



# **SUSTAINABILITY REPORT 2025**



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# 1. About Penguin International Limited

Penguin International Limited (“Penguin”) is a Singaporean 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 1996, we have delivered close to 400 aluminium vessels comprising crewboats, patrol boats, passenger ferries, fireboats and windfarm support vessels to ship owners around the world. These include some 200 of our proprietary-designed “Flex” offshore oil and gas crewboats and “Flex Fighter” security boats.

Penguin is the world’s most prolific builder<sup>1</sup> of mid-sized crewboats/security boats for the offshore and maritime security industries. In some markets, our Flex brand has become *the* industry standard.

Our shipyards in Singapore and Batam build vessels for stock and to order, funded mostly by the company’s internal cash reserves. They also undertake a variety of repair and conversion projects.

In addition, we operate a fleet of our own Flex crewboats, passenger ferries and general workboats. These vessels primarily serve oil companies and government/corporate charterers around Southeast Asia.

Our owned-and-operated fleet are well maintained and professionally managed by an in-house ship management team, backed by our own shipyards.

Above all that we say and do, we prize *people over profit* and we abide by international standards of health, safety, environment and quality, corporate governance and sustainable business practices.

Figure 1: Penguin's Products and Services

## Shipyards Services

## Vessel Operations



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<sup>1</sup> According to data compiled by S&P Global Sea-web, an independent subscription-based database that captures all IMO-registered vessels worldwide.

## 2. About the Report

It is our pleasure to present you our FY2025 Sustainability Report (SR2025) covering the period 1 January 2025 to 31 December 2025. This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – Core Reporting Requirements, Task Force on Climate-Related Financial Disclosures (“TCFD”) and the SGX-ST Mainboard Listing Rule and 711A and 711(B). We chose to follow the GRI Standards as they are a globally recognised reporting framework consisting of a comprehensive list of disclosures that are well suited to Penguin’s business and the industry that we operate in.

Our SR2025 highlights our Economic, Environmental, Social and Governance (“EESG”) material matters that impact our business performance and key stakeholders across our two primary business segments:

- (1) Ship chartering services, primarily in Singapore, Malaysia, West Africa and the Middle East, and
- (2) Shipbuilding, ship repair and ship maintenance services, primarily in Singapore and Batam, Indonesia.

This report was prepared by members of our Sustainability Reporting Committee in accordance with sustainability reporting requirements, principles and identified materials.

The Penguin Board has engaged Crowe Horwath First Trust Risk Advisory Pte Ltd (“Crowe”), a reputable professional firm specialising in risk advisory services, to assist the directors in their review of the adequacy and effectiveness of the company’s internal control systems in relation to sustainability reporting.

The scope of Crowe’s services is to review the ESG governance structure, compliance with the ESG framework, and the data collection process to ensure that standards and operational adequacies are met. Crowe’s findings are presented to the company’s Audit Committee for deliberation and recommendation to the Board. There were no significant weaknesses raised by Crowe in this sustainability report.

We appreciate you as a valued stakeholder in our sustainability journey. We welcome your feedback to our Sustainability Reporting Committee via [sr@penguin.com.sg](mailto:sr@penguin.com.sg). You may also visit our Penguin website [www.penguin.com.sg](http://www.penguin.com.sg), for more information, and our previous sustainability reports.

## 3. Our Sustainability Targets

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### Workplace Diversity, Fairness and Retention

- Target to provide objective annual personnel appraisals and career development advice to all employees.
- Ensure that all employees have equal opportunities for career progression.



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### Environment

- Reduce Shipyard Emissions: Target to reduce shipyards' CO2 emissions intensity by vessel under construction (tonnes of CO2 per newbuild) by 2% annually and 10% by FY2030.
- Reduce Vessel Emissions: Target to reduce vessels' CO2 emissions intensity by running hours (tonnes of CO2 per vessel running hour) by 2% annually and 10% by FY2030.



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### Corporate Governance

- Regulatory Compliance: Maintain zero case of non-compliance in relation to corporate governance.
- Business Ethics: Maintain zero lapse in the Code of Corporate Governance 2018 and zero incidence of corruption.



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### Shipyard and Fleet Safety

- Target zero harm to personnel and property.
- Maintain no-blame culture and affirm positive actions.



## 4. Our Key Accomplishments in FY2025

### 9<sup>th</sup> annual

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

↓ **2%**

in electricity consumed by our shipyards, thanks largely to the solarisation of our Tuas shipyard, which today taps renewable energy for 80% of its power requirements.

We delivered our first **ELECTRIC-READY crew transfer vessel**



### Sustainable Business

Despite geopolitical uncertainties and rising costs, we posted net profit of \$35.4m and a record revenue of \$267m in FY2025, while cash on hand rose 12.6% to \$38m.

### Sustainable Shipping

We completed the second full year of commercial operations of our three electric ferries and three DC chargers in Singapore. Our Electric Dream ferries eliminated 6,000 tons of CO2 last year.

We prioritise **people over profits**

Signatory to Employers' Pledge of Fair Employment Practices since



**2014**

**Zero** confirmed cases of corruption

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



Headcount of

**1091** with employees from 10 countries.

ONE



FAMILY

PENGUIN

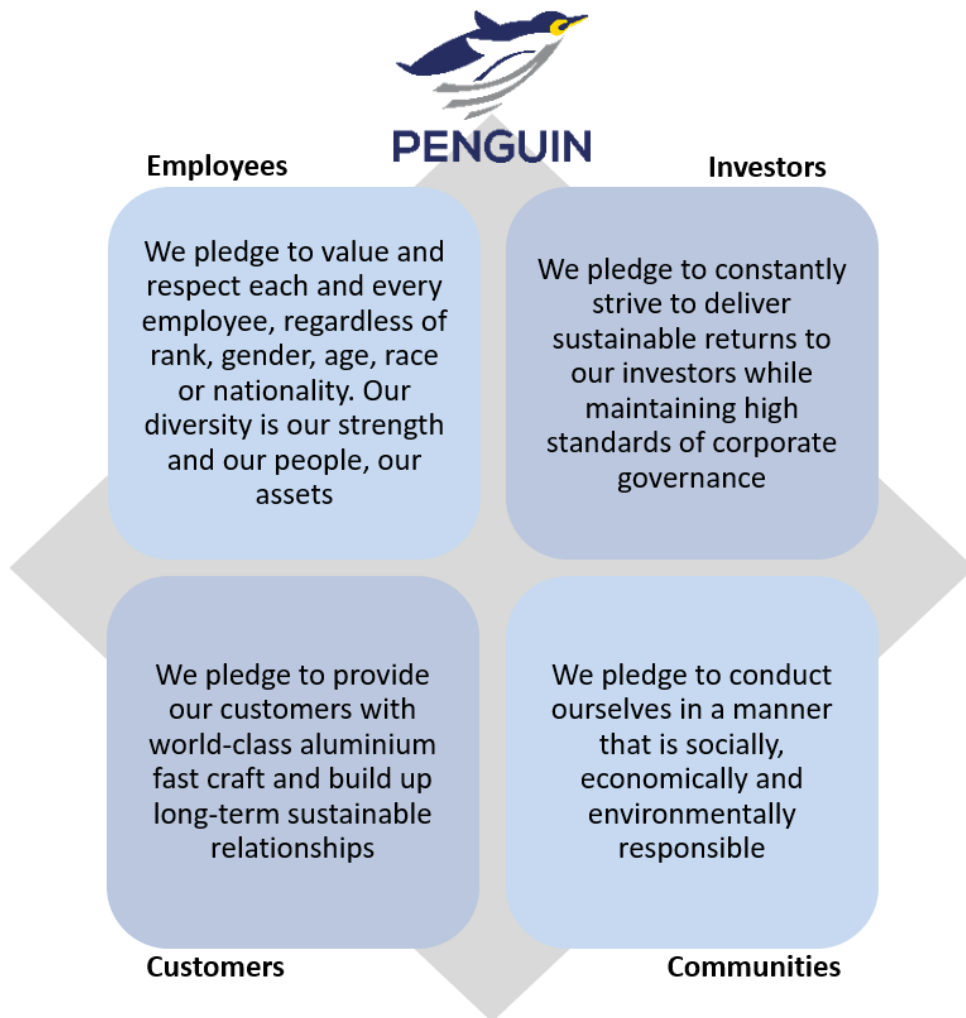
# The Penguin Sustainability Statement

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“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.

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## 5. Our Approach to Sustainability

Sustainability lies at the core of Penguin. We prioritise people over profit. We believe in true value creation, which transcends the pure profit needs of the present and leads to the betterment of people, community and society.

From our goals and visions to our business model to our long-term strategic plans to our day-to-day operations, we strive to adopt and implement measures which result in and contribute to sustainable growth. Through our visionary management team led by the principles of servant leadership and our unique collective capabilities as an integrated designer-builder-owner-operator of high-speed aluminium vessels, we embrace challenges and change, and we strive for constant improvement and innovation.

Together, we stand strong in the face of adversity as we work together to stay close to our clients and ahead of our competitors, as we pursue sustainable returns for all our stakeholders.

### a. Sustainability Governance

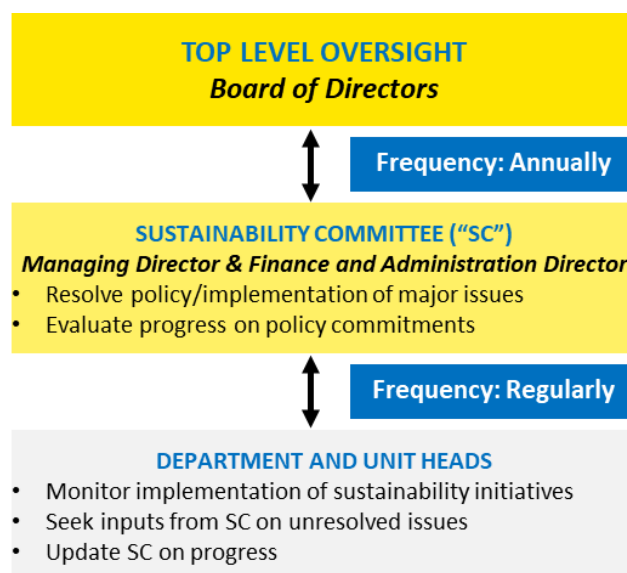
Penguin’s Board of Directors (the “Board”) oversees our sustainability strategy and the management of critical sustainability matters. Under the leadership of our Managing Director, the Sustainability Committee comprises our Finance and Administration Director, key executives and senior staff. The committee ensures the implementation of our sustainability strategy and the evaluation of progress against our commitments.

Department and unit heads ensure the successful implementation of our strategies through integration of sustainable practices into our day-to-day operations and provide regular feedback and updates to the committee for evaluation of performance and advice where needed.

The Board reviews our sustainability performance annually in February, as part of our overall enterprise risk management process. The review includes key elements and materials for sustainability reporting to ensure their continued relevance.

The Board is actively involved in overseeing climate-related risks and opportunities. This includes regular reviews of climate-related impacts on our business strategy and financial planning. The Sustainability Committee is responsible for identifying and assessing climate-related risks, and integrating these considerations into our overall risk management framework.

For more information on overall Corporate Governance, please refer to pages 37 to 65 in our FY2025 Annual Report.



### Board Statement

The Board is pleased to present its eighth Sustainability Report prepared in accordance with GRI Standards, Task Force on climate-Related Financial Disclosures and SGX-ST’s Sustainability Reporting Guidelines for listed companies in Singapore. The Board, together with the Sustainability Committee considers sustainability matters as part of the Group’s growth strategy. The Board has approved the material ESG factors and determined them to be relevant for the current year. The Board shall ensure that these ESG matters are monitored and managed.

As we make progress in our sustainability journey, we urge all our stakeholders to partake in our commitment to sustainability as we work together towards a common goal of improving the economic, environmental, and social well-being of the world that we live and work in.

## b. Stakeholder Engagement

The Sustainability Committee is responsible for ensuring that channels of communication are open and accessible to all stakeholders. Through regular engagement, we can better identify and respond appropriately to key issues and interests. For details on our stakeholder engagement platforms, please refer to Figure 3 below.

