ensure continued growth of the business Gathering feedback from clients to align expectations and to further improve on services 	Regular client visits in Singapore and overseas	Monthly and quarterly
			Meetings and discussions	As and when required
Shareholders and Investors	Consensus for Penguin's vision and future growth while achieving sustainable returns	<ul style="list-style-type: none"> Transparent and timely disclosure of financial information and corporate news through company website and SGXnet. 	Annual General Meeting (AGM)	Annually
			Annual Report	Annually

Stakeholder Groups	Key Concerns/Interests Raised by Stakeholder Groups	Penguin's Response	Methods of Engagement	Frequency of Engagement
		<ul style="list-style-type: none"> Having a dedicated channel via our website for Investor Relations-related questions and feedback 	Financial news and announcements	As and when required
Suppliers and subcontractors	Continued use of services, opportunities for more cooperation in various areas of production, facility development, manpower and technology	<ul style="list-style-type: none"> Clear communication on Penguin's expectations of service quality and health and safety requirements for suppliers and subcontractors. Monitoring procedure in place to ensure compliance by suppliers and subcontractors 	Performance evaluation	Annually
			Safety meetings with subcontractors	Monthly
			On-site engagement with employees	Daily
			Ad-hoc meetings	As and when required
Regulators	Compliance to relevant laws and regulatory requirements across all operating countries	<ul style="list-style-type: none"> Adopting sustainable practices and complying with workplace health and safety, environment and socio-economic standards 	Meetings and discussions with relevant authorities	As and when required
Local Communities	Singapore: Provision of services contributing to public safety and security	<ul style="list-style-type: none"> Supporting vessels for national defence and emergencies Contributing to various charity organisations and community outreach programmes 	Involvement in emergency evacuation exercises	As and when required
			Sponsorships and donations	Ongoing
	Batam: Provision of a safe, healthy and liveable community in vicinity of shipyards	<ul style="list-style-type: none"> Maintaining a healthy symbiotic relationship with local communities through provision of a safe, clean and healthy environment Contributing indirect economic value through local job creation and other economic opportunities for communities in vicinity of shipyard 	Volunteering activities Monetary and in-kind donations	Periodic

c. Materiality Assessment

A formal materiality assessment was conducted in September 2017 to identify Penguin's key economic environmental, social and governance matters. The sustainability material matters were reviewed in 2018 and determined to be relevant for the year.

FIGURE 4: FOUR-STEP MATERIALITY ASSESSMENT PROCESS

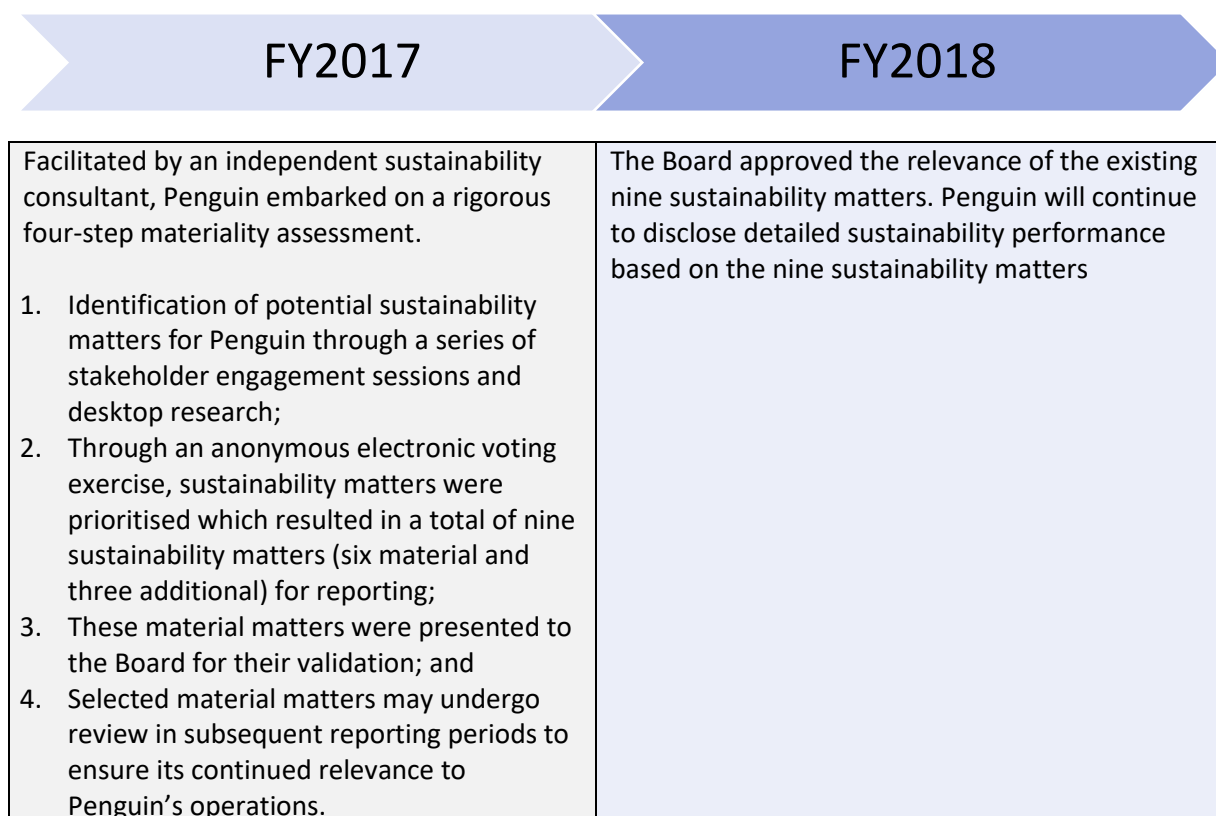


FIGURE 5: PENGUIN'S SUSTAINABILITY MATTERS CHOSEN FOR REPORTING IN FY2018

Material Matters			Additional Matters		
		Page			Page
1	Economic Resilience	12-13	7	Product Quality & Stewardship	10-12
2	Safety ²	18-23			
3	Energy Consumption Management	24-27	8	Workplace Diversity, Fairness and Retention	15-18
4	Vessel Emission	27-28			
5	Regulatory Compliance	28-29	9	Greenhouse Gas (GHG) Emissions	24-27
6	Business Ethics	29			

For detail information on the materiality assessment process and details of each sustainability matter, please refer to our SR2017.

² Safety comprises "Safety on Board for Our Crew and Passengers" and Occupational Health and Safety at Our Shipyards

d. Sustainability Strategy

FIGURE 6: PENGUIN'S SUSTAINABILITY STRATEGY



This comprehensive strategy incorporates key sustainability matters mapped across our unique designer-builder-owner-operator value chain. Please refer to Figure 8 in SR2017 which details how material matters identified are managed in an integrated way in Penguin.

5. Product Quality Stewardship

Penguin strives to continuously innovate in areas of ship design and building. Aside to ensuring compliance to highest quality standards, we make a conscientious effort to control product carbon footprint and exercise responsible product use and disposal upon end of life. Additionally, we engage, collaborate and work alongside our clients to meet and exceed their expectations. Here are two vessels we are delighted to showcase.

Penguin Redeem – “Solarfication Conversion Project”



Close up of the solar panels installed

Penguin Redeem is a 26-metre, 260-passenger port limit ferry that is owned and operated by the Penguin Group. As Singapore’s largest locally-flagged port limit ferry, Penguin Redeem plays a critical role in the mass transport of personnel between Pasir Panjang Ferry Terminal and Shell’s 500,000-barrel per day oil refinery located on Pulau Bukom. On average, the ferry provides two-way transport for about 2000 passengers every weekday.

Like all domestic ferries with live-aboard crew, after working hours, Penguin Redeem used to run on one diesel generator while alongside, with the main engines turned off. The generator had to keep running after-hours in order to generate electricity to power the air-conditioning, lighting, as well as cooking and washing equipment (i.e. the “hotel load”) for the live-aboard crew of six.

This “hotel load” requirement would typically consume about 100 litres of diesel and generate some 0.26 tonnes of CO₂ and 0.2 tonnes of SO₂ overnight. It also added some 3,000 running hours per year to the generator, which results in more frequent overhauls, consuming more energy in the process.

In November 2018, Penguin partnered with its technology partners, Azura Marine and Z-Power Automation embarked on a project – the first of its kind in Singapore - to “solarise” Penguin Redeem, with the aim of generating and storing sufficient solar energy during daytime operations to power the vessel overnight, solely from stored solar energy during the day. The “solarification” entailed converting key on-board electrical equipment to run on both AC and DC power, running new cables, upgrading the power distribution system and installing solar panels on the vessel’s roof and batteries in the hull.

After several months of engineering work and overcoming production constraints, such as the tight machinery space on Penguin Redeem, the conversion works were finally completed on January 2019. The “solarised” Penguin Redeem commenced trial operations at Shell Bukom. The results were a resounding success! Today, Penguin Redeem stands as physical proof that renewable energy solutions need not be costly or complicated and can be implemented by companies of all sizes.

Penguin is currently exploring similar “solarfication” solutions through conversions for its own fleet and its newbuilding programme.

Flex-42X with Green Passport Certification by Bureau Veritas



Flex-42X interior – Business class seats

In 2018, Penguin delivered its first crewboat with the Green Passport class notation. Christened “Svitzer Chittagong”, the 36-metre multi-role crewboat was built for the global marine logistics group Svitzer for its offshore operations in Bangladesh. This vessel is generally regarded as the world’s first mid-sized crewboat with the Green Passport notation, which means that is accompanied with an on-board document certified by Bureau Veritas (BV) that lists in detail all materials deemed potentially hazardous³ to human health and where they are located in the vessel.

Close monitoring of hazardous materials which are not prohibited for use is done through the use of an Inventory of Hazardous Material, which is useful for major repairs and demolition of the vessel at the end of its life. People working on the vessel will know specifically which materials to handle with caution and where they are used / located on board.

