



2021 SUSTAINABILITY UPDATE

COMMUNICATION ON PROGRESS (REPORTING YEAR 2020)

Since 2020, Synergy Marine Group has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.

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Core Values

Total integrity

Absolute safety

Complete transparency

Enduring empathy

Broad empowerment

Deep respect

About Us

Headquartered in Singapore, Synergy’s hallmarks are its through-life approach to asset management and ability to develop custom-designed thought partnership strategies with leading owners. Spanning a network of 22 offices in 13 countries and employing more than 15,000 seafarers, Synergy’s managed fleet of almost 400 vessels includes the most complex LNG carriers (including FSUs), LPG carriers and 20,000+ TEU container ships, as well as oil and chemical tankers and bulk and car carriers. With a strong focus on crew well-being, digitalisation and environmentally responsible policies, Synergy is at the forefront of transforming the ship management industry.

Founded in 2006

Leading global provider for ship management services

Signatory to the UN Global Compact

Member of the Maritime Anti-Corruption Network, the Getting to Zero Coalition, the IMPA SAVE campaign, INTERCARGO, InterManager and the International Maritime Employers’ Council

Founding member and signatory of the Neptune Declaration

Green Award certified

Partner in the Global Maritime Forum

58

Customers

15,481

Seafarers

1,109

Shore Staff

13

Countries

17

Nationalities

Letter from our CEO



The Covid-19 pandemic has challenged every one of us like nothing before. Trying to chart the right course through the trials and tribulations of 2020 and 2021, as our world was thrown upside down, has made me ponder deeply the concept of 'doing the right thing'.

How to define 'good' or 'goodness' is a question that has taxed philosophers and intellectuals for millennia. I gravitate towards Aristotle's view that these notions are ends, or purposes, that can be pursued as moral concepts by those seeking to fulfil their natures.

I interpret this to mean that there is no reason why we cannot, as individuals, seek fulfilment by aspiring to be 'good' in our professional and personal lives. I also see no reason why Aristotelian ambitions towards 'goodness' should not be applied to a company's core values and ethics.

Trying to do the right thing was certainly a founding value of the Synergy Group. It has also been a consistent aspiration as we have grown into one of the world's leading ship managers over the last 15 years.

Throughout this pandemic, the wellness of our employees has been our prime concern. Our fight to protect seafarers and their human rights resulted in Synergy being a founding member of the task force that created the Neptune Declaration. This called for governmental action on behalf of the 1.6 million seafarers worldwide, many of whom were placed under severe mental and physical pressure due to the Covid lockdowns that resulted in the crew change crisis.

We also look after our employees through our wide-ranging mental health support services, and via our award-winning workplace diversity and equality initiatives.

Our membership of the Maritime Anti-Corruption Network is another example of Synergy aspiring to 'goodness'. Transparency and honesty are non-negotiable.

Of course, the big Aristotelian 'goodness' challenge facing us all right now is climate change. At Synergy we place the sustainability of our environment at the heart of operations and strategy.

Synergy is Green Award-certified, a member of the Global Maritime Forum and a proud signatory to the UN Global Compact initiative and the IMPA SAVE campaign.

Sustainable and decarbonised shipping is coming soon. It is imperative that we all do our utmost to speed its implementation. Our children and their children should know that we fought to protect their futures.

Aristotle also devoted much space to the topic of happiness, which, he said, "depends on ourselves". It strikes me that, as we leave behind the dark days of the pandemic, in future we should depend not only on ourselves but also on each other – our communities, colleagues, clients and partners. The responsibility to do the right thing for our environment rests upon us all. Together we can make the world happier and our planet a healthier place to live.

"Goodness" is within reach. It is up to us to make sure it is sustainable.

