

MESSAGE FROM CHIEF EXECUTIVE OFFICER



Dear Friends,

With the momentum gained in 2021, 2022 was an exciting year for PIL as we took concrete steps forward in our sustainability journey. With the increasingly challenging global environment, we aim to build and develop PIL into an efficient, future ready, people focused and sustainable shipping line.

In the area of environmental protection, we have set the target of achieving net-zero carbon emissions by 2050, in alignment with the decarbonisation goals of the International Maritime Organisation (IMO). We will continually review this target and drive ourselves to do better as we move forward. We know it will not be an easy journey, but we are confident as we have the support of all colleagues, on shore and at sea, as well as our customers and partners.

To date, we have undertaken a number of key initiatives, these include investing in the necessary equipment and infrastructure – we have placed orders for 8 new LNG dual-fuel vessels equipped with ammonia intermediate ready fuel tanks. These tanks make it possible to retrofit the vessels to run on ammonia when the technology is commercially available.

We are also actively exploring the possibility of using biofuels as a drop-in fuel. We conducted a biofuel trial last year by using a blend of fatty acid methyl esters (FAME) and very low sulfur fuel oil (VLSFO). The results were encouraging.

In addition to vessel technologies, we are also looking at how we operate our vessels so as to optimise their efficiencies and hence reduce their carbon footprint. In 2022, we revamped our fleet monitoring function and upgraded it to a Centre for Maritime Efficiency (CME) which is equipped with a state-of-the-art digital system that houses all relevant operational data and applications in a single platform to facilitate comprehensive, centralised and efficient coordination.

We have also joined the World Shipping Council (WSC) as a member, and I represent PIL on the WSC board. This provides an important platform for us to participate in thoughtful discussions with our industry peers on key topics on sustainability including decarbonisation, safety and security.

Another key milestone for us in 2022 was becoming a signatory of the United Nations Global Compact (UNGC). This demonstrates our support and commitment to the principles of UNGC in the key areas of human rights, labour, environment and anti-corruption. 2022 also saw us taking a key step forward in people development. We have planted the seed of initiating our own PIL Academy by working with the Maritime and Port Authority of Singapore (MPA) and other industry partners to establish the Alliance for Future Maritime Talent (AFMT). The AFMT is aligned with our ongoing plan to adopt a more structured approach to meet the diverse needs for training and development within PIL, as we work to achieve our aim of inculcating a continuous learning mindset into our shore staff and seafarers which would propel PIL forward as a future ready organisation.

During the year, we also stepped up efforts to engage with and contribute to the communities in Singapore and around the world where we operate. The support which we receive from the local communities is key to our success as a container shipping line connecting key regions in the world.

Lastly and most importantly, we completed training sessions on the critical anti-bribery and anti-corruption policies as well as the competition compliance policies. We also developed the sustainable procurement policy to provide guidance to PIL's employees in ensuring we incorporate sustainable considerations when we procure goods and services.

Looking ahead, sustainability will continue to be our priority as we seek to drive connectivity to meet the needs of our customers and the market.

Yours sincerely

Lars Kastrup
Chief Executive Officer