GREEN PASSPORT			
H 307 "SVITZER CHITTAGONG"			
BV No	: 33799Q		
Vessel Name	: Svitzer Chittagong		
IMO	: 9843493		
Date	: 16th January 2018		
Regulation	: Bureau Veritas(2009,January).Green Passport,Rule Note NR528 DNS R01E, Appendix 2,Tabel 1 & table 2, p.13		
Rev	Date	Shipbuilder	Revision Subject
0	16th February 2018	PT Kim Seah Shipyard Indonesia	1
Department		: QA/QC Department	
Doc no		: PTRS/H307/01/Rev1	
Prepared		: Moh.Syahrir Andri	
		Reviewed by : Didik Harjandi	

Green Passport signed off by BV

Regulation-wise, Green Passport certification are only required for EU-flagged ships above 500 gross tonnage (GT). Notwithstanding the fact that “Svitzer Chittagong” was way below 500 GT and was non-EU flagged (and also unlikely to ever call on any EU port), Penguin and Svitzer mutually agreed to voluntarily spec-out and build a crewboat that would fully comply with Green Passport rules.

For Penguin, the challenging part of the Green Passport process was obtaining the “Supplier’s Declaration of Conformity” from all key equipment and materials suppliers involved in the shipbuilding project. There were instances where Penguin had to source for new vendors who were both willing and able to provide this legally binding declaration, in order to fully comply with the certification rules.

³ Based on BV rule note NR528 DT R204, hazardous materials **prohibited from all newbuild vessels** include asbestos, ozone-depleting substances, polychlorinated biphenyls (PCB), anti-fouling compounds and systems.

Buoyed by the success of “Svitzer Chittagong”, Penguin has decided to build Green Passport crewboats under voluntary compliance for its own operating fleet, starting with its flagship Flex-42X Executive Fast Crew Boat. To date, we have delivered four units of Flex-42X with Green Passport notation, with two more under construction. We intend to continue building Green Passport crewboats under voluntary compliance for the foreseeable future, even though it entails a higher cost.

6. Economic Resilience

As a global leader in our sector, we continue to harness the numerous opportunities brought about by our unique and dynamic capabilities as an integrated designer-builder-owner-operator. In FY2018, we are delighted to have secured and executed several new orders ranging from Fire Fighting Search-and-Rescue vessels for Singapore, patrol boats for Australia, windfarm support vessels for Taiwan and a passenger ferry for Africa, while continuing to build stock Flex Fighter security boats for Nigeria and Flex crewboats for our own operating fleet in Southeast Asia. With an increasing number of projects, we are also building a fifth workshop in our Batam shipyard to provide support capabilities.

Despite challenging situations in the oil and gas industry, resilience has always been one of our defining traits at Penguin. We survive and thrive in adversity as we consider them valuable lessons for the future. Prudent financial management has enabled our strong balance sheet and the capacity to quickly and easily capitalise on new project and investment opportunities. In FY2018, we continue to see further growth where group revenue experienced a 36.2% increase from FY2017 (\$82.8 million) to \$112.8 million.

Beyond our own economic sustainability, we value the partnerships we have with our national agencies and local clients. Late last year, our Tuas shipyard delivered one of the two newbuild Fire Fighting Search-and-Rescue to the Singapore Civil Defence Force (SCDF). Our ship management team promptly took over technical management of the vessel under a multi-year maintenance contract. Through this contracting model, it enables SCDF to focus on its core life-saving duties.

On crewboat chartering services, we have also seen meaningful improvements in overall utilisation and charter rates, led by our new Flex-42X Executive Fast Crew Boat. Although our fleet of Flex-42X currently remains an in-house product exclusively for Pelican entities, it will eventually be rolled to third-party ship owners at suitable phases. In FY2018, we are pleased to have sold a Flex-40SL and converted two existing Flex-45 crewboats into Flex Fighters as armoured security boats for Nigerian clients.

We also further our commitment to sustainability by maintaining healthy relationships with the communities in our operating countries. In Batam, for example, we regularly support and sponsor various development activities at a nearby fishing village. In Singapore, we have regularly contributed to non-profit organisations such as the Young Men’s Christian Association (YMCA), Life Community Services Society, Singapore Association for the Deaf and other community outreach programmes since 2014.

Financial Results ⁴	FY2018 S\$'000	% change from FY2017	FY2017 (restated) ⁵ S\$'000	FY2016 S\$'000
<i>Economic Value Generated</i>				
Revenue	112,827	▲ 36.2%	82,832	34,621*
<i>Economic Value Distributed</i>				
Operating costs	66,893		55,021	13,223
Employee wages and benefits	17,806		14,101	12,478
Payments to capital providers	1,060		230	2,075
Payments to government	2,337		973	156
Community investment	12.22		6.16	1.03
	88,108	—	70,331	27,933
<i>Economic Value Retained</i>	24,719	▲ 98%	12,501	6,688*

Case Study: Recycling of Scrap Timber at PTKS

Penguin's Batam shipyard receives many equipment and material from Singapore on a weekly basis. Most of this equipment and material are shipped out on wooden pallets, which would be broken up and sold as scrap or disposed of.

In 2018, one of our subcontractors approached us with an interesting and meaningful recycling project. The scrap timber was proposed to be used to build goat pens for a local orphanage where he was volunteering at. The management unanimously expressed their support and committed to donate as much scrap timber as he needed.



Goat pens constructed from recycled timber in Batam

⁴ Information in this table is derived from Penguin's audited financial statements and other accounting/financial data. This information is intended to summarise the overall contribution of Penguin to its stakeholders and not intended to replace or provide an alternative to the audited financial statements which is made available in the Annual Report 2018.

⁵ The results for year ended 31 December 2017 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting (International) ("SFRS(I)s")

* FY2016 values for 'Economic Value Generated' and 'Economic Value Retained' have been restated.

7. Our People, Our Assets

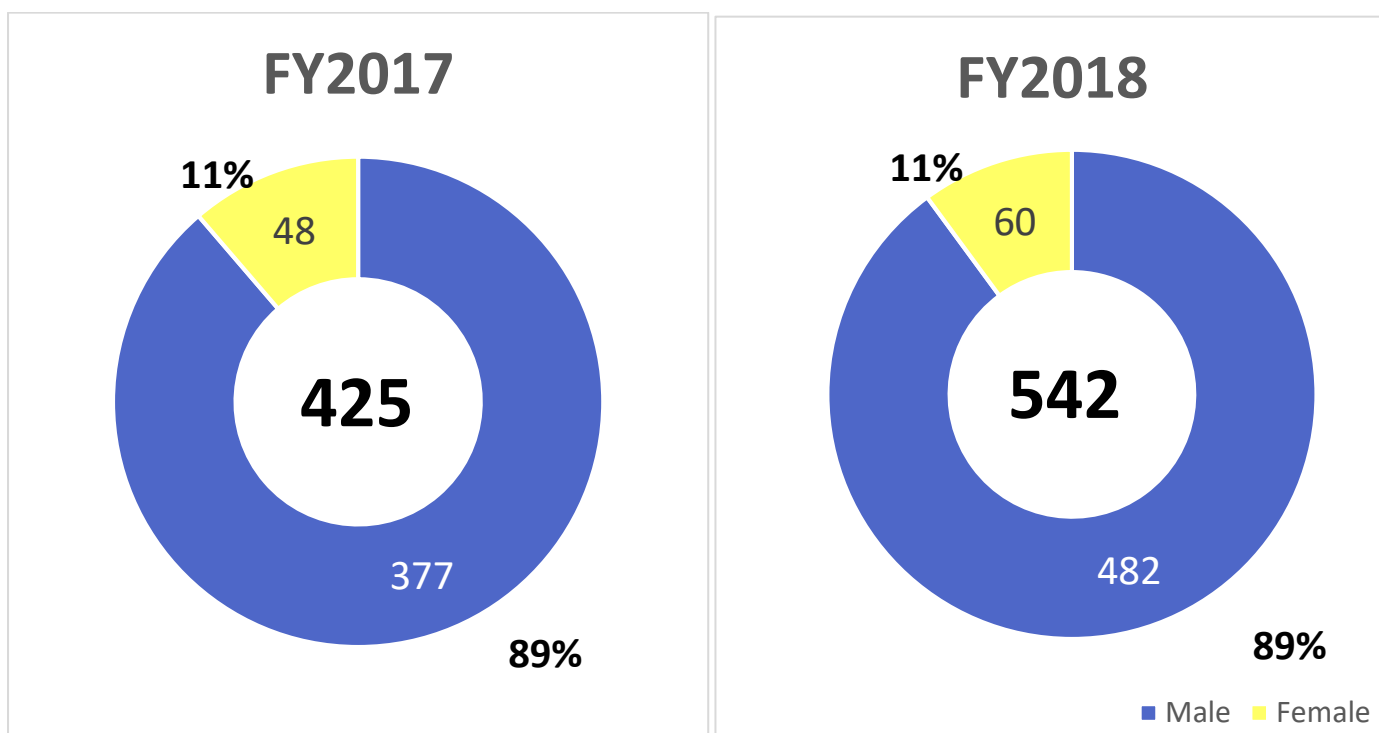
As one of the three fundamental components of our sustainability strategy, Penguin firmly believe that our people are our greatest assets. With an unprecedented increase of close to 600 employees (including crew) located across Singapore, Indonesia and Malaysia, we continue to ensure a culturally diverse, fair and inclusive workplace that nurtures and cultivates a passion for excellence, innovation and sustainable value creation.

a. Staff Demographics

Our workforce has maintained a steady increase over the past three years. From 425 employees in FY2017, we have grown 27.5% to 542 employees in FY2018. Increased shipyard activities in Singapore and Batam have resulted in the higher employment. Additionally, higher crewboat operations have also brought about an increase in Malaysian offshore crew in FY2018. Our workforce comprises employees in offices, shipyards and on-board crew members. Part-time/temporary staff account for 11% of our total workforce.