**Figure 3: Our Approach Towards 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"> <li>Fair and inclusive workplace</li> <li>Safe working environment</li> <li>Career progression and personal development</li> </ul> | <ul style="list-style-type: none"> <li>Maintaining an "open-door" culture</li> <li>Ensuring timely feedback and interaction between management and employees to ensure alignment of expectations between both parties</li> <li>Maintaining robust Health, Safety, Environment and Quality management systems</li> <li>Ensuring consistency in Human Resource policies across the operating entities while ensuring compliance with prevailing local labour laws</li> <li>Giving recognition to staff members performing supervisory roles</li> <li>Identification of training roadmap for skills upgrading of respective trades</li> </ul> | Appraisals   | Annually   |
|                                     |   |  | Regular management and HR memos  | Quarterly  |
|                                     |   |  | Safety toolbox meetings<br>Safety Memo<br>Safety Workshop                                    | Daily<br>Weekly<br>Half Yearly                                       |
|                                     |   |  | Recognition ceremony to present shipyard supervisor's identifications                        | As and when required   |
|                                     |   |  | Training briefings by HoD/Trade Heads<br>Attending courses, webinars, seminars and workshops | Quarterly briefings<br><br>Relevant courses/workshops when available |
| Clients                             | Provision of consistent and <i>world-class</i> quality products and services from Penguin   | <ul style="list-style-type: none"> <li>Building long-term relationships with clients to ensure sustainable business growth</li> <li>Maintaining a feedback loop with clients to align expectations and improve products/services</li> <li>Knowledge management of client/operator feedback and lessons learnt for product improvement</li> <li>Provision of service levels as per ISO 9001</li> </ul>  | Regular client visits around the world   | As and when required   |
|                                     |   |  | Regular operations and warranty feedback   | As and when required   |
|                                     |   |  | Platform for collating of client and operator feedback/lesson learnt                         | As and when required   |
|                                     |   |  | ISO audits by external auditor   | Annually   |

| Stakeholder Groups           | Key Concerns/Interests Raised by Stakeholder Groups   | Penguin's Response  | Methods of Engagement   | Frequency of Engagement                                     |
|------------------------------|---|---|---|---|
| Shareholders and Investors   | Provision of sustainable investment returns   | <ul style="list-style-type: none"> <li>• Transparent and timely disclosure of financial information and corporate developments through company website and SGXNet.</li> <li>• Having a dedicated channel via company website for investors' questions and feedback</li> </ul>   | Annual General Meeting (AGM)  | Annually  |
|                              |   |   | Annual Report   | Annually  |
|                              |   |   | Financial news and announcements  | As and when required  |
| Suppliers and subcontractors | <ul style="list-style-type: none"> <li>• Creating and maintaining a symbiotic eco-system with key suppliers and subcontractors in which sacrifices and successes are equitably shared.</li> <li>• Inculcating sustainable business practices within the eco-system</li> </ul> | <ul style="list-style-type: none"> <li>• Clear communication on Penguin's expectations and standards of service and product quality, as well as health, safety and environmental practices</li> <li>• Monitoring practices to ensure compliance by suppliers and subcontractors</li> </ul>  | Performance evaluation  | Annually  |
|                              |   |   | Safety toolbox meetings   | Daily   |
|                              |   |   | On-site engagement with employees   | Daily   |
|                              |   |   | Ad-hoc meetings   | As and when required  |
| Regulators                   | Compliance to relevant laws and regulatory requirements in all jurisdictions in which we operate  | <ul style="list-style-type: none"> <li>• Adopting sustainable practices and complying with workplace health, safety, and environmental practices, as well as corporate governance guidelines.</li> <li>• Participation in Public-Private dialogues and working groups to assist in shaping sectoral policies and best practises.</li> </ul> | Meetings and discussions with relevant authorities  | At regular Public-Private platforms<br>As and when required |
| Local Communities            | <b>Singapore:</b><br>Provision of services contributing to public safety and security, and jobs creation for Singaporeans   | <ul style="list-style-type: none"> <li>• Providing vessels deployed for national emergencies and other public essential services</li> <li>• Contributing to various charity organisations and community outreach programmes</li> <li>• Participating in sectoral manpower capability development programmes and job creation</li> </ul>     | Always ready to support emergency exercises and response.   | As and when required  |
|                              |   |   | Sponsorships and donations  | Periodic  |
|                              |   |   | Internship placement for tertiary level students<br>Course sponsorship and job placement for crew | Ongoing   |

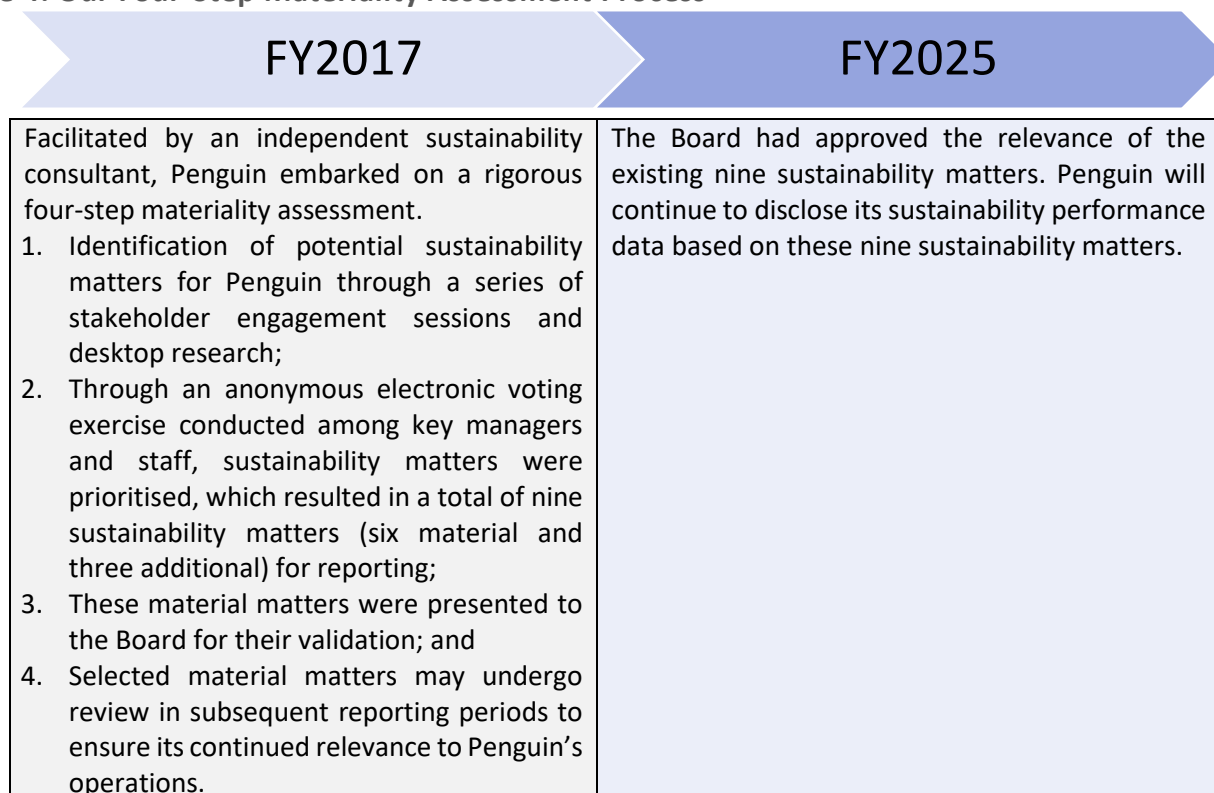
| Stakeholder Groups | Key Concerns/Interests Raised by Stakeholder Groups  | Penguin's Response  | Methods of Engagement   | Frequency of Engagement |
|--------------------|--|---|---|-------------------------|
|                    | <p><b>Batam:</b><br/>Contributing to a safe, healthy and happy community in the vicinity of the company's shipyard</p> | <ul style="list-style-type: none"> <li>• Maintaining a healthy symbiotic relationship with local communities through acts of consideration, compassion and kindness</li> <li>• Contributing to the socio-economic growth of villages through local job creation and economic spin-offs in the vicinity of the shipyard</li> </ul> | <p>Offering job opportunities to villagers.<br/>Volunteering for grassroots' activities, including providing monetary and in-kind donations</p> | <p>Periodic</p>         |

### c. Materiality Assessment

Prior to embarking on our first Sustainability Report for FY2017, we conducted a formal materiality assessment in September 2017 to identify Penguin’s key economic environmental, social and governance matters. The sustainability material matters were reviewed again in FY2025 and determined to be relevant for the year.

Our risk management processes include identifying, assessing, and managing climate-related risks. We use a four-step materiality assessment process to prioritise these risks, involving stakeholder engagement sessions and desktop research. Climate-related risks are integrated into our overall risk management framework, ensuring that they are considered alongside other business risks.

**Figure 4: Our Four-Step Materiality Assessment Process**



**Figure 5: Our Sustainability Matters Chosen for Reporting in FY2025**

| Material Matters |                               | Page  | Additional Matters |   | Page         |
|------------------|-------------------------------|-------|--------------------|---|--------------|
| 1                | Economic Resilience           | 15-16 | 7                  | Product Quality & Stewardship               | 12-14        |
| 2                | Safety <sup>2</sup>           | 29-34 |                    |   |              |
| 3                | Energy Consumption Management | 35-37 | 8                  | Workplace Diversity, Fairness and Retention | 18-23        |
| 4                | Vessel Emission               | 38-40 |                    |   |              |
| 5                | Regulatory Compliance         | 41    | 9                  | Greenhouse Gas (GHG) Emissions              | 36-37, 39-30 |
| 6                | Business Ethics               | 41    |                    |   |              |

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

<sup>2</sup> Safety comprises “Shipboard safety for our crew and passengers” and “Occupational health and safety at our shipyards”.

## d. Sustainability Strategy

Figure 6: Economic Resilience; Our People, Our Assets; Integrated Sustainability



Our comprehensive strategy incorporates key sustainability matters mapped across our unique designer-builder-owner-operator value chain. Please refer to Figure 8 in SR2017 detailing how these material matters were identified and integrated into Penguin's way of life.

## 6. Product Quality Stewardship

As a global market leader in the construction of mid-sized aluminium workboats, Penguin is constantly striving to stay ahead through regular improvement and innovation, from design through to construction and operation, drawing on our core capabilities as a designer, builder, owner and operator of high-speed vessels.

Here are some examples of our commitment to product quality stewardship in FY2025:

### **Decarbonisation with Purpose: The Hybrid Frontier**

In FY2025, Penguin delivered four *Hybrid Lite*, *Electric-Ready* windfarm Crew Transfer Vessels to the world's largest CTV owner, Northern Offshore Services from Gothenburg, Sweden.

In Penguin's terminology, a *Hybrid Lite* vessel is designed to enhance energy efficiency by generating electrical power through shaft generators driven by its main engines. This energy is stored in onboard lithium batteries and drawn down to power hotel loads during operations and while the vessel is alongside, reducing the use of on-board diesel generators. *Hybrid Lite* vessels – unlike *Full-Hybrid* Vessels - do not enable electric propulsion; instead they supplement the vessel's hotel load and reduce reliance on onboard generators. Depending on the operational profile, a *Hybrid Lite* crewboat can meaningfully reduce diesel generator usage and deliver potential emission savings of 1 ton of CO2 per vessel every 2-3 days.

Penguin's four 36m *Hybrid Lite* CTVs - christened Explorer, Exceeder, Ensurer, Embracer – also features *Electric-Ready* modular installations, which enable the vessel to be easily upgraded to full-hybrid or full-electric operations in the not-too-distant future, as well as IMO Tier III main engines by Volvo Penta, which reduces NOx emission by 90% compared to IMO Tier II engines.

These *Electric-Ready* vessels are specifically engineered to allow for the seamless installation of additional batteries and e-motors (and even the eventual removal of main engines and generators) in the future, when the charging infrastructure and market conditions mature.

As evidenced above, Penguin remains fully committed to sensibly reducing our carbon footprint in our newbuilding programme.



***Hybrid Lite, Electric-Ready E-Class CTVs built for NOS in FY2025***

## **Delivered Penguin's Largest Ever Build: RoPaxes for the Masses**

In FY2025, Penguin successfully delivered a pair of 56-metre, 35-knot passenger-cum-vehicle ferries for a first-time client, Abu Dhabi Ports. These state-of-the-art RoPaxes are the largest vessels Penguin had ever built, each one capable of carrying up to 180 passengers and 25 vehicles. We delivered the two vessels on time to our client in Abu Dhabi in March 2025.

Apart from the successful execution of this large and complex build, this RoPax project also featured a successful inter-unit cooperation between PT Kim Seah Shipyard Indonesia as builder, Penguin Shipyard International as project coordinator and Pelican Ship Management as mobilising agent, with PSM's Indonesian crew sailing both vessels from Singapore to Abu Dhabi. This is a significant milestone for Penguin.



***One of two 56-metre, 35-knot RoPaxes***

## ***Electric Dream* Ship-and-Shore Electrification Project: Second Full Year of Commercial Ops**

In FY2025, Penguin marked the second full year of commercial operation of its *Electric Dream* ship-and-shore electrification project, which comprised three fully electric 28.7m, 21-knot commuter ferries and three high-powered rapid DC shore chargers with automated charging jibs.

Every day, our *Electric Dream* ferries shuttle some 3,000 Aster personnel, contractors and visitors between Pasir Panjang Ferry Terminal and Aster's Pulau Bukom energy hub.

*Electric Dream* is a privately funded end-to-end marine electrification project led by Penguin as designer, builder, owner, operator, heading up a consortium that consisted of Incat Crowther UK, Razor Blunt Labs, Gema Engineering, Danfoss Drives and Zinus.

Collectively, by replacing three conventional diesel-powered ferries, our three *Electric Dream* ferries eliminate some 6,000 tons of CO<sub>2</sub> a year from the skies over Singapore. In comparison, the average electric car eliminates about 5 tons of CO<sub>2</sub> annually.



***Electric Dream: Singapore's first fully electric seagoing ships and rapid DC shore chargers***

### **Delivery of the Next-Generation Fireboat for Singapore**

In FY2025, Penguin delivered the first of two second-generation Marine Fire Vessels, Blue Dolphin, to the Singapore Civil Defence Force. The Blue Dolphin's design is based on feedback from our fire fighters working on board our two original fireboats, Red Dolphin and Red Manta.

New features include an increase in length overall, additional upper deck space for Unmanned Aerial Vehicle (UAV) operations, additional equipment space and advanced vessel control system. Innovative ideas were developed collaboratively between Penguin, the Singapore Civil Defence Force and Home Team Science & Technology Agency to further enhance SCDF's firefighting and search-and-rescue missions at sea.



***Blue Dolphin, built for the Singapore Civil Defence Force.***

The examples above demonstrate Penguin's ongoing commitment to decarbonisation, product quality stewardship, continuous improvement and innovation, as well as diversification of products and markets, in our never-ending journey of total sustainability.

## 7. Economic Resilience

As a global leader in our sector, we continue to harness the numerous opportunities generated by our unique and dynamic capabilities as an integrated designer-builder-owner-operator-repairer-rebuilder of high-speed aluminium vessels. Here are some examples:

### **Investing In Our Future by Expanding our Fleet**

In FY2025, we expanded our crewboat fleet from 27 to 34 vessels year-on-year (net of fleet sales), with an average age of only 2.4 years per crewboat. Expanding our chartering footprint in Southeast Asia, Middle East and Africa yielded us a record \$70.6m in vessel chartering revenue in FY2025.