**Captain Rajesh Unni,
Founder and CEO,
Synergy Group**

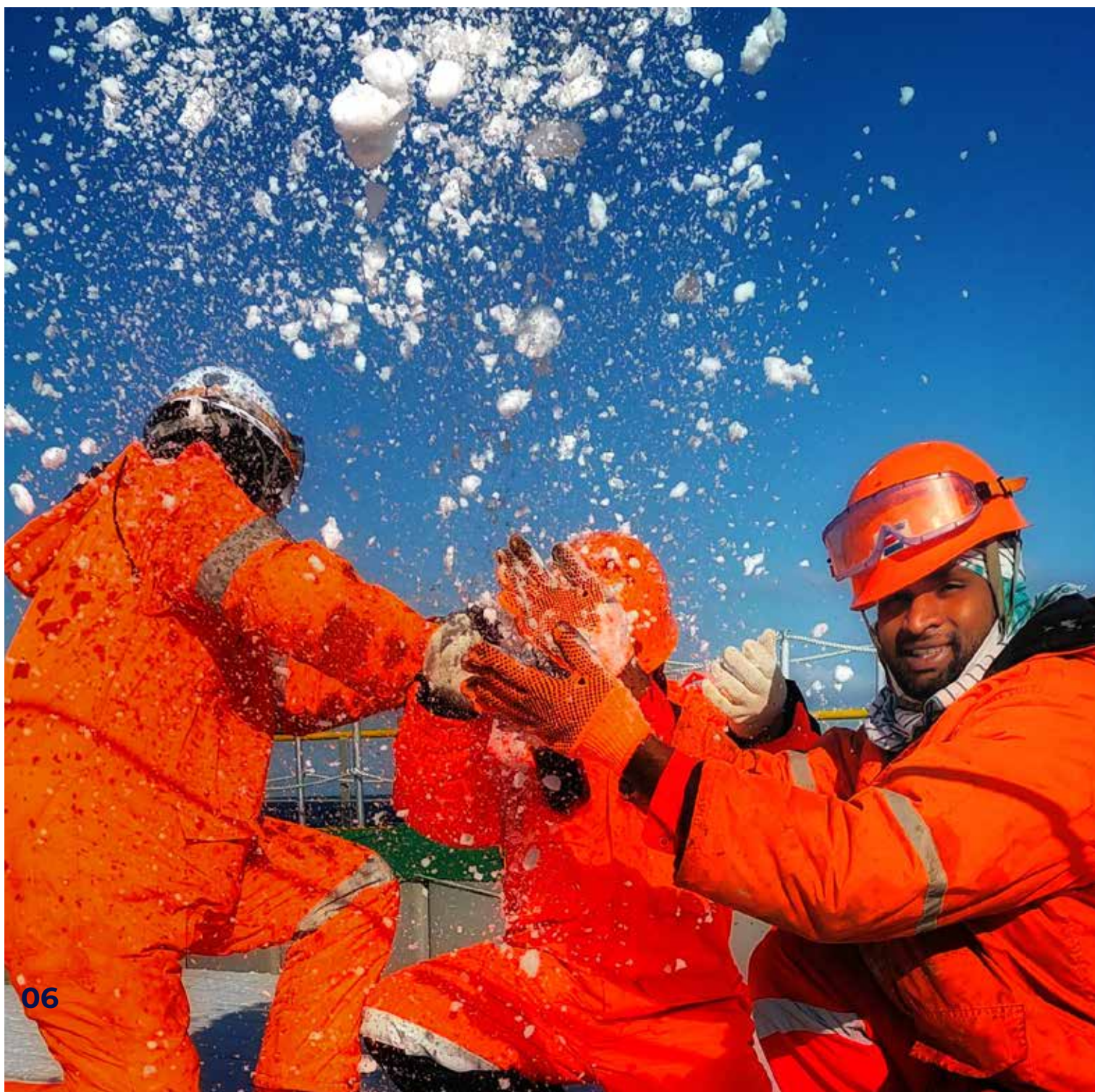
Human Rights

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2

make sure that they are not complicit in human rights abuses



Diversity

A diverse and inclusive workplace is vital for innovation and growth, and a culture that allows all to be the best version of themselves means optimal contentment, engagement and performance. In November 2020, IMO-endorsed leadership accelerator Maritime SheEO highlighted our commitment with its “Best Practices in Diversity” award.

With a near equal balance, Synergy’s three Philippines offices lead the drive for global gender parity, both ashore and at sea, and Groupwide Synergy is making headway amid a wider industry that has too long been male-dominated.

Neptune Declaration – seafarer well-being

The 2020 pandemic produced a crew change crisis, with thousands stranded. A founding member of the group behind it, Synergy is among many key industry stakeholder signatories to the Neptune Declaration.