While the marine and offshore industry has traditionally been male-dominated, we continue our efforts in ensuring a more gender-balanced workforce. We are proud to have a female Executive Director on our Board of Directors, and female employees in ship design and ship repair departments. A breakdown of workforce statistics is shown in Figure 7 below.

FIGURE 7: EMPLOYMENT BREAKDOWN BY GENDER, EMPLOYMENT CONTRACT, TYPE AND REGION



By Employment Contract				
	FY2017		FY2018	
Region	Permanent	Temporary	Permanent	Temporary
Singapore	306	0	335	0
Indonesia	6	31 ⁶	7	61 ⁵
Malaysia	82	0	139	0

By Employment Type				
	FY2017		FY2018	
Region	Full-time	Part-time	Full-time	Part-time
Singapore	306	0	335	0
Indonesia	6	31	7	61
Malaysia	82	0	139	0

b. Workplace Diversity and Fairness

Policies and Practices

Our commitment to TAFEP since 2014 is reaffirmed yearly by our strict adherence to the five principles of fair employment where hiring practices are fair, merit-based and non-discriminatory. We are able to attract and retain individuals with the right skillset, attitude and capability to grow through our fair employment practices. Our open-door policy has also given an atmosphere of openness and direct communication where employees are able and encouraged to raise workplace concerns to senior management if required. Regularly, top management communicates updates on company strategies and other information in a timely manner. Figure 8 showcases our Policy Statement and suite of policies we adhere to at ensuring a fair and diverse working environment at Penguin. This year, we are proud to disclose that we have achieved our target of zero reported cases of discrimination.

FIGURE 8: PENGUIN'S HUMAN RESOURCE (HR) POLICIES AND PROCEDURES

Policy Statement

Penguin is committed to Fair Employment Practices and does not discriminate any person based on his or her race, religion, gender, age, marital status, nationality, disability or medical condition. We value and respect each and every employee and are committed to training, developing, rewarding and promoting employees based on their merits.

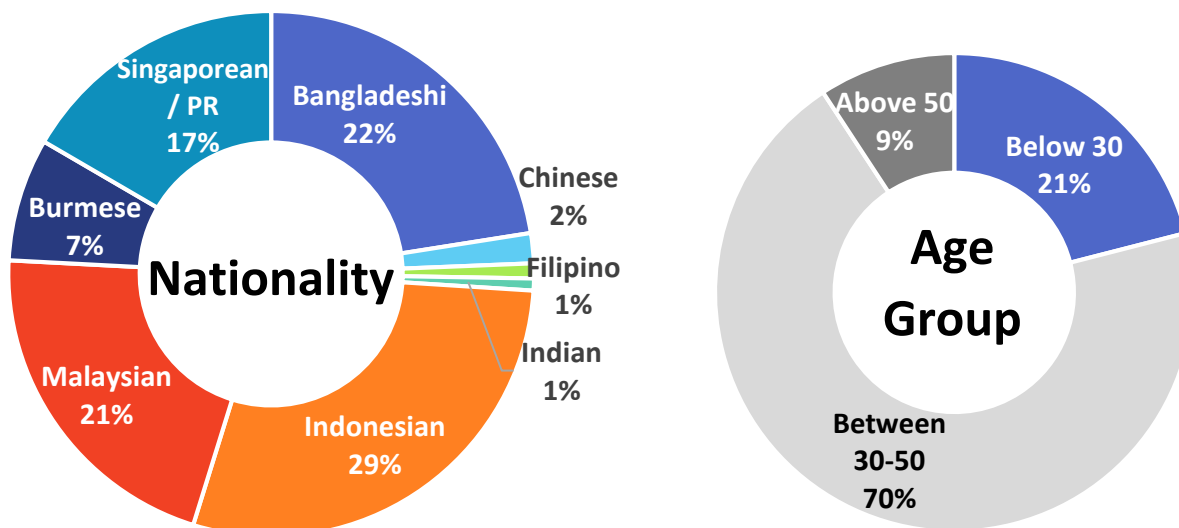
Penguin has a suite of Human Resource (HR) Policies that it adheres to

- Fair Employment Practices
- Dispute Resolutions
- Harassment
- Performance Management

For more details of each respective policy, please refer to our 2017 Sustainability Report.

⁶ Majority of our Indonesian employees are working full time on a two-year contract which are renewed subject to satisfactory performance evaluation. They are entitled to the same welfare and benefits as for full time staff. For SR purpose, they are classified as "Temporary". This arrangement ensures the fair treatment of our people while at the same time allowing the company to have flexibility in resource planning, to meet the fluctuating market demand.

FIGURE 9: FY2018 WORKFORCE DIVERSITY BY NATIONALITY AND AGE GROUP



We have procedures in place to ensure the Group's labour policy and practices are consistently applied across all operating countries. This is in support of our strict compliance measures to relevant laws and regulations. Depending on their level of employment, our staff enjoy a range of welfare and employee benefits listed below.

Employment Benefits

All full-time employees enjoy a range of employment benefits from health care insurance⁷, disability coverage, parental leave and retirement provision.

Training and Development

Continuous training and development are made available for all our staff. Should there be changes in policies, onshore staff will be sent on training to be updated. Seafarers are required to obtain relevant certificates of proficiency in areas of emergency, Standards of Training, Certification and Watchkeeping (STCW) for Seafarers and first aid. We also encourage them to obtain higher certificates to be promoted from Able Bodied Seamen (AB)⁸ to higher ranks. Our shipyard workers undergo both mandatory induction and situational training as they journey with us building upon their career growth.

Case Study: Promoting life-long learning at Penguin

In FY2018, we enrolled one employee into the inaugural Specialist Diploma in Maritime Superintendency course administered by Singapore Maritime Academy. Developed in alignment with the Skills Framework⁹ for Sea Transport, this course is based on critical functions required of Technical and Marine Superintendents. Through this course, our employee will acquire a deeper understanding of the key functions as a Marine Superintendent and enhance our ship management operations.

The selected employee is a Singaporean and has been with Penguin for more than four years. We plan to enrol other personnel in the second run scheduled in FY2019, further building our capabilities.

⁷ As stipulated by respective regulatory bodies in operating countries; including, Ministry of Manpower (MOM) in Singapore, Badan Penyelenggara Jaminan Sosial in Indonesia and Social Security Organisation (SOSCO) in Malaysia

⁸ Able Seamen (AB) are certified after undergoing training in approved sea-going training ships who have served eighteen months in ships

⁹ The Skills Framework (SFw) is a SkillsFuture initiative developed for the Singapore workforce to promote skills mastery and lifelong learning and is an integral component of the Sea Transport Industry Manpower Plan.

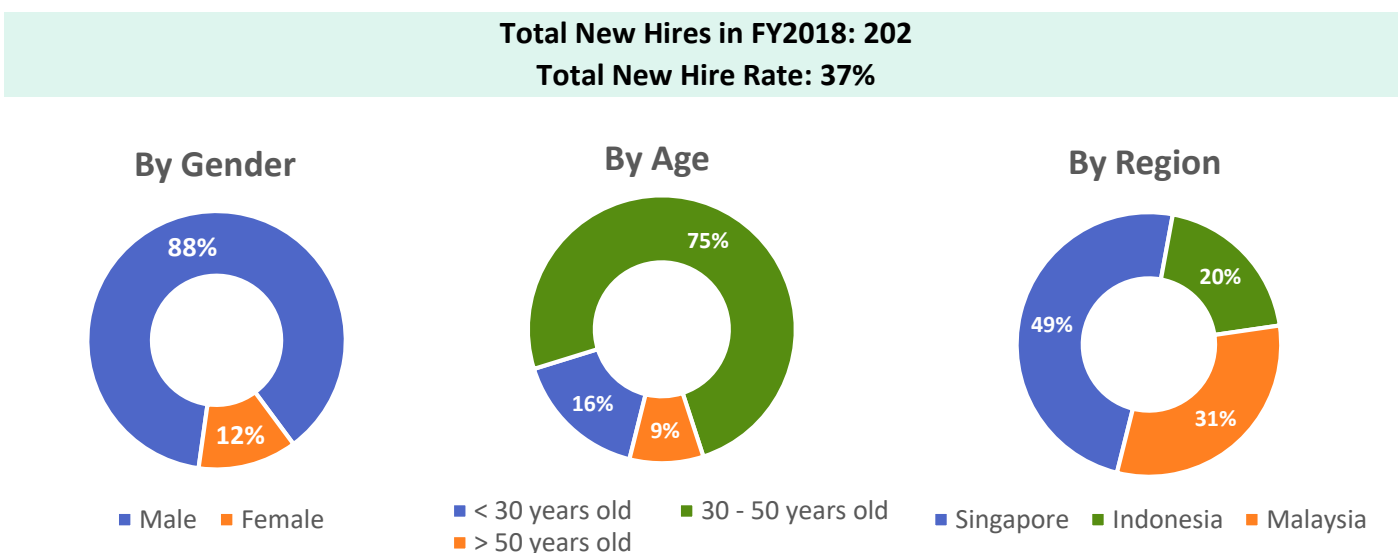
Performance Appraisals

Our high regard for all our employees is bound by equality and respect for diversity. All employees whether foreign workers or office staff will be equally recognised and allocated annual bonuses, which is particularly unique among shipyards in Singapore. In FY2018, 100% of our employees received formal annual appraisals. Performance appraisal will differ depending on employment category and skillsets. Onshore staff begin the process with assessment by supervisors and an endorsement by the General Manager. Crew members working on board, on the other hand, are assessed by their Master and endorsed by the Crewing Officer/Manager. Offshore crew members who work on engagement basis are assessed over the contractual period.

Performance

In FY2018, we saw a significant increase in our activities, which required additional manpower. As such, we had a total of 202 new hires. Through the conscious promotion of age and gender diversity, we aim to attract and employ the best-qualified and most suitable candidates for any given job. We actively seek the right people and welcome elderly employees to join us as well. Continuing on with our strong partnership with Employment and Employability Institute (e2i) to hire more Singaporeans and Permanent Residents (PR), we have hired one Professionals, Managers, Executives and Technicians (PMETs) under the Career Support Programme in FY2018. Among the new hires, we also have two local employees who are over the age of 60 years, recruited to mid-level positions at our shipyard and ship management operations.