*Pelican Beauty, one of Penguin's FLEX-40SC MAX fast crewboats in Saudi Arabia.*

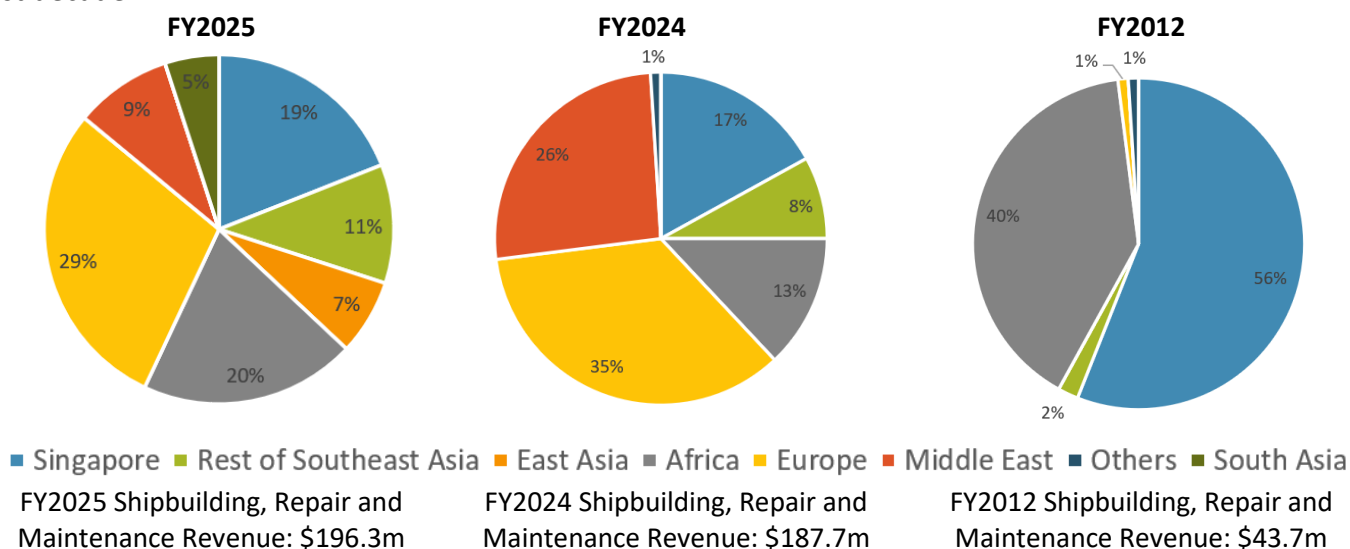
### **Diversifying Penguin's Global Footprint and Making More Customers Happy**

In recent years, Penguin has successfully developed new products and ventured into new markets, with the objective of diversifying its market base. Today, Penguin builds and charters ships for clients in Asia, Middle East, Africa and Europe.

For the fourth year running, Europe accounted for Penguin's largest share of shipbuilding revenue, with 34.0%, followed by the Africa, 21.6%, and Southeast Asia ex-Singapore, 13.1%. Middle East accounted for only 12.3% of group revenue last year.

More significantly, in FY2025 alone, five out of our eight stock vessels sold to third-party owners were purchased by repeat clients, which is part of a long, steady trend. Notably, two of these clients transitioned from initial acquisition to follow-on order in just under 12 months.

Please refer to the pie charts below for a visual representation of Penguin’s diversification journey over the last decade.



### Staying Financially Sustainable

In FY2025, Penguin’s group revenue rose 13.2% year-on-year to a record \$267 million, while gross profit rose 5.9% to a record \$89.5 million, while net profit after tax decreased slightly by 0.2% to \$35.4 million.

| Financial Results <sup>3</sup>           | FY2025<br>S\$'000 | % change from FY2024 | FY2024<br>S\$'000 |
|--|-------------------|----------------------|-------------------|
| <b><i>Economic Value Generated</i></b>   |                   |                      |                   |
| Revenue                                  | 279,123           | ^ 16.2%              | 240,200           |
| <b><i>Economic Value Distributed</i></b> |                   |                      |                   |
| Operating costs                          | 158,099           |                      | 143,844           |
| Employee wages and benefits              | 50,237            |                      | 36,769            |
| Payments to capital providers            | 12,529            |                      | 9,842             |
| Payments to government                   | 8,096             |                      | 6,210             |
| Community investment                     | 14                |                      | 20                |
| Total                                    | 228,975           | —                    | 196,685           |
| <b><i>Economic Value Retained</i></b>    | 50,148            | ^ 15.2%              | 43,515            |

<sup>3</sup> 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 is not meant to replace or provide an alternative to the audited financial statements which is made available in Penguin’s Annual Reports.

## 8. Our People, Our Assets

Through one of the three fundamental principles in our sustainability strategy, Penguin prioritises people over profit. We firmly believe that our people are our greatest asset.

In FY2025, Penguin employed more than 1,000 staff, workers and crew in Singapore, Indonesia, Malaysia and United Arab Emirates.

At all times, we maintain 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 been steadily increasing over the past three years, in line with an increase in our shipbuilding and chartering activities. In FY2025, we employed 1,092 people, up from 886 in 2024. Most of our employees work full-time under permanent employment, with part-time/temporary staff accounting for only 27% of our workforce.

While the marine and offshore industry has traditionally been male-dominated, Penguin constantly strives for gender diversity in its offices, shipyards and ships. We are proud to have a female Executive Director on our Board of Directors and female employees in many units and departments. Please refer to Figures 7 and 8 below for a breakdown of our workforce statistics.

Figure 7: Employment Breakdown by Gender

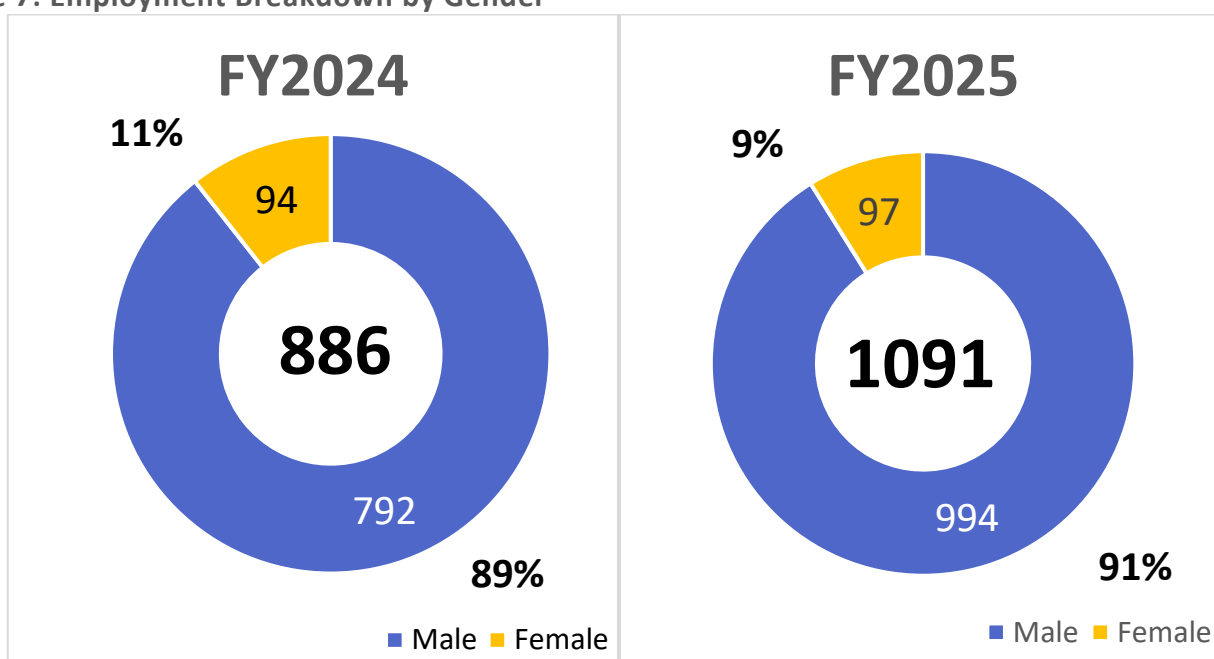


Figure 8: Employment Breakdown by Employment Contract and Region

| Region               | By Employment Contract |           |           |           |
|----------------------|------------------------|-----------|-----------|-----------|
|                      | FY2024                 |           | FY2025    |           |
|                      | Permanent              | Temporary | Permanent | Temporary |
| Singapore            | 422                    | 0         | 459       | 0         |
| Indonesia            | 7                      | 271       | 23        | 300       |
| Malaysia             | 186                    | 0         | 302       | 0         |
| United Arab Emirates | 0                      | 0         | 7         | 0         |

## b. Workplace Diversity and Fairness

### **Policies and Practices**

Penguin has been a signatory to Singapore's Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) since 2014, a commitment that we reaffirm year after year. As a TAFEP signatory, we believe in fair employment which is merit-based and non-discriminatory.

Over the years, we have been able to attract and retain talent with the right skillsets, attitudes and capabilities to contribute to our sustainable practices. Our management practises an open-door policy where employees, regardless of rank, are encouraged to reach out and always speak up. This practice is enshrined in Penguin's Whistle Blowing Policy, which aims to provide an avenue for employees to raise concerns about possible improprieties and obstructive action within the group that they become aware of, and to provide reassurance that they will be protected from reprisals or victimisation for whistle blowing in good faith and without malice.

In addition, management regularly communicates updates on the company's developments and strategies in a timely manner.

#### **Our Human Resource Policies and Procedures**

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 attitude and performance at work.

Penguin's human resource policies and procedures include, but are not limited to, the following areas of employments:

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

For details of each respective policy, please refer to our FY2017 Sustainability Report.

Figure 9: FY2025 Workforce Diversity by Nationality and Age Group

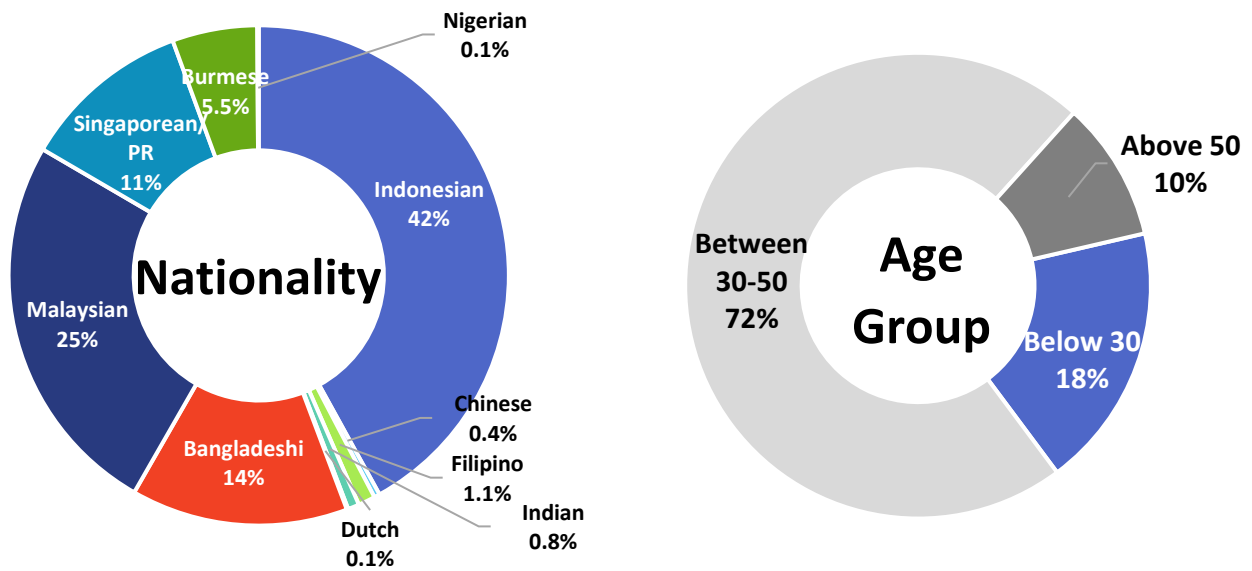
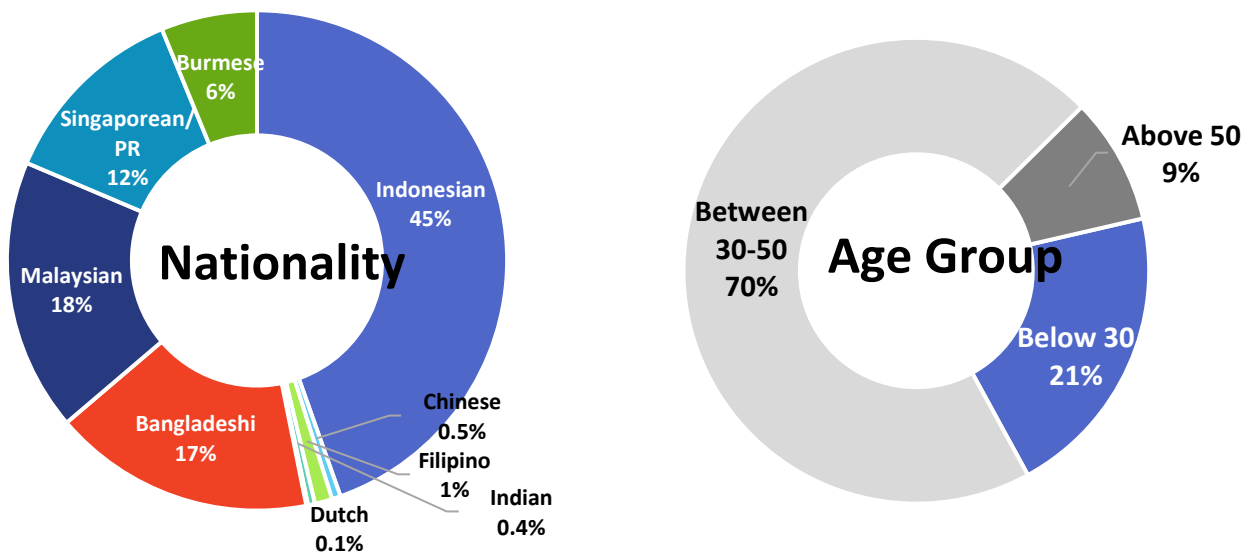


Figure 10: FY2024 Workforce Diversity by Nationality and Age Group



We have procedures in place to ensure that our human resource policy and practices are consistently applied across all our operating units regardless of where they are located. We always comply with local laws and regulations. Depending on an employee’s level of employment, they also enjoy a range of welfare and benefits listed below.