This calls for unified, prompt action to protect seafarers, many of whose physical and mental well-being is in great jeopardy, and urges that governments and key stakeholders:

- recognise seafarers as key workers and give them priority access to vaccines;
- establish and implement gold standard health protocols based on existing best practice;
- increase collaboration between operators and charterers to facilitate crew changes;
- ensure air connectivity among key maritime hubs

Seafarer safety and welfare is our biggest priority, hence our role in this initiative in aid of ending this nightmare.

Prevention of sexual harassment policy

Workplace sexual harassment should be of grave concern to all. Synergy promotes equality, safety and respect for women, with policies and processes that inspire trust by tackling social and cultural behaviours and any perceived norms that can put women at risk.

Mental health

Recent research has explored seafarers’ mental health and well-being on cargo ships worldwide. One key finding was that seafaring has a unique combination of features, including demanding physical conditions, potentially hazardous tasks, long hours and high levels of stress and fatigue. Seafaring is also described as a ‘lonely life’, with many mariners long away from family and friends and some living isolated existences, with increasing automation meaning smaller crews, often with very different cultural and ethnic backgrounds. So seafarers may be particularly vulnerable to mental ill health.

Synergy’s keen awareness of social problems at sea led to the creation of iCALL. This free psychological support and advice for mariners worldwide has now become the emotional well-being helpline WeTeam, a likewise totally free, professional, faith-neutral and confidential counselling service available 24/7 in a great many languages.

Labour

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4

the elimination of all forms of forced and compulsory labour

PRINCIPLE 5

the effective abolition of child labour; and

PRINCIPLE 6

the elimination of discrimination in respect of employment and occupation.

Formal arrangements

Synergy is a party to international framework agreements and other such with labour unions like the Associated Marine Officers' and Seamen's Union of the Philippines, the Singapore Organisation of Seamen, the Singapore Maritime Officers' Union, the National Union of Seafarers of India and the Maritime Union of India.

Groupwide communication

Linkage across the Group, the sharing of learning and news, and inclusivity and morale are vital at Synergy. All are encouraged to speak up, and speak out, whether amid the serious business of daily work or one of the many Groupwide recreational activities designed for socialising, learning and fun. For example, regular and popular essay, photo, video and cooking contests bring many together in discovering new skills and creating additional groupings.

Generally

Synergy abhors forced and compulsory labour, whatever their origin, and regards competitive terms amid a safe working environment as part of the process of driving them out of existence.

Its employment policies meet or exceed the requirements of the Indian Ministry of Labour & Employment and the Singaporean Ministry of Manpower. Furthermore, it wants all to take proper time off, rather than persevere when they should not.

Specifically

At Synergy, taking due leave does not jeopardise salary or prospects, and people are urged not to waive entitlement.

For example, among its shore staff Synergy gives new parents half a year of paid maternity leave - with eligibility up to eight weeks before full term - and five days of paid paternity leave.

And they are encouraged to take this. As well as supporting families and helping meet any misperception that employees should avoid or curb such leave, increased incidence of it helps towards a more gender-balanced workforce.

Locally

Synergy also supports Singapore's National Volunteer & Philanthropy Centre (NVPC) initiative in the aid of migrant workers.

Abolition of child labour

In India more than 65,000 children go missing every year, with many snared into near slavery or even worse.

Synergy supports many bodies who combat this. Its Delhi Office has been partnering with the Salaam Baalak Trust, an institution that cares for and seeks to rehabilitate children who live on the streets. Synergy also supports Society for Children, which also aims to rescue and resettle displaced children, with localised focus on recovery from railway stations.

Zero tolerance of discrimination

Zero tolerance of any form of discrimination, including sexual harassment, is embedded in our policies. For example, under India's Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013, a gender-balanced Internal Committee of five will hear anyone who files a complaint within three months of the incident.



Environment

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8

undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9

encourage the development and diffusion of environmentally friendly technologies



Climate action commitments

As part of our commitment to climate action, this year's full inventory of our carbon footprint will found Science-Based Targets for emission reductions within our operations in 2022.

Synergy is committed to offering zero emissions solutions to its customers, and to having at least 2% of its managed fleet capable of running on zero-emission fuels by 2030.