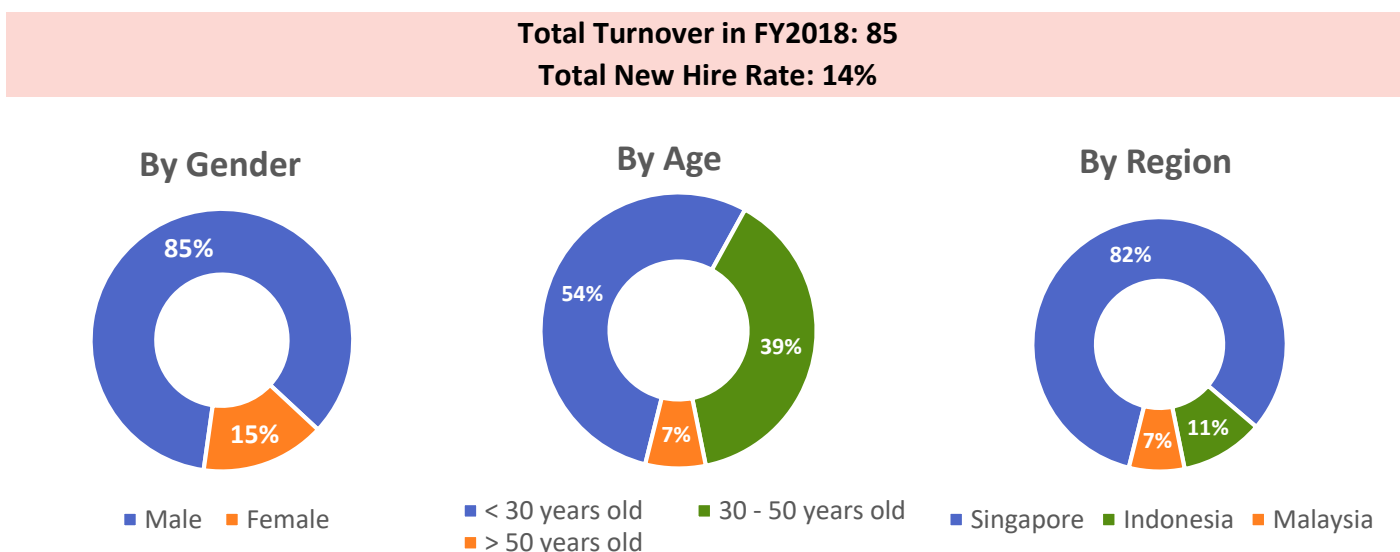
FIGURE 10: FY2018 NEW HIRE AND TURNOVER BY GENDER, AGE GROUP AND REGION



This year, we had a total of 85 cessations. Crew members on Seafarers' Agreement are employed on a one-year contract and will leave our company after that. This is a common practice within the maritime and offshore industry. During this period, most of these seafarers will take this opportunity to undergo training to upgrade themselves and return again with their higher certification. Majority of our seafarers are Indonesian males who belong to the younger age group. Other common reasons cited by foreign workers is a desire to go home to their families. For local employees, reasons include a career change or a higher salary

from another company. On the other hand, involuntary cessations are initiated by the company through disciplinary dismissal or contractual termination.

FIGURE 11: FY2018 TURNOVER BY GENDER, AGE GROUP AND REGION



Note: Total new hire and turnover rates are calculated as a percentage of staff on payroll as of 31 December 2018

8. Safety

a. Safety on board our vessels for crew and passengers

Policies and practices

At Penguin, we believe that every individual has role to play in ensuring a safe environment for all. We go beyond regulatory requirements and comply with more stringent Oil and Gas Producer (OGP) standards¹⁰ as most of our clients are in the oil and gas industry. The Deputy General Manager, supported by Health, Safety and Environment (HSE) Manager oversees and enforces safe practices in vessel operations to protect the life and health of our passengers, crew, the general public and the environment. Similarly, on board our vessels, compliance with the Environment, Health and Safety (ESH) management system falls under the responsibility of our Masters. We remain committed towards our zero-incident target and strive to bring no harm to people, property and the environment.

Throughout the year, various initiatives have been conducted to promote and communicate a no-blame safety culture to all our stakeholders. Beginning from risk identification, it ensures timely and complete assessment

Penguin has a suite of policies governing safety on board our vessels for crew and passengers

- Safety and Environment Policy Statement
- Stop Work Authority Policy
- Navigation Policy
- Drug and Alcohol Policy Statement

In FY2018, no changes have been made to the content of these policies. They undergo review annually to ensure its continued relevance to our operations. For more details of each respective policy, please refer to our 2017 Sustainability Report.

¹⁰ Oil and Gas Producers (OGP): <https://www.iogp.org/oil-and-gas-safety/>

of the risks involved with various work activities. Control measures are implemented prior to commencement of work on board. Mandatory training for crew members and ad-hoc safety trainings will be conducted on ferries.

Collaborative Efforts with Clients

In November 2018, a Danos system was implemented for the SCDF vessels. SCDF was looking at a Planned Maintenance System which has a detailed, traceability function and allows for close follow up for all activities. Aside from keeping records of all maintenance activities, it also prepares job plans for any period. This allows for the Superintendent to update status of jobs or to sign off as completed. Upon this action, the system automatically creates a job card and mail for the intended users. Within the system, it also keeps track of last maintenance action, emergency job handling as well as spare usage. While it allows for a timely update of the vessel's operations, it also reduces the usage of paper and space required for filing, making it an essential component of this vessel, given the space constraints on board.

Trainings

Conducted at least once every six months, refresher trainings would be provided for our crew on Maritime Labour Convention (MLC) requirements. In July 2018, 24 ferry crew attended the refresher training. Besides safety, the training also included awareness session on heart diseases. Moving forward, we plan to conduct more personal health awareness sessions to cover diabetes, stress, fatigue and other relevant topics.

In November 2018, Penguin Chawan was the first ferry to conduct the first stability calculation course which covers core concepts on vessel stability especially during weight transfer.



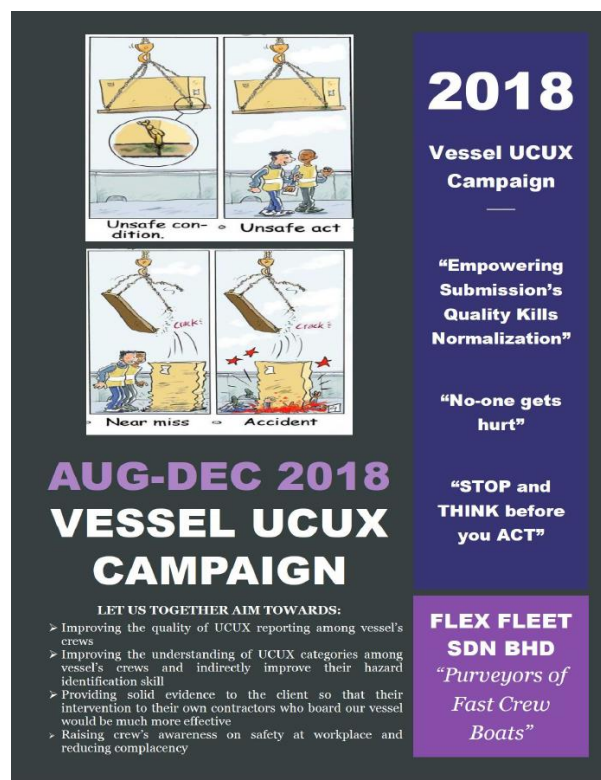
Safety Campaigns

On 21 May 2018, we organised our second safety campaign for all crew in ferries and crewboats. Crew members were tasked to identify the hazards that could be found in various situations over a period of two month. The top scorers were awarded with a prize and all other participants were presented with a token of appreciation.



Big smiles from two of our top scorers upon receiving the prize

Aside from our internal safety campaigns, we work with clients to meet their safety requirements. Flex Fleet Sdn Bhd (FFSB) organised a Vessel UCUX (“You See You Action”) campaign which aimed at increasing safety awareness of crew members. A UCUX report is one where crew members identify unsafe acts or conditions encountered during work or in their surrounding workplace. A daily submission of the UCUX was required according to client’s requirements. Through this program, we hope to bring about a behavioural change towards safety with the importance of hazard identification emphasised on a daily basis. It also improved our crew’s understanding of various UCUX categories. With these submissions, our client was able to better enforce the same rules to their own contractors working on board our vessels. At the end of the five-month period, prizes were awarded to the best written UCUX.



To ensure that any non-compliance and control lapses get to be identified as soon as possible, various reporting channels have been made available to all stakeholders (crew, operation staff, charterers and passengers) for them to raise their concerns. Based on the nature of the grievance, a relevant person-in-charge will be informed for appropriate follow up actions. At the end of the year, all feedback received will be consolidated and presented during the annual management review to check for repeated cases.

In FY2018, there were several cases raised through the grievance channels which were concerns regarding delayed logistics supply to vessels, non-compliance with reporting, PPE usage and housekeeping practices. We treat all reported cases seriously and work towards improving our operations. All cases have been followed up and resolved with the respective charterers.

Evaluating effectiveness of systems, policies and actions

Throughout the year, our vessel operations undergo regular internal and external audits to ensure compliance with International Safety Management (ISM) Code, International Ship and Port Facility Security (ISPS) Code and Maritime Labour Convention (MLC) Code. Our offices undergo annual third-party audits while an ISM certified vessel is audited at a 2.5 years interval. Findings would be categorised into non-conformities and observations, escalated to respective person-in-charge for root cause analysis and corrective actions to be taken. Additionally, computation of safety statistics reflects the current safety levels within our operations. Trainings will be arranged at fixed intervals according to the weakness or needs identified.