### Employment Benefits

All full-time employees enjoy a range of employment benefits from health care insurance<sup>4</sup>, disability coverage, parental leave and retirement provision.

### Training and Development

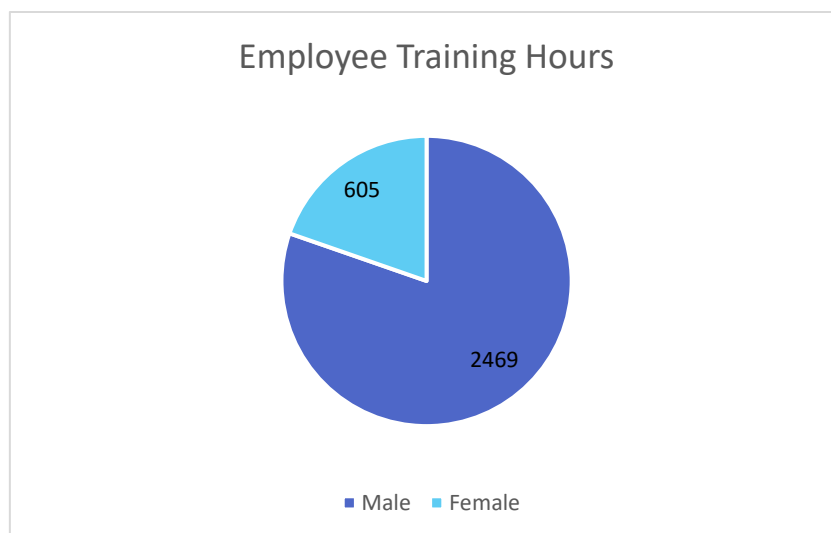
We encourage lifelong training and development among all our employees. Our crew, for example, are required to keep their relevant certificates of proficiency updated as they gain shipboard experience and rise through the ranks. Our shipyard workers undergo both mandatory induction and situational training as they journey with us in their career growth. Our ship design engineers and naval architects are encouraged and given opportunities to attend workshops and seminars to broaden their exposures and knowledge.

In FY2025, our employees underwent a total training of 7,690 hours, with an average of 59.2 hours per participating employee.

Between the genders, male employee recorded a total training of 7,085 hours, with average of 63.26 hours per participating male employee and female employee recorded a total training of 605 hours, with an average of 33.61 hours per participating female employee. Male employees received more training, partly due to a bigger representation of males in the work force and also different job scopes with different training requirements.

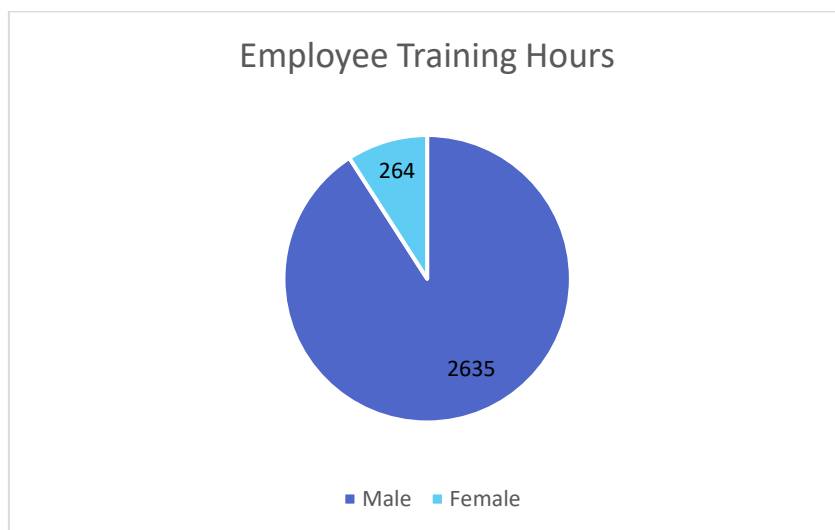
In addition to shore employees, our ships' crew also received a total of 4,632 hours, with an average of 926.4 hours per participating crew of training to upgrade their seamanship skills.

Figure 11: FY2025 Employee Training Hours



<sup>4</sup> As stipulated by respective regulatory bodies in operating countries; including, Ministry of Manpower (MOM) in Singapore, Badan Penyelenggara Jaminan Sosial in Indonesia, Social Security Organisation (SOSCO) in Malaysia, Ministry of Human Resources and Emiratisation (MOHRE), Ministry of Health and Prevention (MOHAP), and relevant local health authorities including the Dubai Health Authority (DHA), Department of Health – Abu Dhabi (DoH), and Emirates Health Services (EHS).”

**Figure 12: FY2024 Employee Training Hours**



**Performance Appraisals**

All our shore-based employees are appraised annually by their superiors, and their appraisal results will go into determining their promotion consideration and annual bonuses. In this process, there is no discrimination between office staff and yard workers. Crew members working on board our vessels are assessed by their respective ship masters and are endorsed by their respective crewing officers and managers.

**FY2025 Employment Statistics**

In FY2025, we recruited 321 new employees, largely to keep up with the growth of our shipbuilding and chartering businesses. In our recruitment process, we sought to identify the most-qualified candidates with the right experience, attitude and job fit - regardless of age, gender or race.

**Figure 13: FY2025 New Hires and Turnover by Gender, Age Group and Region**

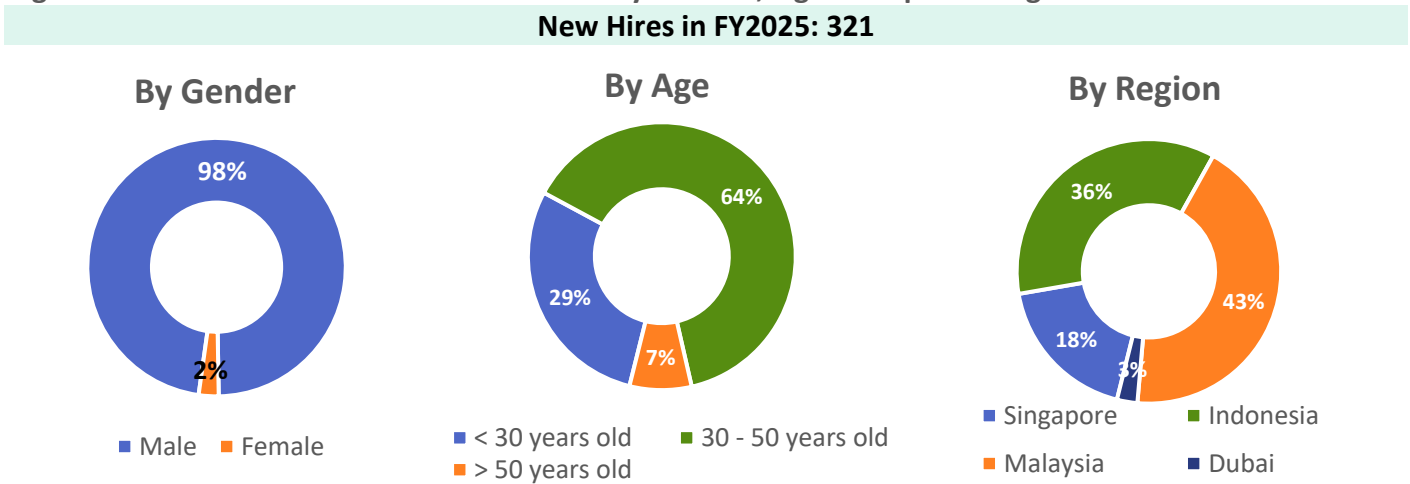
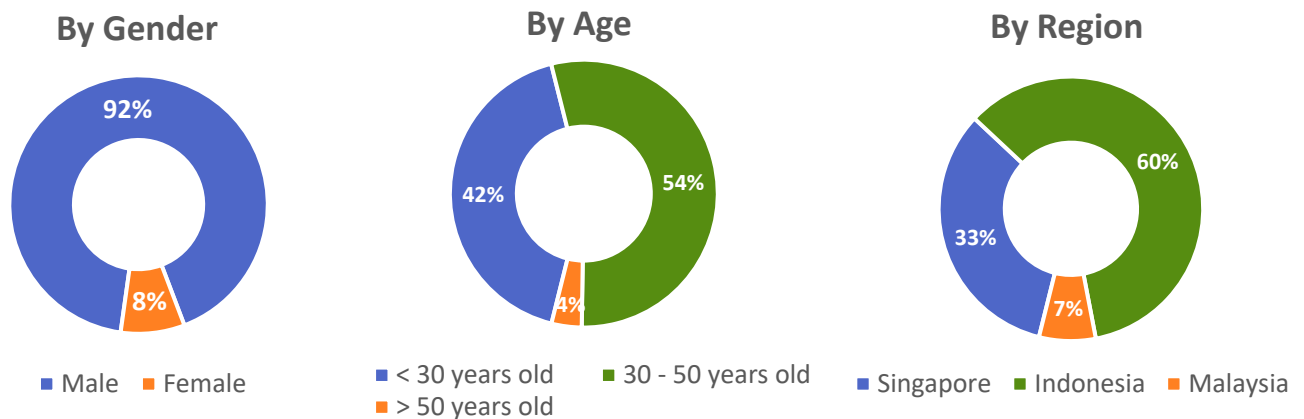


Figure 14: FY2024 New Hires and Turnover by Gender, Age Group and Region

**New Hires in FY2024: 275**

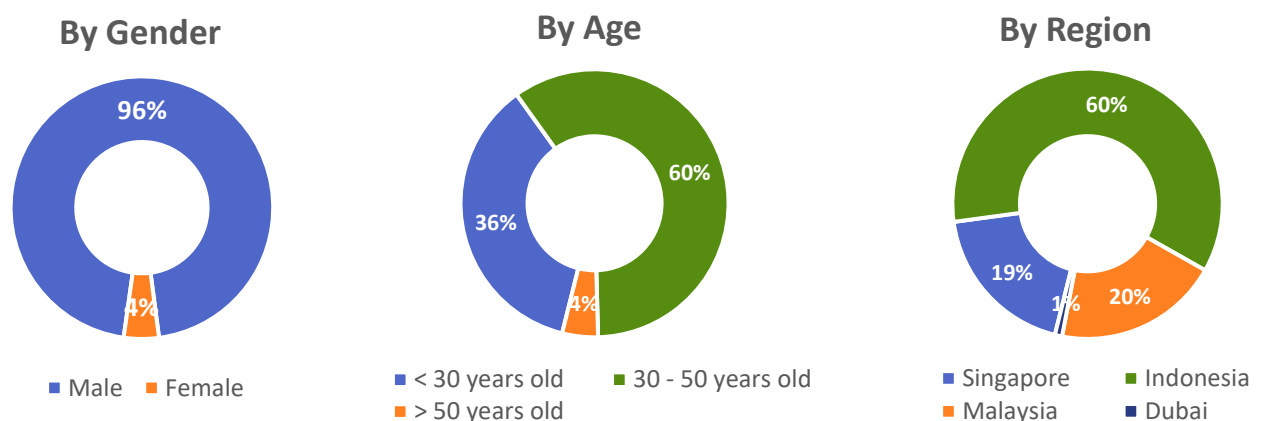


In FY2025, we had a total of 116 cessations, most of them among our crew, made up mostly of young Indonesian males. This is a common occurrence as crew members work on Seafarers’ Agreements and are typically employed on annual renewable contracts on 60 days rotation duty for those employed outside of Singapore. Each completion of contract or tour-of-duty is classified as a cessation. In between employment, many of our crew will use the time to undergo training to upgrade themselves and return to work with us with their higher certifications.

Our Human Resource target is to consistently provide annual personnel appraisals and a variety of internal and external training sessions to all employees. Penguin will continue to be a signatory to the TAFEP and will make sure that all employees, regardless of gender, race, or age, have equal opportunities and chances for career progression.

Figure 15: FY2025 Employee Turnover by Gender, Age Group and Region

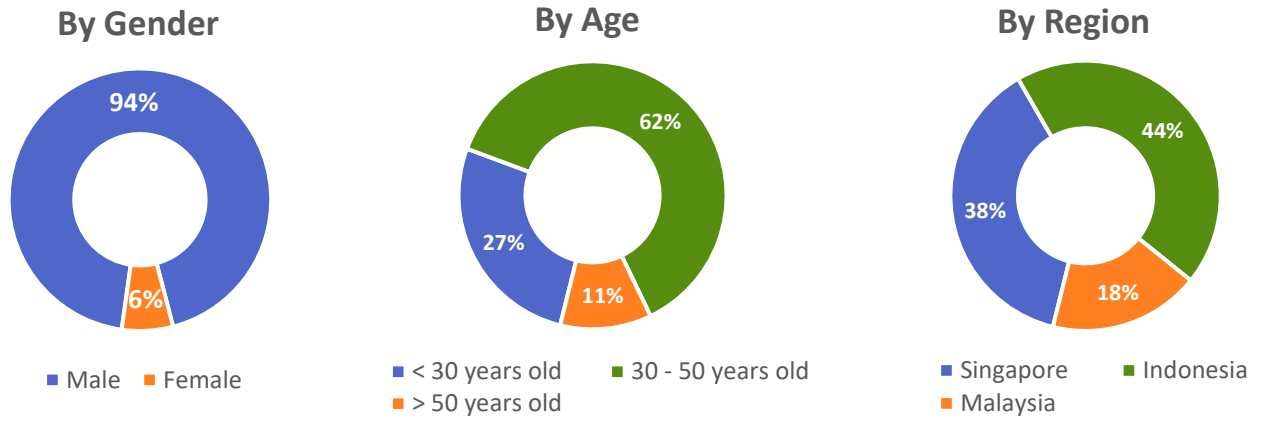
**Employee Turnover in FY2025: 116**



**Note:** Total new hire and employee turnover rates are calculated as a percentage of staff on payroll as of 31 December 2025.