Synergy is also committed to zero emission pilot and demonstration projects, including wind propulsion, batteries and fuel cells, and to research in and development of zero emission vessels and the design and implementation of all related training.

STS bunkering of a dual-fuelled LNG carrier

With the support of the MPA, Shell, FuelNG Private Limited and Keppel Offshore & Marine, Synergy conducted Singapore's first STS bunkering of the dual-fuelled LNG carrier the "PACIFIC EMERALD".

Using LNG rather than conventional fuel, this vessel achieves estimated emission reductions of 24% in CO₂, 100% in SO_x and 95% in NO_x.

Synergy has been investing heavily in training seafarers for LNG operations, with LNG bunkering and LNG-fuelled engine simulators, and is working with industry stakeholders towards universal standards.

IMPA SAVE

IMPA SAVE addresses the global marine plastic and microplastic problem systemically, by for example seeking to minimise single-use water bottles.

With environmental conservation and protection a top priority, Synergy has this year added this initiative to its sustainability programme, both ashore and on its 400+ managed vessels.

Green Award Foundation

Synergy's ongoing commitment to decarbonisation and sustainable shipping was certified by this independent Netherlands-based foundation, following an audit of office operations and a shipboard audit of the "TRAMMO PARIS", an LPG tanker built in 2017.

Achieving sustainability goals with our customers

Digital solutions are intrinsic to accelerating our industry's transition towards cleaner and more efficient operations. We help our shipowner customers reduce their CO₂ footprint with SMARTShip™ solutions, which use machine-learning algorithms to bring the power of AI to vessel management, thus enabling fuel savings, improved hull efficiency and predictive maintenance.

- A vessel on our SMARTShip™ platform achieves a 5-13% reduction in carbon emissions with an average of 9.4%;
- 130 vessels in our managed fleet run on SMARTShip™
- Our current annual saving in CO₂ emissions is 25,120 mT (YTD 2021)

Biofuel trials

Synergy is committed to providing its partners with solutions for reducing and eventually eliminating GHG emissions.

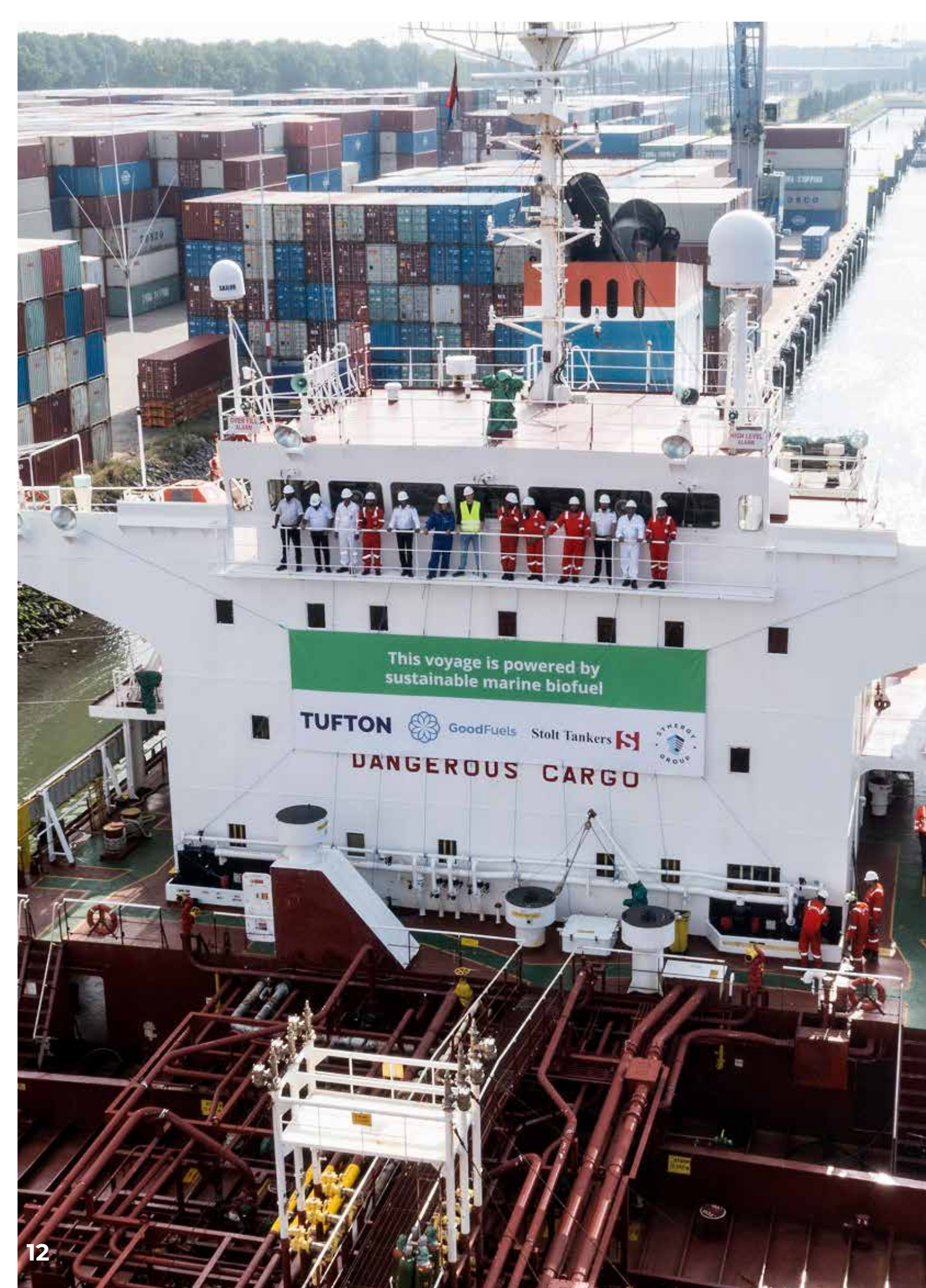
With support from Tufton Asset Management and advanced biofuels pioneer GoodFuels, Synergy successfully conducted one of the first marine biofuel trials, involving the Synergy-managed “MONAX” on a voyage from Northern Europe to Canada.