Performance

Safety statistics for fleet operations are collated and reviewed every month by management and quarterly reports will be submitted to the Board. We keep a no-blame safety culture, target zero fatalities, zero lost work day cases, zero restricted work day cases and zero medical treatment cases. While we actively work

towards achieving these targets, incidents still may occur occasionally. We respond swiftly, establish root causes and learn from the incidents. The respective departments actively seek ways to prevent reoccurrence. In FY2018, we recorded two reportable incidents on board. However, as employees do not require medical leave for the incidents, our reportable incident severity rate (ISR) has remained at 0. We endeavour to keep reportable incidents to a minimum through continuous promotion of a safety culture at Penguin.

FIGURE 12: SAFETY INCIDENTS ON BOARD VESSELS IN FY2018

#	Description of incident	Corrective actions
1	A crew member's left finger was caught in between the gangway and the vessel hull during installation of a portable gangway	The job safety analysis (JSA) was conducted for this work procedure with all crew members, with reminder to exercise alertness when carrying out the activity
2	A crew member's legs were hit by a tyre fender during passenger transfer	Reminder was issued on the importance of effective two-way communication and of the stop work authority when required

FIGURE 13: SAFETY STATISTICS - VESSEL OPERATIONS

Safety Metrics	FY2016	FY2017	FY2018
Reportable Incidents ¹¹	2	2	2
Reportable Incident Frequency Rate (IFR) ¹²	3.4	2.99	2.69
Reportable Incident Severity Rate (ISR) ¹³	0	0	0

Case Study: Keep Calm and Rescue On

On 25 September 2018, Pelican Calm was underway towards Malaysian waters when duty watch noticed two men in the sea, seeking help. Swiftly, Pelican Calm moved towards and rescued the two Vietnamese fishermen from the sea. They were promptly handed over to the Malaysian immigration.



Pictures showing four crew members onboard Pelican Calm in the midst of rescuing the two Vietnamese fishermen (most right)

¹¹ Reportable incidents include fatalities, lost work day cases, restricted work day cases and medical treatment cases which result in employee leaving the vessel to seek medical treatment on shore. First aid cases are excluded.

¹² Reportable Incident Frequency Rate (IFR) is calculated as the total number of reportable incidents per 1 million man-hours worked.

¹³ Reportable Incident Severity Rate (ISR) is calculated as the total number of medical leave days taken consolidated from the reportable incidents per 1 million work hours.

b. Safety – Occupational health and safety in our shipyards

Policies and practices

Workplace Safety and Health (WSH) committee comprise our General Manager, Safety Manager and Safety Coordinator. The Committee oversees the workplace health and safety management at our shipyards and ensures that safety policies practices are effectively implemented at various operation units; including Yard, Project, Quality Assurance (QA) and Engineering departments. Safety and health matters are a business priority to us so we strive to prevent all undesirable risks in our operations while upholding our commitment towards zero reportable incidents.

Penguin has a suite of policies governing occupational health and safety in our shipyards

- Harmonised Safety Policy – Workforce Safety & Health Policy
- Harmonised Drug Policy

In FY2018, no changes have been made to the content of these policies. They undergo review annually to ensure its continued relevance to our operations. For more details of each respective policy and current practices, please refer to our 2017 Sustainability Report.

Obtaining Certifications

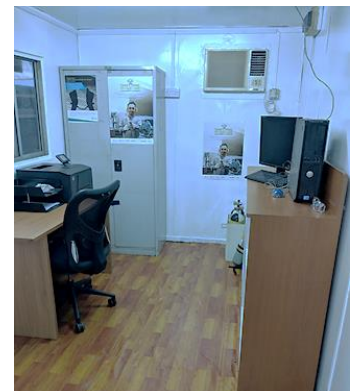
In March 2018, Penguin Shipyard International (PSI) received bizSAFE STAR, the highest level of bizSAFE. To achieve this certification, PSI had to obtain Occupational Health and Safety Management (OHSAS) 18001 certification¹⁴ and have a valid risk management implementation audit report by MOM-Approved Workplace Safety and Health (WSH) auditor.

With the bizSAFE STAR status, we are able to gain a competitive edge, possibly bringing about more business opportunities. A safe and healthier work environment also results in healthier and motivated employees. This certification is valid until March 2021 and a renewal audit will be conducted thereafter to sustain this level.



Enhancing safety for all

As part of our shipyard's efforts in enhancing our emergency response capability, we will be constructing a new First Aid Room. The newly built room will be equipped with basic medical emergency items and equipment for quick response. It can also be used to conduct safety induction trainings for new employees and visitors.



¹⁴ Companies can also obtain SS506 Certification issued by Singapore Accreditation Council (SAC) accredited certification bodies or any other equivalent international certification.

Performance

Our reporting process of safety statistics at shipyards are in line with reporting process for vessels, following the same frequency. We align ourselves to the Workforce Safety and Health (Shipbuilding and Ship Repair) Regulations 2008. In FY2018, there were two reportable work-related incidents where employees suffered lacerations on different part of bodies.

FIGURE 14: SAFETY INCIDENTS AT SHIPYARD IN FY2018

#	Description of incident	Corrective actions
1	Laceration from a rebound of a metal bar as employee was removing it from current fitting	Safety enforcement has been strengthened and employees reminded of the importance of PPE. Risk assessment and safe work procedures were reviewed.
2	Employee's fingertip was severed as his glove was caught by the multi-cutter's blade	Inspections and maintenance of cutting disc was conducted. Importance of using proper PPE was also stressed upon such as using appropriate gloves when performing different jobs. Risk assessment and safe work procedures were reviewed.

In both incidents, risk assessments and safe work procedures have been reviewed. We strive to prevent re-occurrence and enhance our overall risk mitigation and management system. Through continuous promotion of a safety culture and more stringent inspections, we will continue towards a zero-incident work environment.

FIGURE 15: SAFETY STATISTICS – SHIPYARD

Safety Metrics	FY2016	FY2017	FY2018
Reportable Incidents ¹⁵	0	4	2
Reportable Incident Frequency Rate (IFR) ¹⁶	0	5.81	2.61
Reportable Incident Severity Rate (ISR) ¹⁷	0	42.57	35.25

¹⁵ Reportable incidents include fatalities, lost work day cases, restricted work day cases and medical treatment cases which result in four or more days of medical leave. First aid injuries are excluded.

¹⁶ Reportable Incident Frequency Rate (IFR) is calculated as the total number of reportable incidents per 1 million man-hours worked

¹⁷ Reportable Incident Severity Rate (ISR) is calculated as the total number of medical leave days taken consolidated from the reportable incidents per 1 million work hours

9. Environment

a. Energy Consumption Management and Greenhouse Gas (GHG) Emissions

Policies and practices

Cognisant of the environmental impacts our operations bring about, Penguin constantly explore ways to “green” our processes and emphasise on responsible business conduct. We are currently developing our Energy Policy and more details will be provided in due course.

Throughout our daily operations, energy consumption is strictly monitored. Our vessels run on fuel and its consumption is recorded and tracked daily through a fuel consumption report. Should there be any anomalies, they will be raised immediately for further inspection. Additionally, our Planned Maintenance System will be carried out regularly to ensure engines are performing at optimal efficiency.

On the innovation front, we have successfully delivered our first solarised Penguin Redeem in FY2018. Through installation of solar panels and other conversion work, the Penguin Redeem is able to generate and store sufficient energy to power the vessel overnight. We are delighted to share that design team is looking to replicate this design to other existing and newbuild vessels. Well-positioned with our unique capabilities as designer, builder, owner and operator, we look towards promoting alternative-fuelled vessels in the local market and abroad.

Performance – Shipyards

The main energy consumed in our shipyards are from fuel and electricity purchased from the grid. Across our Tuas and Batam shipyards, diesel, lubricant (lube oil) and waste oil are the top three fuels used for the operation of heavy machinery, fork lifts and motor vehicles. In FY2018, we record a 21% increase in total fuel and electrical energy consumed at our shipyards stood at 11,963 GJ (Figure 17), translating to 1,606 tonnes of CO₂ emissions (Figure 19).

The main increase in energy consumption (Figure 16) was attribute to a large increase of projects in FY2018. By comparing the energy intensity based on manhours worked, we are at 11.9 GJ per 1,000 man hours worked, an increase from FY2017. However, when compared against vessels under construction, we have lowered energy consumed per vessel by 78% from FY2016. As we see an increase in the number of projects undertaken, Penguin endeavours to maintain or further lower energy used per vessel.