Figure 16: FY2024 Employee Turnover by Gender, Age Group and Region

Employee Turnover in FY2024: 127



**Note:** Total new hire and employee turnover rates are calculated as a percentage of staff on payroll as of 31 December 2024.

## Staff Welfare and Sports Events

### Labour Day 2025

On 2 May 2025, Penguin Singapore organised a Labour Day celebration for our beloved staff and workers, featuring an exclusive movie screening of Marvel Studios' Thunderbolts at Golden Village Bugis+, complete with free popcorn and soft drinks.



*Penguin employees at Thunderbolts movie event*

### International Migrants Day 2025

On 18 December 2025, Penguin celebrated International Migrants Day to thank our migrant staff, workers and crew for their efforts and sacrifices.

We distributed fresh fruits and vegetables to employees in Singapore and encouraged everyone to reflect on our shared responsibility to foster an environment where everyone, regardless of rank, feels valued and appreciated.



*Penguin employees with their fruit and vegetables bounty*

## **Penguin Bowling Tournament 2025**

On 15 October 2025, Penguin Singapore came together for a fun and engaging bowling. The event was filled with laughter, friendly competition, and great team spirit as colleagues bonded outside the workplace.

It was a wonderful opportunity for everyone to relax, connect, and enjoy a memorable time together. We look forward to more activities like this that bring our people closer as one team.



***Penguin employees at Penguin Bowling Tournament***

## **Singtel Race Against Cancer 2025**

On 21 September 2025, a team of 29 Penguin runners participated in Singtel's Race Against Cancer at East Coast Park to raise funds for the Singapore Cancer Society.

In preparation for the race, our runners trained together weekly, which fostered staff cohesiveness and a healthier lifestyle outside the workplace.



***Penguin's cool runners at Singapore's East Coast***

## **Penguin Soccer Tournament 2025**

On 9 November 2025, eight soccer teams from across different Penguin units and departments in Singapore gathered at Terusan Recreational Centre to battle over our annual soccer tournament trophy.

Cheered on by raucous supporters, all the teams played their hearts out and fought hard. Eventually, Team “PSM Bukom” emerged victorious and was crowned the 2025 champions.



*The Champion team of 2025, PSM Bukom*

## **Community Engagement: Spreading the Love**

### **Sharing the Joy and Making a Difference in Batam**

On the community engagement front, we continue to be involved in various personalised outreach programmes in Batam, where we regularly support and sponsor various grassroots and development activities. Our volunteers from our Batam subsidiary PTKS have expressed a sense of fulfilment and joy in their community engagement work.

On 22 March 2025, PTKS organised an event at the nearby Tanjung Riau Village to celebrate Hari Raya Idul Fitri with 300 needy families.



***Tg Riau villagers receiving their love packages from the management representative of PTKS***

### **Providing relief to the affected area in Sumatra**

In November 2025, Sumatra was hit by devastating floods, causing severe damages to homes, infrastructure and livelihoods. In response, our company initiated to provide immediate relief to support those who are affected. This initiative aims to deliver essential goods like food and fresh water. Vehicles are not able to assess the affected area due to road closures. Therefore, the shipment was brought forward from the original schedule of 5 December 2026 to 3 December 2026. Aid is urgently needed, and therefore the Batam Port Master authorised the earlier dispatch. The process was executed promptly to ensure timely delivery. PTKS had dispatched 500kg of rice, 100 boxes of mineral water and instant noodles in the process.



*Preparing to ship out the food and fresh water.*

## 9. Safety

### a. Safety on board our vessels for crew and passengers

We regard a strong safety performance as a key reflection of effective leadership and organisational excellence. A robust safety culture underpins the long-term sustainability of our business, and we recognise that employees are more engaged and confident working in an environment where safety is visibly prioritised from the top.

Across our fleet operations, both domestically and internationally, we emphasise that maintaining a safe working environment is a shared responsibility. Beyond meeting statutory maritime regulations, we proactively align ourselves with the more rigorous standards set by the Oil and Gas Producers (OGP), reflecting the expectations of our predominantly oil and gas client base.

Within our fleet management structure, General Managers, supported by Designated Persons Ashore (DPA), are responsible for overseeing safety management, crew training, and pollution prevention initiatives on board our owned and operated vessels. These efforts are guided by the International Safety Management (ISM) Code.

On board, Masters are entrusted with the daily oversight of the health and safety of crew members and passengers, as well as the protection of the marine environment. They ensure that all shipboard operations are conducted in accordance with the approved Safety Management System (SMS).

Our SMS framework, built upon the principles of the ISM Code, is centred on three core objectives: safeguarding personnel, ensuring the safety of vessels and cargo or passengers, and protecting the marine environment.

Across our onshore operations, we foster a just culture among our stakeholders, encouraging openness, accountability, and continuous learning. While initiatives such as HSE Library and Monsoon Safety Campaign were ongoing in FY2025, we reinforce safety awareness through new initiatives and campaigns, promoting proactive risk identification and responsible behaviours throughout the organisation.

- To further strengthen safety awareness across our fleet, we introduced the Code P.E.L.I.C.A.N. safety campaign, a structured set of Life Saving Rules (LSR) introduced in 2024, tailored to our operational environment. The campaign draws its identity from our fleet naming convention, where all vessels carry the “Pelican” prefix—making the code both familiar and meaningful to our marine crew from the moment they come on board. Code P.E.L.I.C.A.N. serves as a practical and memorable framework to reinforce critical safety behaviours in daily operations. Each letter represents one or more key Life Saving Rules, enabling crew members to easily recall and apply them in their routine work. For instance, “P” stands for Protection and Positioning, reminding personnel to remain vigilant about line-of-fire hazards and working at height, ensuring both personal safety and the safety of their colleagues. By embedding these principles into a simple and recognisable code, we aim to promote consistent safe practices, strengthen hazard awareness, and encourage peer accountability on board. The campaign continues to be an important tool in reinforcing our safety culture, and we remain committed to driving its adoption and integration into everyday operations throughout 2026 and beyond.

Penguin Group has a suite of policies governing safety on board our vessels for crew and passengers. These include but are not limited to:

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

In FY2025, there were no significant changes made to the content of these policies. For details of each policy referenced above, please refer to our 2017 Sustainability Report.

# 7 P.E.L.I.C.A.N. LIFE SAVING RULES

## P Protection & Positioning

**Line of Fire**

- Stay clear of potential hazards where you could be struck, caught between or expose to any falling objects.

**Working at Height**

- Use fall protection equipment where there is a risk of falling into the sea, onto a lower deck, or onto dangerous equipment.

## L Lifting

**Safe Mechanical Lifting**

- Use appropriate lifting tools and techniques. Never stand under a suspended load, and ensure lifting operations are properly planned and supervised.

**Hot Work**

- Obtain the necessary permits before conducting hot work. Ensure flammable materials are removed, and fire protection measures are in place.

## A Authorization

**Work Authorization**

- Ensure a valid work permit is obtained prior to the high-risk jobs. Follow all specified safety measures and communicate with the responsible personnel.

**Subsidiary Safety Controls**

- Never disable or override safety critical equipment without proper authorization. Always follow established procedures to ensure safety systems function as intended.

## E Energy Isolation

**Energy Isolation**

- Before working on equipment, ensure all energy sources (electrical, mechanical, hydraulic, etc.) are properly isolated, locked out, and tagged.

## C Confined Space

**Confined Spaces**

- Do not enter confined spaces without proper authorization, gas testing, and a standby personnel present.

## N Navigation

**Safe Navigation**

- Maintain a proper lookout, communicate effectively, and ensure all navigation equipment is functioning properly.

FLEX FLEET SDN BHD.

- To reinforce continuous awareness and engagement, we issue monthly HSE (Health, Safety and Environment) communications to both our vessels and shore-based teams. These regular interactive sharing cover a range of relevant topics, including safety best practices, lessons learned from incidents, health awareness, and environmental stewardship. Through these monthly updates, we aim to keep safety and environmental considerations at the forefront of daily operations, encourage proactive risk management, and promote a consistent understanding of HSE expectations across the organisation. This ongoing initiative supports the development of a well-informed workforce and strengthens our collective commitment to maintaining a safe and sustainable working environment.

### ENVIRONMENTAL QUALITY ACT (SCHEDULED WASTES) REGULATION 2005

Schedule of waste refers to hazardous waste materials that require special handling, storage, and disposal under the Environmental Quality (Scheduled Wastes) Regulations 2005. Improper management can lead to environmental pollution, legal penalties, and health risks.

**Key Points**

- Waste is defined as any substance or object which has been discarded.
- Substances that are hazardous to the environment or human health.
- Waste is defined as any substance or object which has been discarded.
- Waste is defined as any substance or object which has been discarded.

**Examples of SW**

- Used oil and oily rags
- Used paint cans and containers
- Used batteries
- Used tires
- Used filters
- Used hoses
- Used cables
- Used wires
- Used pipes
- Used valves
- Used fittings
- Used tools
- Used equipment
- Used machinery
- Used vehicles
- Used containers
- Used drums
- Used tanks
- Used pipes
- Used valves
- Used fittings
- Used tools
- Used equipment
- Used machinery
- Used vehicles
- Used containers
- Used drums
- Used tanks

### EYE STRAIN & SCREEN FATIGUE

**Follow the 20-20-20 Rule**  
Every 20 minutes, look at something 20 feet away for 20 seconds.

**Adjust Screen Brightness**  
Adjust screen brightness to suit your eyes.

**Night Mode/Blue Light Filters**  
Use night mode or blue light filters for evening use.

**Blink Often**  
Remember to blink often to keep your eyes moist.

**Take Short Breaks**  
Take short breaks to rest your eyes.

Your eyes work hard—give them a break!

### MOORING OPERATION SAFETY

**NO EXTRA CREW MEMBER ON THE DECK**

**CONSIDER WEATHER CONDITIONS**

**KEEP CLEAR OF ROPE BIGHT**

**CHECK ALL THE MOORING EQUIPMENT**

**TEND ONE LINE AT A TIME**

**KEEP CHECKING THE MOORING LINE TENSION**

### SAFETY SHARING #15 DANGERS OF SLEEPING ON DECK

**PASSENGER SAFETY NOTICE !!!**

**SLEEPING ON OPEN DECK IS STRICTLY PROHIBITED**

**ALL CREWS MUST NOT ALLOWED PASSENGERS TO SLEEP OR LIE DOWN ON THE DECK AREA AT ANY TIME DURING THE VOYAGE**

**POTENTIAL RISKS**

- Exposure to falling equipment
- Tripping
- Obstruction of walkways
- Obstruction of operational areas
- Violation of vessel safety regulations and operational procedures

**WHAT'S YOUR RESPONSIBILITIES?**

- Beliefs and passengers to stay inside passenger rooms
- Monitor and keep advising the passenger via PA system / any communication channels
- Ensure all passengers are seated in the designated area

**YOUR SAFETY IS OUR PRIORITY, STAY SAFE, STAY ALERT**

In FY2025, we launched the following new initiatives to further enhance our SMS:

- To enhance passenger safety awareness, we have introduced a dedicated safety video for use on board our vessels. Previously, safety briefings were delivered verbally by the marine crew prior to departure, with no further reinforcement during the voyage. With the implementation of this safety video, Masters are able to play the content continuously via onboard monitors, ensuring that safety information remains accessible to passengers throughout their journey. This approach allows passengers to view and better understand key safety procedures at their own convenience, while also reinforcing important messages beyond the initial pre-departure briefing. The introduction of this initiative reflects our commitment to improving communication of safety information and ensuring that all passengers are well-informed at all times during their voyage.



## Fleet Safety Performance

Safety performance across our fleet operations continues to be closely monitored and reviewed. Safety statistics are regularly collated and analysed, with quarterly reports submitted to the Board for oversight and guidance.

We uphold a just culture and remain committed to our goal of zero harm, including zero fatalities, zero lost workday cases, zero restricted workday cases and zero medical treatment cases. While these remain our guiding targets, we recognise that operational environments are inherently complex and incidents may still occur. In such situations, we prioritise timely response, thorough investigation, and the identification of root causes to drive continuous improvement and prevent recurrence.

Unfortunately, in FY2025, our fleet operations resulted in *one fatality* and one major incident. Each incident is taken with the utmost seriousness, and we are reinforcing our focus on critical risk management, workforce engagement, and the consistent application of our safety management systems to strengthen our overall safety performance moving forward.

**Figure 17: Fleet Safety Statistics**

| Safety Metrics  | FY2024       | FY2025       |
|---|--------------|--------------|
| Reportable Incidents                                  | <b>1</b>     | <b>2</b>     |
| Reportable Incident Frequency Rate (IFR) <sup>5</sup> | <b>0.83</b>  | <b>1.49</b>  |
| Reportable Incident Severity Rate (ISR) <sup>6</sup>  | <b>19.90</b> | <b>11.95</b> |
| Fatalities  | <b>0</b>     | <b>1</b>     |
| High-consequence Injuries                             | <b>0</b>     | <b>0</b>     |
| Recordable Injuries                                   | <b>1</b>     | <b>1</b>     |
| Work-related Ill Health Cases                         | <b>0</b>     | <b>0</b>     |

**b. Occupational Health and Safety in our Shipyards**

Penguin Shipyard International (PSI) and PT Kim Seah Shipyard Indonesia (PTKS) continued to uphold high standards in workplace safety and health in FY2025. Both shipyards maintained their respective ISO certifications, with PSI certified under an Integrated Management System (IMS – QHSE) encompassing ISO 9001, ISO 45001, and ISO 14001, and PTKS under ISO 9001. During the re-certification audit, both shipyards successfully retained their certifications. PSI recorded two minor non-compliances (NCs), while PTKS achieved zero NCs. All identified gaps were promptly addressed through corrective actions.

The HSE Department remained proactive in strengthening safety culture through continuous engagement with employees and contractors. In FY2025, a total of 48 Mass Toolbox Meetings (MTBs) and 42 safety training sessions were conducted. In addition to core operational safety topics, new focus areas such as Cyber Safety and Security and a “No Vaping” initiative were introduced to address emerging workplace risks and promote overall well-being. A Safety Time-Out (STO) was also conducted in July 2025, focusing on heat stress management and work-at-height safety.

In terms of safety performance, PSI recorded an Incident Frequency Rate (IFR) of 2.61 and an Incident Severity Rate (ISR) of 57.41, with two reportable incidents during the year. PTKS recorded an IFR of 2.17 and an ISR of 14.20, with 13 reportable incidents. While these results reflect continued operational challenges, PTKS maintained relatively low severity levels, and both shipyards remain committed to strengthening preventive measures and improving safety outcomes.

To enhance emergency preparedness, multiple drills were conducted, including two Fire and Evacuation Drills, two Chemical Spill Response Drills, and one Heat Stress Drill. For evacuation exercises, all personnel were successfully accounted for, with response times averaging two minutes and full evacuation completed within nine minutes. Continuous improvements were identified, including strengthening leadership accountability during headcount processes and enhancing alarm audibility for personnel working onboard vessels.

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<sup>5</sup> Reportable Incident Frequency Rate (IFR) is calculated as the total number of reportable incidents per 1 million man-hours worked.

<sup>6</sup> 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.

PSI also underwent three unannounced inspections by the Ministry of Manpower (MOM) in January, June, and October 2025. No major findings were reported, reflecting continued compliance with regulatory requirements.

In FY2025, both shipyards introduced targeted improvements to enhance workplace safety. A Heat Stress Management policy was implemented to better safeguard workers in high-temperature environments. In addition, new engineering controls were introduced, including an automated pipe bending machine for piping operations and a Dry Film Thickness (DFT) measurement device to improve coating quality control and reduce manual risks.

HSE campaigns continued to play a key role in reinforcing safe behaviours. PSI conducted three campaigns covering Lifting Operations, No Texting/No Phone usage, and Fire Prevention, with participation ranging from 175 to 180 personnel per session. PTKS also conducted three campaigns on Personal Protective Equipment (PPE), No Texting/No Phone usage, and Fire Prevention, with strong participation ranging from 1,500 to 1,900 personnel. Active involvement from senior management was observed across all campaigns, reinforcing leadership commitment to workplace safety.

Safety recognition programmes were sustained in FY2025 to encourage positive safety practices. PSI continued its monthly HSE Awards, recognising one site supervisor and one site worker for exemplary safety performance. PTKS maintained similar recognition initiatives for contractor partners. No changes were made to the incentive structure during the year.

Overall, while FY2025 presented challenges in maintaining incident-free performance, both PSI and PTKS remain committed to continuous improvement through enhanced training, stronger operational controls, and sustained leadership engagement to achieve safer workplaces.

**Figure 18: Shipyards Safety Statistics**

| Safety Metrics  | FY2024         | FY2025 |
|---|----------------|--------|
| Reportable Incidents                                  | 9 <sup>7</sup> | 15     |
| Reportable Incident Frequency Rate (IFR) <sup>8</sup> | 1.70           | 2.22   |
| Reportable Incident Severity Rate (ISR) <sup>9</sup>  | 13.82          | 12.59  |
| Fatalities  | 0              | 0      |
| High-consequence Injuries                             | 9              | 11     |
| Recordable Injuries                                   | 10             | 15     |
| Work-related Ill Health Cases                         | 0              | 0      |

<sup>7</sup> Reportable Incidents in FY2024 was restated.

<sup>8</sup> Reportable Incident Frequency Rate (IFR) is calculated as the total number of reportable incidents per 1 million man-hours worked.

<sup>9</sup> Reportable Incidents Severity Rate (ISR) is calculated as the total number of medical leave days taken consolidated from the reportable incidents per 1 million work hours.



Current issue date: 22 December 2025  
 Expiry date: 21 December 2028  
 Certificate identity number: 10718449

Original approval(s):  
 ISO 9001 - 22 November 2014  
 ISO 14001 - 22 December 2022  
 ISO 45001 - 8 September 2022

# Certificate of Approval

This is to certify that the Management System of:

## Penguin Shipyard International Pte Ltd

21 Tuas Road, Singapore 638489, Singapore

has been approved by LRQA to the following standards:

**ISO 9001:2015, ISO 14001:2015, ISO 45001:2018**

Approval number(s): ISO 9001 – 00037620-001, ISO 14001 – 00038850-001, ISO 45001 – 00037634-001

This certificate forms part of the approval identified by approval number: 00037620/ 00038850/ 00037634

**The scope of this approval is applicable to:**

ISO 9001:2015, ISO 14001:2015, ISO 45001:2018

Ship design, Shipbuilding and Ship repair of aluminum fast crafts.

This certificate is a continuation of a previous approval from another certification body as follows:

Previous original ISO 45001 approval on 22-APR-2021, British Assessment Bureau certificate number 2033855

Previous original ISO 9001 approval on 22-Nov-2014, BUREAU VERITAS certificate number SG003620

Fotis Kampouris

Executive Vice President APAC  
 Issued by: LRQA Limited



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**ISO 14001:2015, ISO 9001:2015 and ISO 45001:2018**



Current issue date: 22 December 2025  
 Expiry date: 21 December 2028  
 Certificate identity number: 10718447

Original approval(s):  
 ISO 9001 - 22 November 2014

# Certificate of Approval

This is to certify that the Management System of:

## PT. Kim Seah Shipyard Indonesia

Kawasan Industry Sekupang Baru No 61, Kel. Tanjung Riau, Kec. Sekupang, Batam, Indonesia

has been approved by LRQA to the following standards:

**ISO 9001:2015**

Approval number(s): ISO 9001 – 00037620-002

This certificate forms part of the approval identified by approval number: 00037620

**The scope of this approval is applicable to:**

Shipbuilding of aluminum fast crafts.

This certificate is a continuation of a previous approval from another certification body as follows:

Previous original ISO 9001 approval on 22-Nov-2014, BUREAU VERITAS certificate number SG003620

Fotis Kampouris

Executive Vice President APAC  
 Issued by: LRQA Limited



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**ISO 9001:2015**

## 10. Environment

### a. Our Shipyards' Energy Consumption and Greenhouse Gas (GHG) Emissions

Our shipyards in Singapore and Batam account for the bulk of energy consumed at our workplaces, while our office in Kuala Lumpur accounts for only a fraction of total consumption. In addition to drawing electricity from their respective power grids, our shipyards also consume diesel and lubricants used in the operation of fork lifts, scissor lifts, cranes and other heavy machinery.

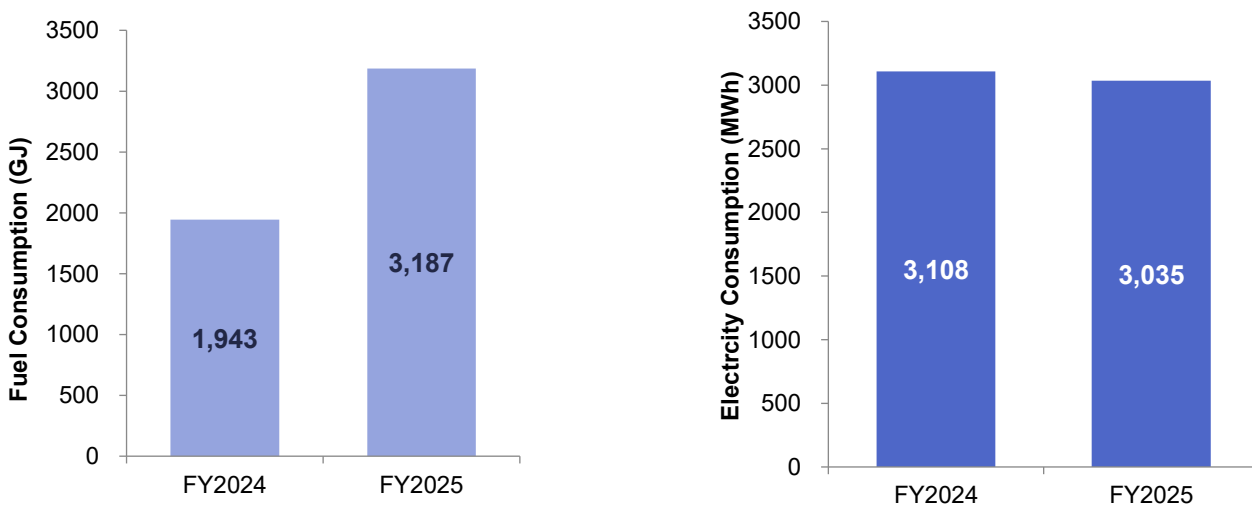
In FY2025, the total electricity, fuel and lubricants consumed by our shipyards was 14,112 GJ, a 7% increase from the previous year. This is mainly due to increased in newbuild and repair activity in both our shipyards. In the same year, our Singapore shipyard recycled and disposed of some 495 kg (FY2024 - 300 kg) of IT equipment and 59,267.5 kg (FY2024 – 51,442 kg<sup>10</sup>) of scrap metal through appointed contractors.

We disclose specific metrics related to our energy consumption and greenhouse gas (GHG) emissions. We have set a target of reducing our GHG emissions intensity by vessel under construction by 10% by 2030, with a yearly reduction target of 2%. These metrics and targets help us manage climate-related risks and opportunities effectively.

In FY2025, we saw an increase in consumption of fuel and lubes at our shipyards, led by an increase in shipbuilding activity in Batam. However, over the same period, electricity consumption fell 2% year-on-year to 3,045 MWh. The reduction mostly came from the solarisation of our shipyard in Singapore, which today taps renewable energy for some 80% of its power requirements.

We have set a target of reducing our GHG emissions intensity by vessel under construction (in tonnes CO2/Vessel) by 10% in 2030 and a yearly reduction target of 2% after that.

**Figure 19 (below): Our Shipyards' (i) Fuel and Lubes and (ii) Electricity Consumed**



<sup>10</sup> Scrap metal in FY2024 were restated.

Figure 20 (below): Shipyards' Energy Consumed vs. Energy Intensity per Vessel Under Construction

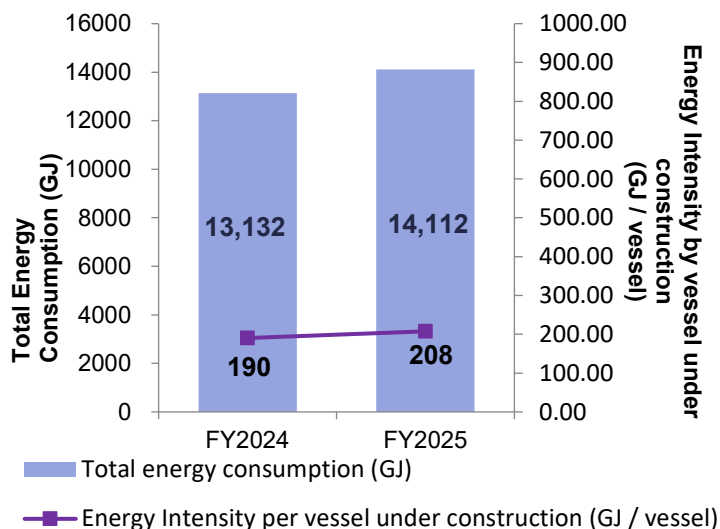
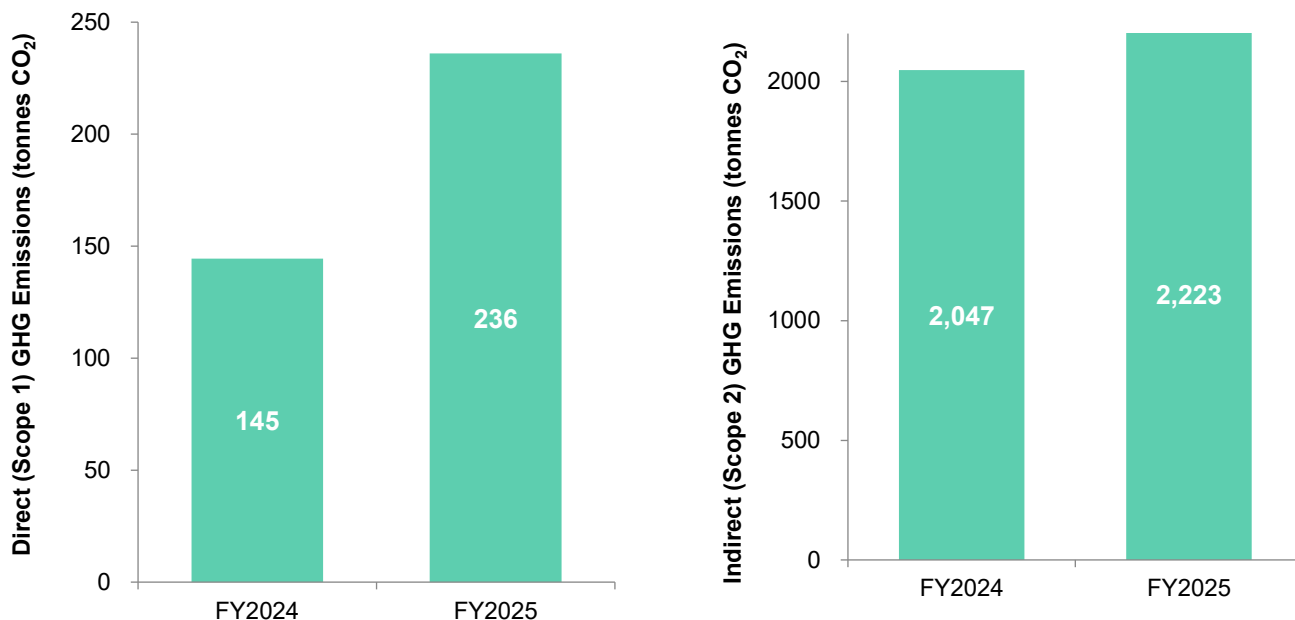