FIGURE 16: FUEL AND ELECTRICITY CONSUMPTION – SHIPYARDS

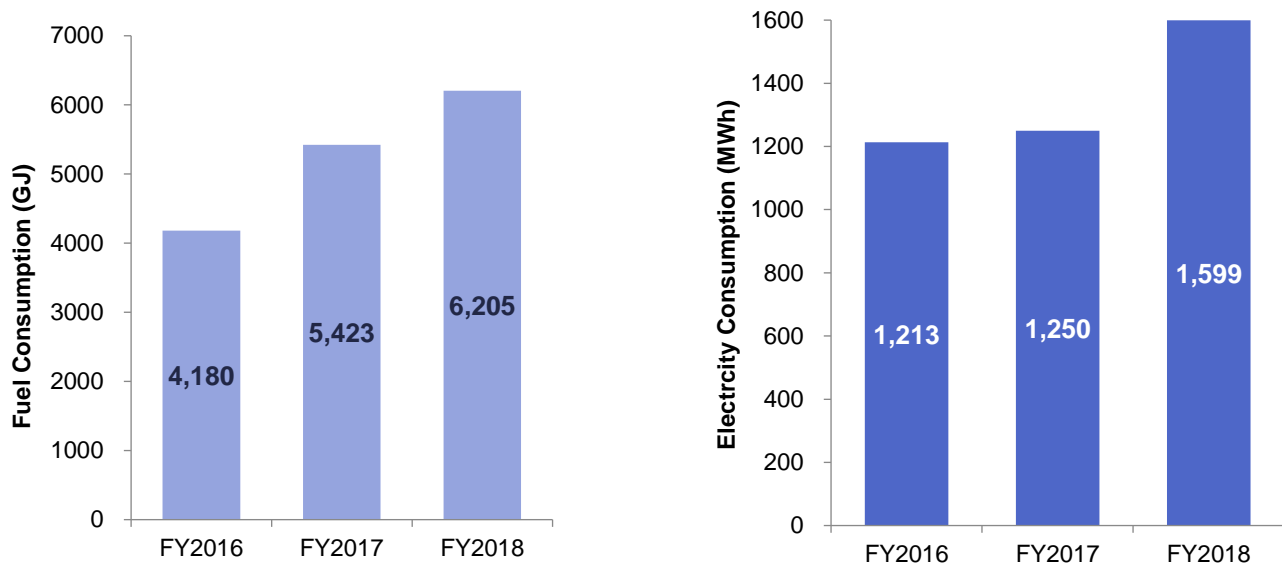
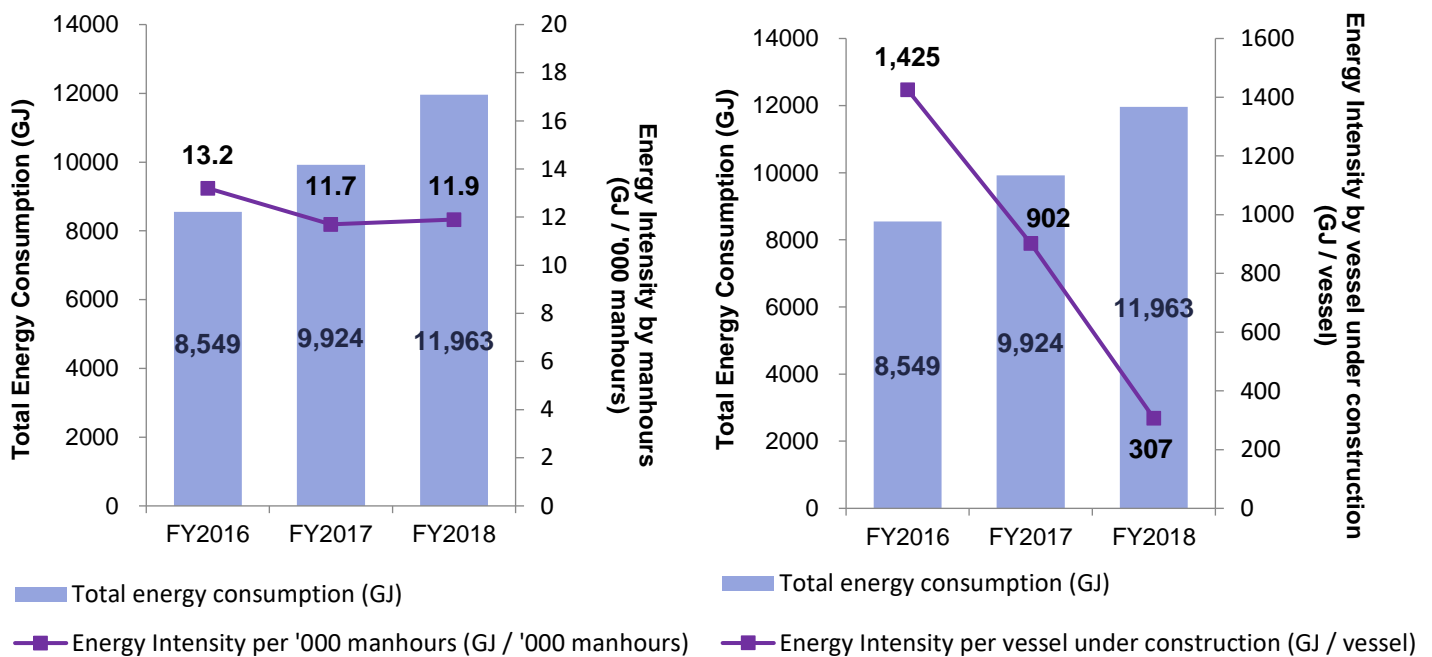


FIGURE 17: TOTAL ENERGY CONSUMPTION AND INTENSITY – SHIPYARDS



When comparing GHG emissions emitted from FY2018's production levels, a higher energy consumption would naturally result in a higher emission level. Due to energy-efficient processes, we also see the same trend in GHG emissions emitted per vessel under construction. Moving forward, we will strive to maintain this trend and reduce our carbon footprint.

FIGURE 18: DIRECT (SCOPE 1)¹⁸ AND ENERGY INDIRECT (SCOPE 2)¹⁹ GHG EMISSIONS – SHIPYARDS

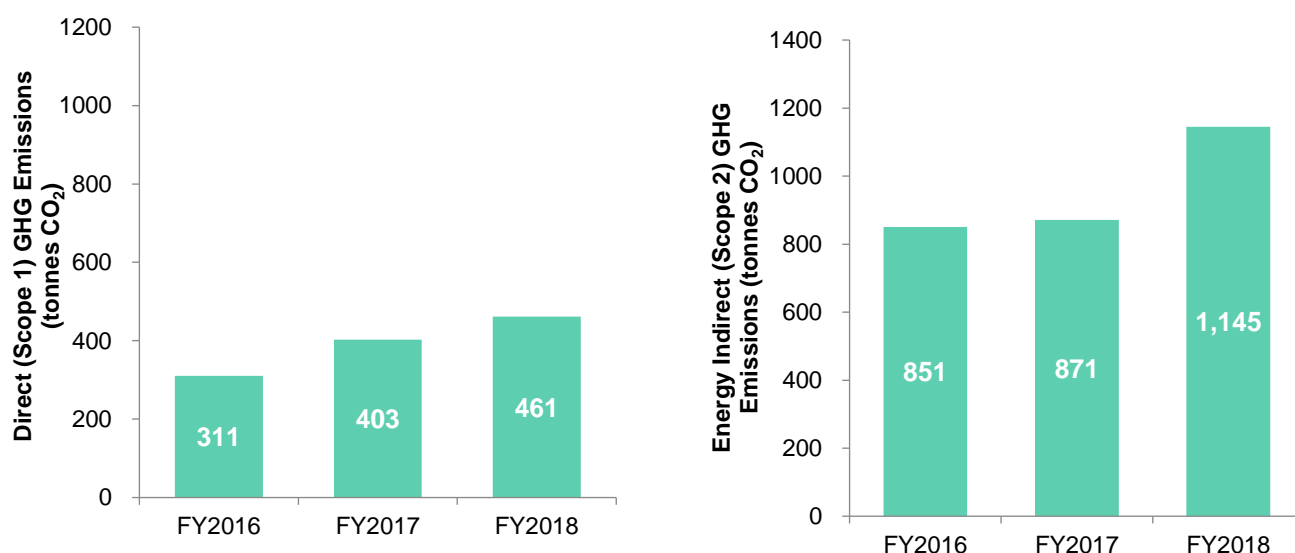
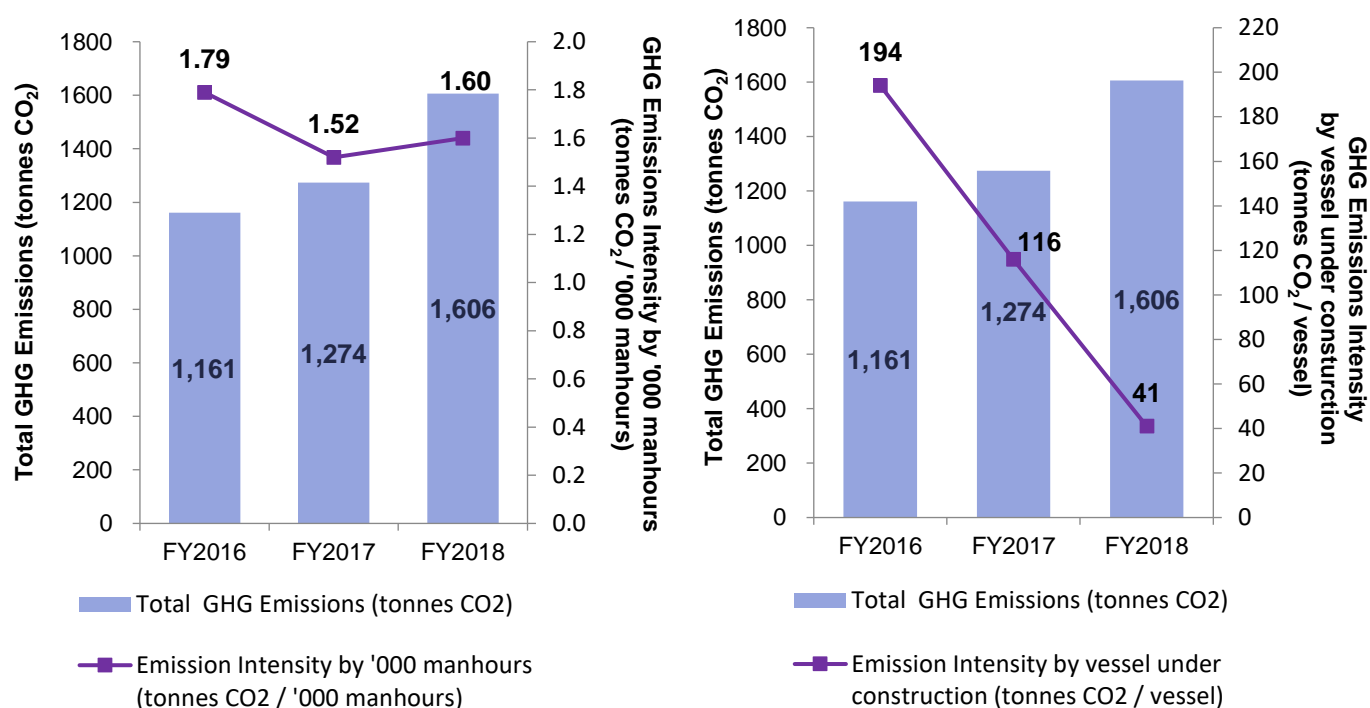


FIGURE 19: TOTAL GHG EMISSIONS AND INTENSITY – SHIPYARDS



¹⁸ For calculation of Scope 1 emissions, they were derived from the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.