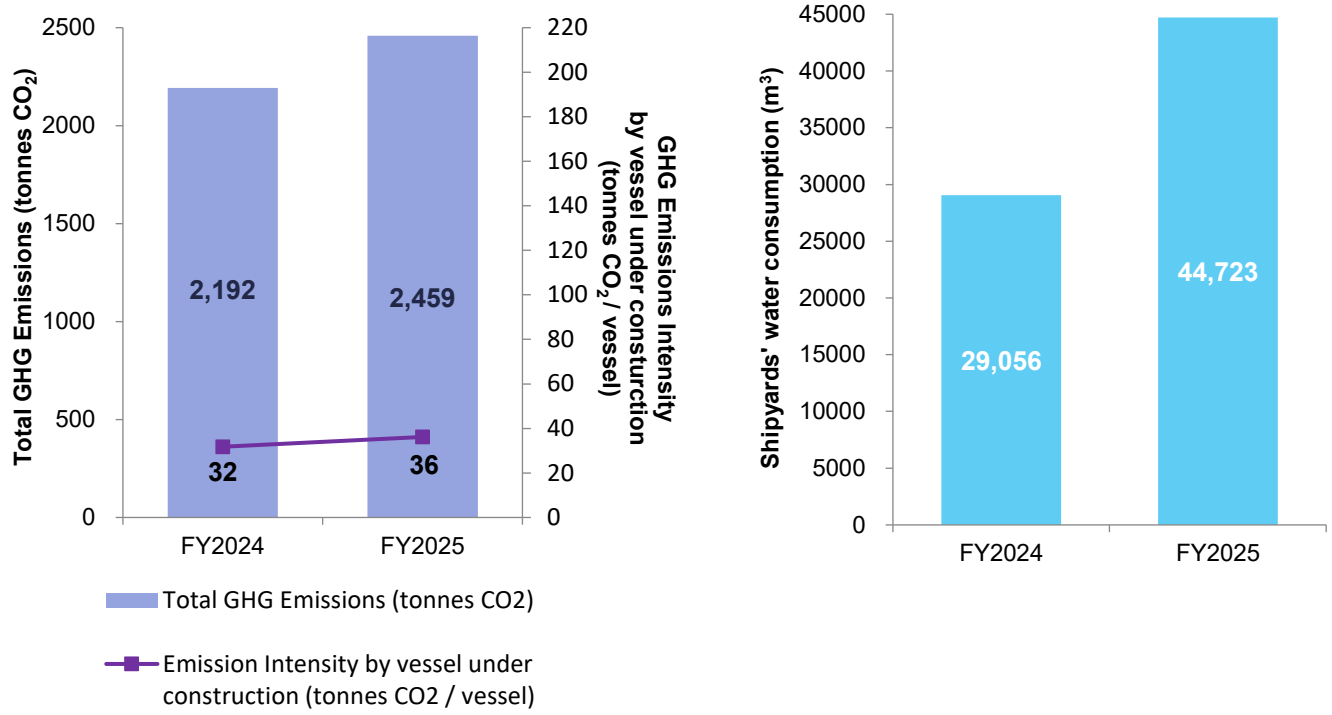
Figure 21 (below): Shipyards' (i) Direct (Scope I)<sup>11</sup> and (ii) Indirect (Scope II)<sup>12</sup> GHG Emissions



<sup>11</sup> For calculation of Scope 1 emissions, they were derived from the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.

<sup>12</sup> For calculation of Scope 2 emissions, grid emission factors for Singapore were derived from "Grid Emission Factor", published by the Energy Market Authority of Singapore. For Indonesia, grid emission factor was derived from Directorate General of Electricity, Ministry of Energy and Mineral Resources, Indonesia. Latest available values are for 2019.

Figure 22 (below): Shipyards' GHG Emissions and Intensity and Water Consumption<sup>13</sup>



<sup>13</sup> Water consumption in FY2023 were restated.

## b. Vessel Emissions

Our vessels under charter operate primarily in Singapore and Malaysia, with a growing new fleet in the Middle East and West Africa. Apart from our three fully electric *Electric Dream* ferries in Singapore, our other vessels depend on Marine Diesel Oil (MDO) for primary energy.

In our hybrid-energy fleet, we own and operate a solar-assist passenger ferry in Singapore, solar-sail crewboats in Malaysia and Hybrid Lite crewboats in Abu Dhabi. We also operate on behalf of the Maritime and Port Authority of Singapore a full-hybrid patrol boat (with electric propulsion), named MPA Guardian.

Our fuel consumption data below comes primarily from our crewboat, ferry and workboat operations in Singapore, Malaysia, Middle East and Africa. In FY2025, our global fleet on operations and standby consumed a total of 56,170 GJ<sup>14</sup> of MDO, resulting in 4,182 tonnes of CO<sub>2</sub> emissions<sup>15</sup>. There was an 8.3% year-on-year increase in fleet energy consumption, due primarily to an increase in the number of vessels being added to our operating fleet. Some of these newbuilds consumed fuel under our own Scope I emissions recording prior to going on-hire, after which our charterers would carry the emissions account.

In addition, our ship management teams in Singapore and Malaysia also provide mobilisation services to our shipyards' third-party newbuild clients. The mobilisation services essentially entail using our own crew and ship management resources to sail a variety of newly completed vessels (eg, crewboats, security boats, passenger ferries) from Singapore or Batam to their final destination in Southeast Asia, Middle East or Africa. Under this in-house service, we record Scope I emissions on our own account. Due to a year-on-year increase in mobilisation services in FY2025, we saw higher GHG emissions during the period.

We have set a target of reducing our vessels' Scope I GHG emissions intensity by running hours (tCO<sub>2</sub>/running hours) by 10% by 2030 and a yearly reduction target of 2%.

**Figure 23: Our Scope I Emissions from our Vessels Between Charters and on Standby**

| Air emissions (tonnes) | FY2024 | FY2025 |
|------------------------|--------|--------|
| NO <sub>x</sub>        | 66.7   | 72.2   |
| SO <sub>x</sub>        | 2.6    | 2.8    |
| PM                     | 1.1    | 1.3    |

**Figure 24: Our Scope I Emissions from Vessel Mobilisations**

| Air emissions (tonnes) | FY2024 | FY2025 |
|------------------------|--------|--------|
| NO <sub>x</sub>        | 1.7    | 41.5   |
| SO <sub>x</sub>        | 0.1    | 1.6    |
| PM                     | 0      | 0.7    |

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<sup>14</sup> 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).

<sup>15</sup> 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.

Figure 25: Total Fuel Consumption and GHG Emissions / Intensities from Vessel Operations

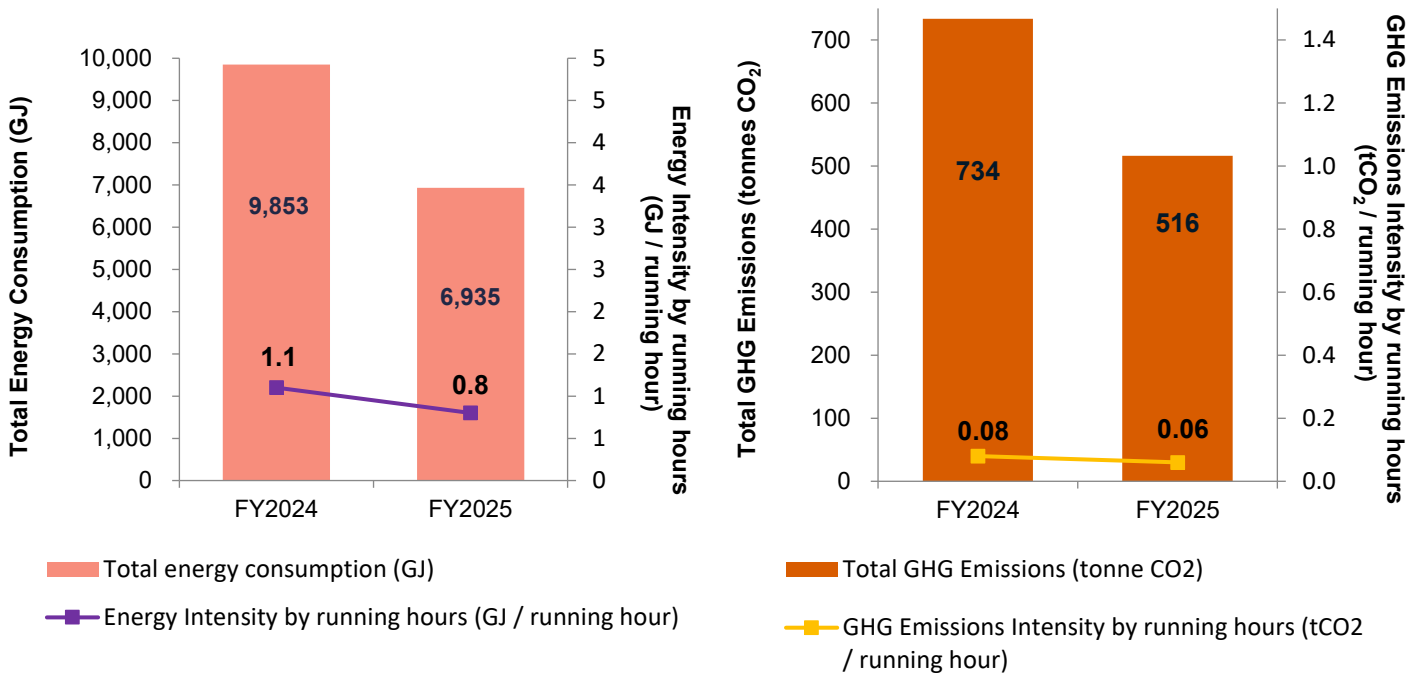


Figure 26: Total Fuel Consumption and GHG Emissions / Intensities from Vessel Mobilisation

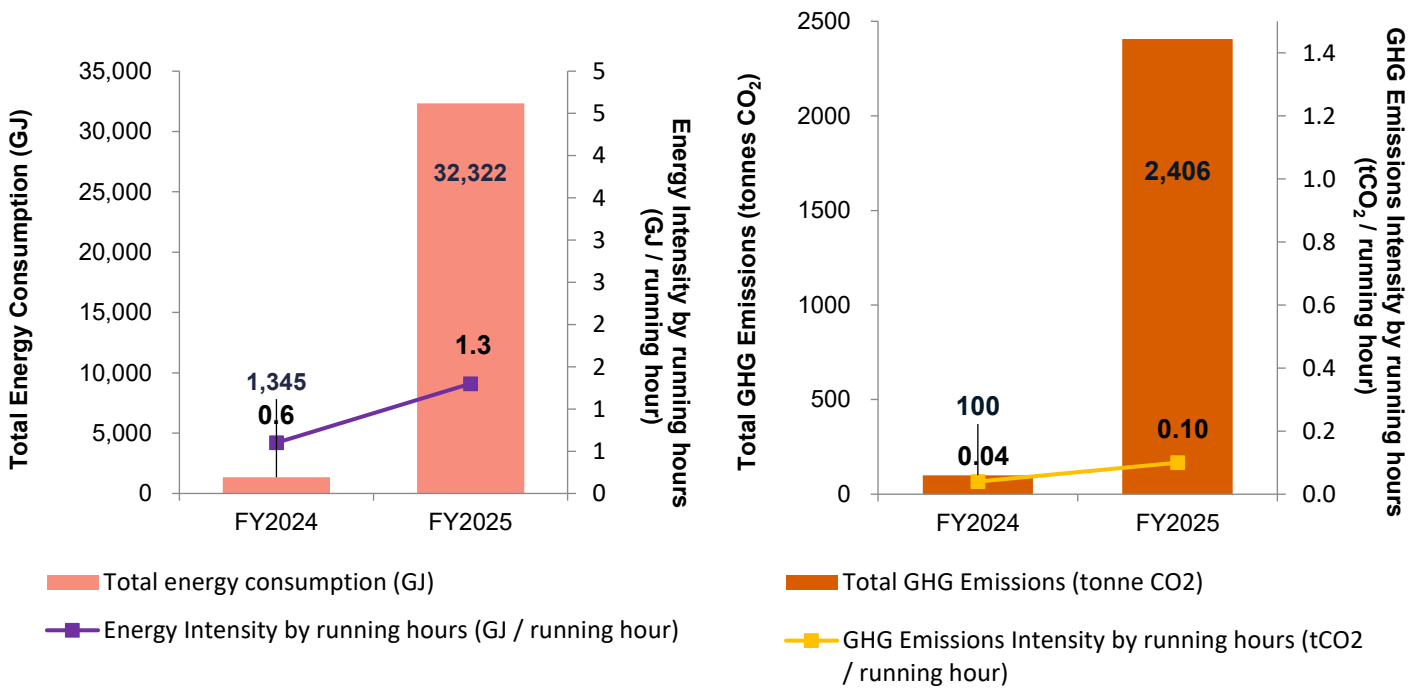
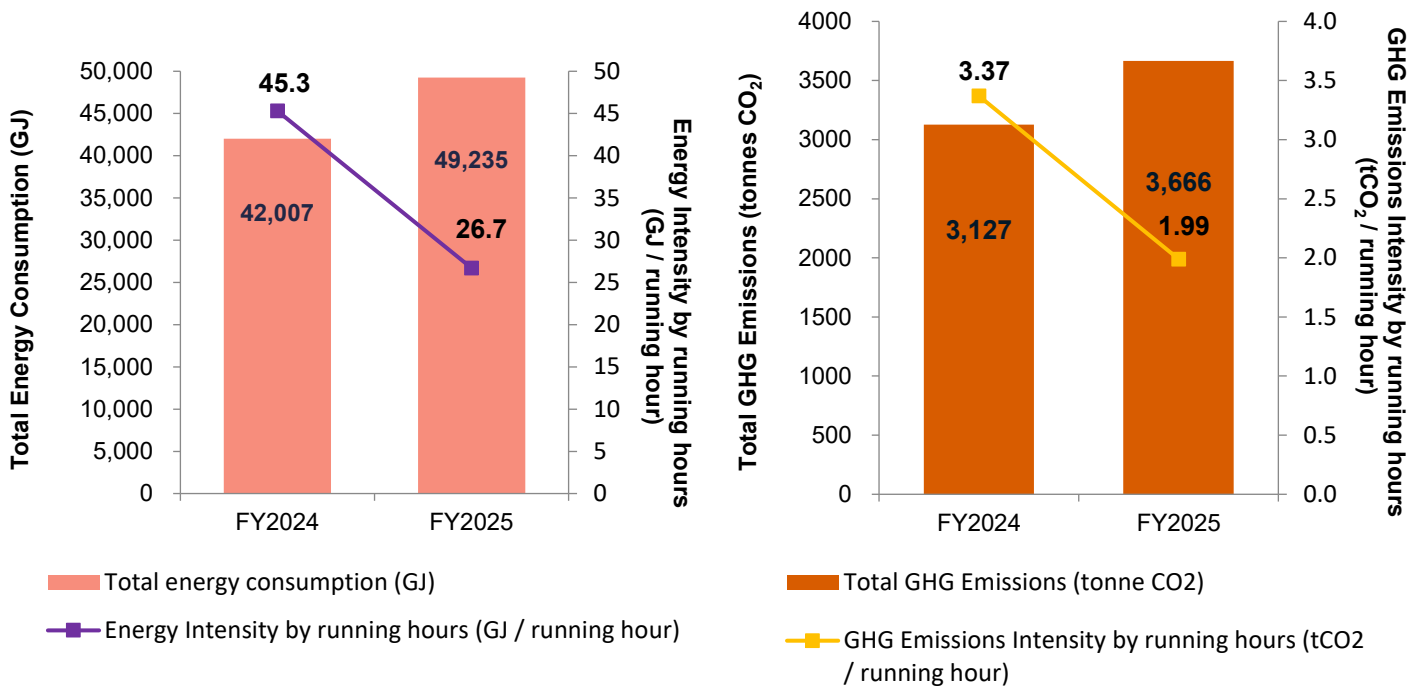


Figure 27: Total Fuel Consumption and GHG Emissions / Intensities from Vessel on Standby



# 11. Corporate Governance

## Regulatory Compliance

As part of our commitment to sustainable practices, we ensure that we comply with all applicable legal and regulatory requirements at all times. These requirements include relevant Primary Legislation (Acts) passed by Parliament, the Subsidiary Legislation (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, with policies and procedures in place to guide the implementation.

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

There is no case of regulatory non-compliance in FY2025 and no incident of non-compliance concerning health and safety impacts of products and services.

We target to maintain zero cases of non-compliance related to corporate governance requirements now and in the future.

## Business Ethics

We remain steadfast in upholding ethics in our business practices, and we target zero lapses in the Code of Corporate Governance 2018. Our robust business ethics framework and anti-corruption policies (Figure 20) provides guidance on the right conduct to prevent even perceived improprieties<sup>16</sup>. Online workshops for staff on anti-corruption will be planned and conducted to further reinforce the policy. 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 may be raised through our whistle-blowing channel. Our whistle blowing policy is published on our [website](#).

There was no case of whistle blowing or anti-corruption complaints in FY2025.

We aim to achieve zero incidents of corruption now and in the future.

Figure 24: Our Anti-Corruption Policies



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

<sup>16</sup> 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   |                               |
|--|---|---|-------------------------------|
| <b>GRI 2: General Disclosures 2021</b> |   |   |                               |
| <b>Organisational profile</b>          |   |   |                               |
| 2-1                                    | Organisational details  | About Penguin International Limited<br>Annual Report 2025   | Pg. 1<br>Pg. 11               |
| 2-1                                    | Restatement of information  | Economic Resilience<br>Environment  | Pg. 15<br>Pg. 33              |
| 2-6                                    | Activities, value chain and other business relationships                | About Penguin International Limited<br>Sustainability Report 2017   | Pg. 1<br>Pg. 13-17            |
| 2-7                                    | Employees   | Our Key Accomplishments in<br>FY2025;<br>Staff Demographics   | Pg. 4<br>Pg. 17               |
| 2-6                                    | Activities, value chain and other business relationships                | There are no significant changes to the organisation and supply chain.  |                               |
| 2-23                                   | Policy commitments  | Corporate Governance;<br>Annual Report 2025   | Pg. 37<br>Pg. 56-60           |
| 2-28                                   | Membership associations   | Key memberships include Association of Singapore Marine Industries (ASMI) and Singapore Shipping Association (SSA). |                               |
| <b>Strategy</b>                        |   |   |                               |
| 2-22                                   | Statement on sustainable development strategy                           | Board Statement   | Pg. 6                         |
| <b>Ethic and Integrity</b>             |   |   |                               |
| 2-23                                   | Policy commitments  | Our Key Accomplishments in<br>FY2024;<br>Corporate Governance   | Pg. 4<br>Pg. 47               |
| 2-26                                   | Mechanisms for seeking advice and raising concerns                      | Corporate Governance;<br>Annual Report 2025   | Pg. 47<br>Pg. 60-62,<br>65    |
| <b>Governance</b>                      |   |   |                               |
| 2-9                                    | Governance structure and composition                                    | Sustainability Governance<br>Annual Report 2025   | Pg. 6<br>Pg. 21-24,<br>37, 48 |
| 2-10                                   | Nominating and selecting the highest governance body                    | Annual Report 2025  | Pg. 37, 48-<br>50             |
| 2-11                                   | Chair of the highest governance body                                    | Annual Report 2025  | Pg. 37                        |
| 2-12                                   | Role of highest governance body in overseeing the management of impacts | Board Statement;<br>Annual Report 2025  | Pg. 6<br>Pg. 40-41            |
| 2-19                                   | Remuneration policies   | Annual Report 2025  | Pg. 50-52                     |
| 2-14                                   | Role of the highest governance body in sustainability reporting         | Sustainability Governance   | Pg. 6                         |
| 2-20                                   | Process for determining remuneration                                    | Annual Report 2025  | Pg. 50-52                     |
| <b>Stakeholder Engagement</b>          |   |   |                               |
| 2-30                                   | Collective bargaining agreements  | Not applicable as Penguin International Limited is not unionised  |                               |
| 2-29                                   | Approach to stakeholder engagement                                      | Stakeholder Engagement  | Pg. 7-9                       |
| <b>Reporting Practice</b>              |   |   |                               |
| 2-2                                    | Entities included in the organisation's sustainability reporting        | Annual Report 2024  | Pg. 113-<br>115               |
| 3-1                                    | Process to determine material topics                                    | About the Report  | Pg. 2                         |
| 3-2                                    | List of material topics   | Materiality Assessment  | Pg. 11                        |
| 2-3                                    | Reporting period, frequency and contact point                           | Page 2. Annually. 1 January 2025 – 31 December 2025   |                               |

| GRI Standard Disclosure Reference | Disclosure         | Location or reason for omission  |
|-----------------------------------|--------------------|--|
| 2-5                               | External assurance | Penguin has not sought external assurance for this report. Crowe Horwath First Trust Advisory Pte Ltd, a reputable professional firm specialising in audit services, has assisted the Board in its review of the adequacy and effectiveness of the company's internal control systems in relation to sustainability reporting. |

| Material matters                         |       |   |  |                    |
|--|-------|---|--|--------------------|
| GRI Standard Disclosure Reference        |       | Description   | Location or reason for omission                            |                    |
| <b>Product Quality and Stewardship</b>   |       |   |  |                    |
| GRI 3: Material Topics 2021              | 3-3   | Management of material topics   | Product Quality Stewardship                                | Pg. 12-16          |
| <b>Economic Resilience</b>               |       |   |  |                    |
| GRI 3: Material Topics 2021              | 3-3   | Management of material topics   | Economic Resilience  | Pg. 15-16          |
| GRI 201: Economic Performance 2016       | 201-1 | Direct economic value generated and distributed   | Our Key Accomplishments in FY2024;<br>Economic Resilience  | Pg. 4<br>Pg. 15-16 |
| <b>Business Ethics</b>                   |       |   |  |                    |
| GRI 3: Material Topics 2021              | 3-3   | Management of material topics   | Corporate Governance                                       | Pg. 39             |
| GRI 205: Anti-Corruption 2016            | 205-2 | Communications and training about anti-corruption policies and procedures                     | Corporate Governance                                       | Pg. 39             |
|  | 205-3 | Confirmed incidents of corruption and actions taken   | Our Key Accomplishments in FY2024;<br>Corporate Governance | Pg. 4<br>Pg. 39    |
| <b>Regulatory Compliance</b>             |       |   |  |                    |
| GRI 3: Material Topics 2021              | 3-3   | Management of material topics   | Corporate Governance                                       | Pg. 39             |
| GRI 3: Material Topics 2021              | 2-27  | Compliance with laws and regulations  | Our Key Accomplishments in FY2024;<br>Corporate Governance | Pg. 4<br>Pg. 39    |
| GRI 416: Customer Health and Safety 2016 | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Our Key Accomplishments in FY2024;<br>Corporate Governance | Pg. 4<br>Pg. 39    |
| <b>Energy Consumption Management</b>     |       |   |  |                    |
| GRI 3: Material Topics 2021              | 3-3   | Management of material topics   | Energy Consumption Management and GHG Emissions            | Pg. 38-40          |
| GRI 302: Energy 2016                     | 302-1 | Energy consumption within the organisation  | Energy Consumption; Management and GHG Emissions           | Pg. 38-40          |
|  | 302-3 | Energy Intensity  | Energy Consumption; Management and GHG Emissions           | Pg. 38-40          |
| <b>Greenhouse Gas (GHG) Emissions</b>    |       |   |  |                    |

| Material matters   |       |  |  |           |
|--|-------|--|--|-----------|
| GRI Standard Disclosure Reference  |       | Description  | Location or reason for omission  |           |
| GRI 3: Material Topics 2021  | 3-3   | Management of material topics  | Energy Consumption Management and GHG Emissions  | Pg. 38-40 |
| GRI 305: Emissions 2016  | 305-1 | Direct (Scope 1) GHG emissions   | Energy Consumption; Management and GHG Emissions   | Pg. 39    |
|  | 305-2 | Energy indirect greenhouse gas (GHG) emissions (Scope 2)   | Energy Consumption; Management and GHG Emissions   | Pg. 39    |
|  | 305-4 | GHG emissions intensity  | Energy Consumption; Management and GHG Emissions   | Pg. 39    |
| Vessel Emissions   |       |  |  |           |
| GRI 3: Material Topics 2021  | 3-3   | Management of material topics  | Vessel Emissions   | Pg. 41    |
| GRI 305: Emissions 2016  | 305-7 | Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions                                     | Vessel Emissions   | Pg. 41    |
| Workplace Diversity, Fairness and Retention  |       |  |  |           |
| GRI 3: Material Topics 2021  | 3-3   | Management of material topics  | Workplace Diversity and Fairness   | Pg. 18-23 |
| GRI 401: Employment 2016   | 401-1 | New employee hires and employee turnovers  | Workplace Diversity and Fairness   | Pg. 21-23 |
|  | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part- time employees  | Workplace Diversity and Fairness   | Pg. 20    |
| GRI 404: Training and Education 2016   | 404-3 | Percentage of employees receiving regular performance and career development reviews   | Workplace Diversity and Fairness   | Pg. 21    |
| 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 3: Material Topics 2021  | 3-3   | Management of material topics  | Safety   | Pg. 30-39 |
| GRI 403: Occupational Health and Safety 2018   | 403-1 | Types of injury and rates of injury, occupational diseases, lost days, absenteeism, number of work-related fatalities, number of hours worked. | Safety   | Pg. 32-37 |

## TCFD Content Index

| Disclosure  | Location or reason for omission                                      |           |
|---|--|-----------|
| <b>Governance</b>   |  |           |
| Disclose the organisation's governance around climate-related risks and opportunities   | Sustainability Governance  | Pg. 6     |
| <b>Strategy</b>   |  |           |
| Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material. | Economic Resilience  | Pg. 16    |
| <b>Risk Management</b>  |  |           |
| Disclose how the organisation identifies, assesses, and manages climate-related risks.  | Materiality Assessment   | Pg. 10    |
| <b>Metrics and Targets</b>  |  |           |
| Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material  | Our Shipyards' Energy Consumption and Greenhouse Gas (GHG) Emissions | Pg. 38-41 |