¹⁹ For calculation of Scope 2 emissions, grid emission factors for Singapore were derived from “2018 Singapore Energy Statistics”, published by the Energy Market Authority of Singapore in 2018. For Indonesia, grid emission factor was derived from Directorate General of Electricity, Ministry of Energy and Mineral Resources, Indonesia. Latest available values are for 2016. For Malaysia, grid emission factor was derived from GreenTech Malaysia’s carbon calculator, accessible at <https://www.greentechmalaysia.my/carboncalculator/>

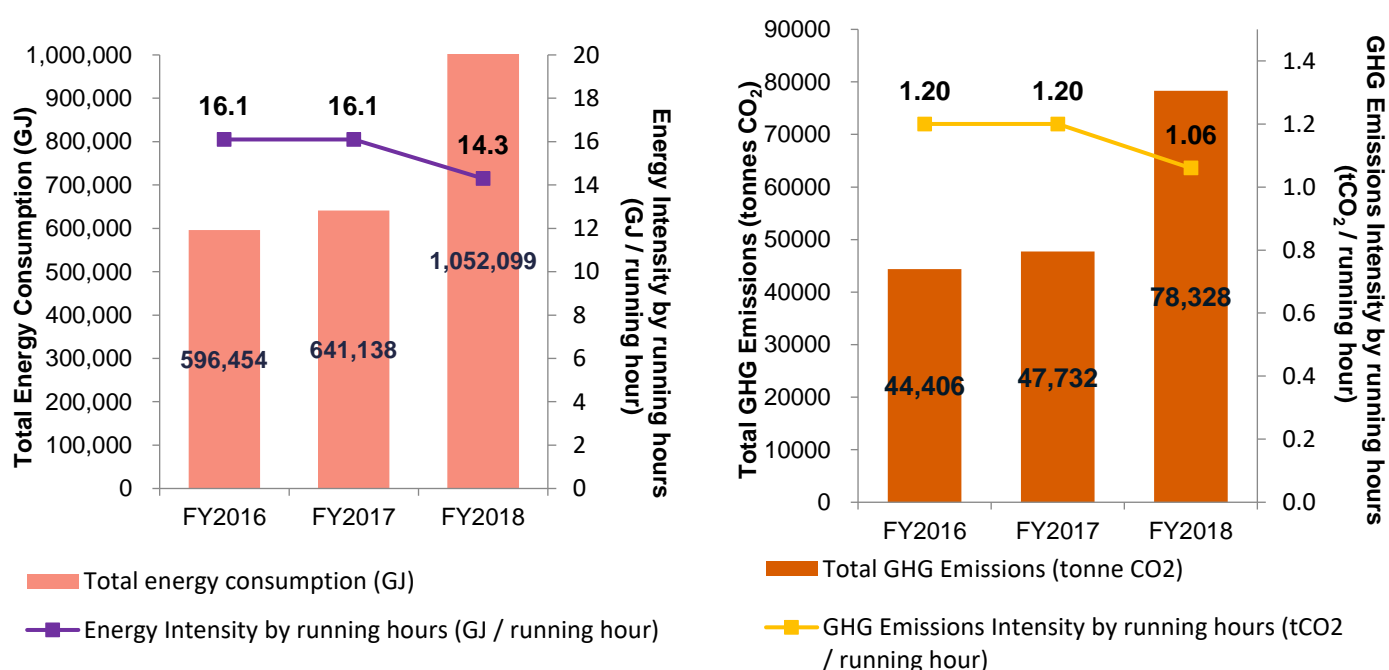
Performance – Vessel Operations

Vessel consumption for the past three years have been restated to account for all crewboat and ferry operations in Singapore, Malaysia and Indonesia. All our vessels only consume Marine Diesel Oil (MDO) as its main source of energy on board. In FY2018, a total of 1,052,099 GJ²⁰ of MDO was consumed, translating to 78,328 tonnes of CO₂ emissions²¹.

Across the years, we can see an increasing trend with FY2018 recording the highest consumption due to peak in utilisation rate as well as an increase in our fleet size. Through the implementation of various energy-efficient technologies, we have consumed 11.7% less fuel and emitted less GHG emissions per running hour in FY2018.

We will continue to monitor fuel consumption on board through daily fuel consumption reports. The flow meter on board is maintained regularly so that any irregularities in consumption will be flagged out promptly. Optimal engine performance is also ensured through planned maintenance schedules.

FIGURE 20: TOTAL FUEL CONSUMPTION AND GHG EMISSIONS AND INTENSITIES – VESSELS



b. Vessel Emissions

Since FY2017, Penguin has committed to Emission Control Area (“ECA”)²² Standard on sulphur limit in fuel oils. We only use ultra-low sulphur content MDO which is 0.005% and below. Penguin has achieved this

²⁰ Net calorific value used to calculate direct energy consumption from fuel is 42,700 kJ/kg, obtained from Amendments to the 2014 Guidelines on the Method of Calculation of the Attained Energy Efficiency Design Index (EEDI) for New Ships (Resolution MEPC. 245(66)), as amended by Resolution MEPC. 263(68).

²¹ As extracted from European Commission: Quantification of emissions from ships associated with ship movements between ports in the European Community, emission factor of MDO is 3179 kg/tonne fuel.

²² The ECA established include the Baltic Sea area, North Sea area, North American area and United States Caribbean Sea area of which Penguin’s vessels do not cross into these areas. Marine Fuel Sulphur Limit under MARPOL Annex VI states that sulphur content of any fuel oil used on board outside an Emission Control Area (ECA) is to be reduced from 3.5% in 2012 to 0.50% on and after 1 January 2020.

standard ahead of time and only utilises low sulphur content diesel in crew boat operations (maximum of 0.35% sulphur content) and ultra-low sulphur content diesel (0.005%) for domestic ferry operations.

Penguin will continue to ensure that emissions are kept to its minimum through stringent monitoring of fuel consumption.

FIGURE 21: SIGNIFICANT²³ AIR EMISSIONS²⁴ FROM VESSEL OPERATIONS

Air emissions (tonnes)	FY2016	FY2017	FY2018
NO _x	881.4	947.4	1,554.7
SO _x	85.2	91.6	150.3
PM	754.3	810.8	1,330.5

10. Corporate Governance

Regulatory Compliance

Compliance Management Operating System

Our commitment to sustainability begins from maintaining compliance with all legal and other requirements applicable to our activities, and products and services. These requirements include the relevant Primary Legislative Status (Acts) passed by the Parliament, the Subsidiary Legislations (Regulations, Notifications and Orders) issued by the relevant governmental agencies, and the applicable Singapore Standards and Codes of Practice. We also comply with the relevant industrial standards and codes. Policies and procedures are in place to guide the implementation.

At present, each function within our organisation is responsible for monitoring and reporting compliance matters relevant to their own function. Information gathered on legal and other requirements are cascaded in a timely manner to the respective functions, as well as our business partners like suppliers and subcontractors.

Case Study: Adoption of MPA's recommendation on enhanced lifesaving appliances

In June 2018, we voluntarily took up MPA's recommendation on the enhanced lifesaving appliances for new Penguin Redeem. The vessel's buckle-type lifejackets were previously placed in two pieces in a holding net under each seat. It was easily accessible but may be prone to dislodging which may pose as a potential tripping hazard. We replaced the buckle-type lifejackets to foldable buckle-type so that they are easily stored in life-jacket receptacles under each seat.



Foldable buckle-type life jacket foldable under receptacles under each seat

²³ MDO comprises of mainly hydrocarbons whose combustion results in the release of NO_x, SO_x and PM as stated in Third IMO Greenhouse Gas Study 2014. The report is accessible at:

<http://www.imo.org/en/OurWork/Environment/PollutionPrevention/AirPollution/Documents/Third%20Greenhouse%20Gas%20Study/GHG3%20Executive%20Summary%20and%20Report.pdf>

²⁴ Emission factors are obtained from the Third IMO Greenhouse Gas Study 2014 for international shipping.

Performance

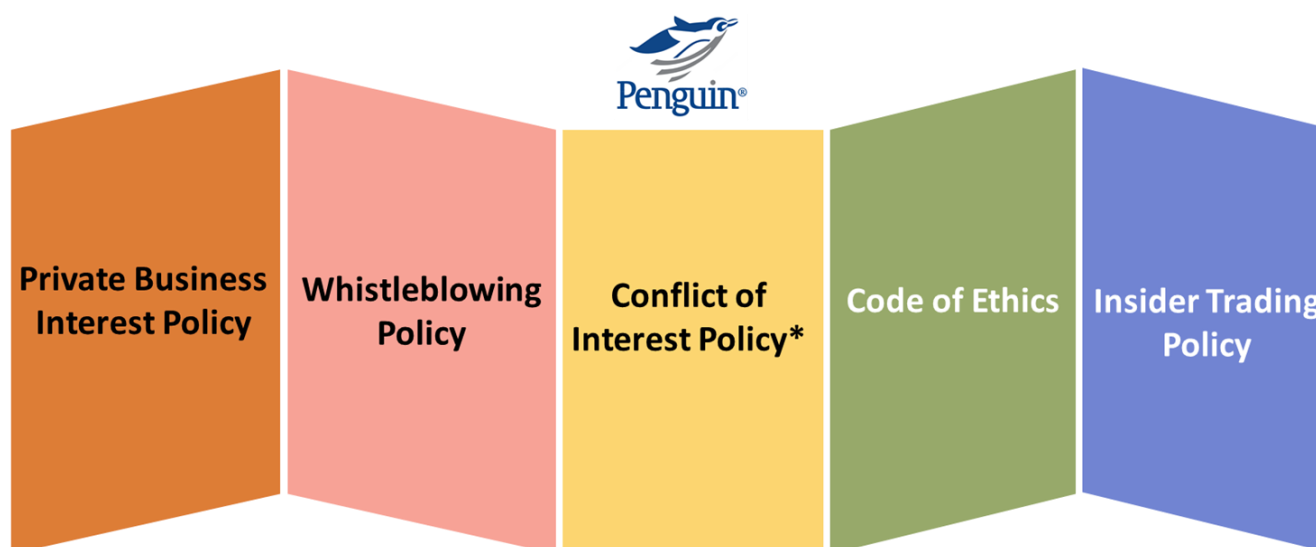
This year, we achieved our perpetual target of zero cases of regulatory non-compliance.

Business Ethics

Fundamental Standard

We remain steadfast in upholding ethics in our business practices and target towards zero lapses of the Code of Corporate Governance 2012. Penguin's robust business ethics framework and anti-corruption policies (Figure 22) provides guidance on expected conduct and practices to prevent any possible improprieties²⁵. All employees of Penguin including full-time, part-time and contract employees are encouraged to immediately report, without fear of retaliation, any concerns about possible improprieties in matters of financial reporting or other relevant matters. Complaints can be raised through our whistle-blowing channel. Our whistle blowing policy is found on our [website](#).

FIGURE 22: ANTI-CORRUPTION POLICIES



** Conflict of Interest Policy is applicable for purchasing department on all purchasing decisions*

Performance

Since FY2016, we are proud to have maintained our record of zero reported cases of anti-corruption for the third consecutive year. Penguin maintains its zero-tolerance position against all forms of corruption or financial improprieties and clearly communicates this to all employees. It is emphasised when our employees sign their letter of appointment and further reinforced during mandatory orientation upon their commencement. In FY2018, 100% of employees have been communicated on anti-corruption policies and procedures.

²⁵ Possible Improprieties refers to any activity, breach of business conduct and ethics or omission by an Employee of the Group; or any concerns regarding accounting or auditing matters, internal controls or internal accounting controls and other operational matters that are questionable or not in accordance with generally accepted accounting practices or trade practices prescribed by the Group

GRI Content Index

GRI Standard Disclosure Reference	Disclosure	Location or reason for omission	
GRI 102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation	About Penguin International Limited	Pg. 1
102-2	Activities, brands, products, and services	About Penguin International Limited	Pg. 1
102-3	Location of headquarters	About Penguin International Limited	Pg. 1
102-4	Location of operations	About Penguin International Limited	Pg. 1
102-5	Ownership and legal form	About Penguin International Limited Annual Report 2018	Pg. 1 Pg. 10-11
102-6	Markets served	About Penguin International Limited	Pg. 1
102-7	Scale of the organisation	About Penguin International Limited	Pg. 1
102-8	Information on employees and other workers	Highlights for FY2018; Staff Demographics	Pg. 3 Pg. 14-16
102-9	Supply chain	Sustainability Report 2017	Pg. 13-17
102-10	Significant changes to the organisation and its supply chain	There are no significant to the organisation and supply chain.	
102-11	Precautionary Principle or approach	Corporate Governance; Annual Report 2018	Pg. 29 Pg. 32
102-12	External initiatives	The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)	
102-13	Membership of associations	Key memberships include Association of Regional Ferry Operators (ARFO), Association of Singapore Marine Industries (ASMI), Singapore Shipping Association (SSA) and Singapore National Employers Federation (SNEF)	
Strategy			
102-14	Statement from senior decision-maker	Board Statement	Pg. 5
Ethic and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Highlights for FY2018; Corporate Governance	Pg. 3 Pg. 29
102-17	Mechanisms for advice and concerns about ethics	Corporate Governance; Annual Report	Pg. 29 Pg. 34
Governance			
102-18	Governance Structure	Sustainability Governance	Pg. 5
102-22	Composition of the highest governance body and its committees	Annual Report 2018	Pg. 16, 17, 25, 27
102-23	Chair of the highest governance body	Annual Report 2018	Pg. 25
102-24	Nominating and selecting the highest governance body	Annual Report 2018	Pg. 28-29
102-26	Role of highest governance body in setting purpose, values and strategy	Board Statement; Annual Report 2018	Pg. 5 Pg. 28
102-29	Identifying and managing economic, environmental, and social impacts	Board Statement	Pg. 5
102-32	Highest governance body's role in sustainability reporting	Sustainability Governance	Pg. 5
102-35	Remuneration policies	Annual Report 2018	Pg. 30-31
102-36	Process for determining remuneration	Annual Report 2018	Pg. 30-31
Stakeholder Engagement			

GRI Standard Disclosure Reference	Disclosure	Location or reason for omission	
102-40	List of stakeholder groups	Stakeholder Engagement	Pg. 6-7
102-41	Collective bargaining agreements	Not applicable as Penguin International Limited is not unionised	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	Pg. 6-7
102-43	Approach to stakeholder engagement	Stakeholder Engagement	Pg. 6-7
102-44	Key topics and concerns raised	Stakeholder Engagement	Pg. 6-7
Reporting Practice			
102-45	Entities included in the consolidated financial	Annual Report 2018	Pg. 81-83
102-46	Defining report content and topic boundaries	About the Report	Pg. 2
102-47	List of material topics	Materiality Assessment	Pg. 8
102-48	Restatement of information	Economic Resilience Energy Consumption Management and GHG Emissions; Vessel Emissions	Pg. 13 Pg. 25-26 Pg. 27-28
102-49	Changes in reporting	No changes in reporting	
102-50	Reporting period	1 January 2018 – 31 December 2018	
102-51	Date of most recent report	November 2018	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	About the Report	Pg. 2
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	Pg. 2
102-55	GRI content index	GRI Content Index	Pg. 30-33
102-56	External assurance	Penguin has not sought external assurance for this inaugural report.	

Material matters				
GRI Standard Disclosure Reference		Description	Location or reason for omission	
Product Quality and Stewardship				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Product Quality and Stewardship	Pg. 10-12
	103-2	The management approach and its components	Highlights for FY2018; Product Quality and Stewardship	Pg. 3 Pg. 10-12
	103-3	Evaluation of the management approach	Product Quality and Stewardship	Pg. 10-12
Economic Resilience				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Economic Resilience	Pg. 12-13
	103-2	The management approach and its components	Economic Resilience	Pg. 12-13
	103-3	Evaluation of the management approach	Economic Resilience	Pg. 12-13
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Highlights for FY2018; Economic Resilience	Pg. 3 Pg. 12-13
Business Ethics				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Corporate Governance	Pg. 29
	103-2	The management approach and its components	Corporate Governance	Pg. 29
	103-3	Evaluation of the management approach	Corporate Governance	Pg. 29

Material matters				
GRI Standard Disclosure Reference		Description	Location or reason for omission	
GRI 205: Anti-Corruption 2016	205-2	Communications and training about anti-corruption policies and procedures	Corporate Governance	Pg. 29
	205-3	Confirmed incidents of corruption and actions taken	Highlights for FY2018; Corporate Governance	Pg. 3 Pg. 29
Regulatory Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Corporate Governance	Pg. 28-29
	103-2	The management approach and its components	Corporate Governance	Pg. 28-29
	103-3	Evaluation of the management approach	Corporate Governance	Pg. 28-29
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Highlights for FY2018; Corporate Governance	Pg. 3 Pg. 29
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Highlights for FY2018; Corporate Governance	Pg. 3 Pg. 29
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Highlights for FY2018; Corporate Governance	Pg. 3 Pg. 29
Energy Consumption Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Energy Consumption Management and GHG Emissions	Pg. 24-27
	103-2	The management approach and its components	Energy Consumption Management and GHG Emissions	Pg. 24-27
	103-3	Evaluation of the management approach	Energy Consumption; Management and GHG Emissions	Pg. 24-27
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Consumption; Management and GHG Emissions	Pg. 25, 27
	302-3	Energy Intensity	Energy Consumption; Management and GHG Emissions	Pg. 25, 27
Greenhouse Gas (GHG) Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Energy Consumption Management and GHG Emissions	Pg. 24-27
	103-2	The management approach and its components	Energy Consumption Management and GHG Emissions	Pg. 24-27
	103-3	Evaluation of the management approach	Energy Consumption; Management and GHG Emissions	Pg. 24-27
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy Consumption; Management and GHG Emissions	Pg. 26, 27
	305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Energy Consumption; Management and GHG Emissions	Pg. 26
	305-4	GHG emissions intensity	Energy Consumption; Management and GHG Emissions	Pg. 26, 27

Material matters				
GRI Standard Disclosure Reference		Description	Location or reason for omission	
Vessel Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Vessel Emissions	Pg. 27-28
	103-2	The management approach and its components	Vessel Emissions	Pg. 27-28
	103-3	Evaluation of the management approach	Vessel Emissions	Pg. 27-28
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Vessel Emissions	Pg. 28
Workplace Diversity, Fairness and Retention				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Workplace Diversity and Fairness	Pg. 15-18
	103-2	The management approach and its components	Workplace Diversity and Fairness	Pg. 15-18
	103-3	Evaluation of the management approach	Workplace Diversity and Fairness	Pg. 15-18
GRI 401: Employment 2016	401-1	New employee hires and employee turnovers	Highlights for FY2018; Workplace Diversity and Fairness	Pg. 3 Pg. 17-18
	401-2	Benefits provided to full- time employees that are not provided to temporary or part- time employees	Workplace Diversity and Fairness	Pg. 16
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Workplace Diversity and Fairness	Pg. 17
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	Due to the nature of our industry, many of the positions are filled by male personnel, the average data in this case will not be reflective.	
Safety (Safety on Board for Crew and Passengers and Occupational Health and Safety at Shipyards)				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Safety	Pg. 18-23
	103-2	The management approach and its components	Safety	Pg. 18-23
	103-3	Evaluation of the management approach	Safety	Pg. 18-23
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety	Pg. 21, 23