The key matters were safety, fuel emission behaviour, engine and vessel performance and the merits and challenges of biofuels in marine propulsion. This project enabled us to deploy our full range of technical expertise to ensure that the vessel was biofuel-ready, and the trial was carried out safely and successfully.

FSU conversion

In 2020 Synergy successfully converted a 1992-built LNG carrier into an FSU.

Permanently moored off Myanmar, this will receive and store imports for on demand delivery to an onshore regasification plant which will supply power to local consumers.



Anti-Corruption

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery



Responsibility-led culture

Synergy is a member of the Maritime Anti-Corruption Network (MACN), a global business network of over 140 companies seeking fair trade all round and a maritime industry free of corruption. A pre-eminent example of collective anti-corruption action, the MACN shares best practices, raises awareness of the challenges, implements its own Anti-Corruption Principles and collaborates with governments, NGOs and the wider society to tackle the root causes of corruption and create a culture of integrity.

Synergy will always meet the highest industry standards. Through its policies and compliance it aims to be a benchmark of responsibility and trust, with many systems in place to support its management-led focus on total integrity. The Group simply does not tolerate any corporate impropriety, malpractice or wrongdoing by anyone.

Daily emphasis on ethical behaviour - whether by direct communications, in formal reviews, at all hands meetings or on social media - creates a culture of awareness and commitment to eradicating the scourge of corruption, in whatever guise.

This is supported by core provisions in recruitment, procurement, operational and all other contracts, related audits and Synergy's Whistleblowing and Open Reporting systems that enable swift and anonymous notification by employees and external parties alike.

Measurement of Outcomes

Description	2018	2019	2020
Offices	14	16	17
Countries	5	7	7
Total Employees			
Shore based employees	684	834	1052
Seafarers	5134	7832	11134

Diversity	2018	2019	2020
Nationalities ashore – number in groups	7	8	10
Nationalities ashore- % of senior management from local communities	23%	23%	25%
Females- % ashore	28%	28%	27%
Females- % seafarers	0.16%	0.23%	0.27%
Females- % senior management	4%	5%	4%
No. of seafarers who joined Synergy shore staff	36	41	49

Health and safety	2018	2019	2020
Seafarers (exposure 24 hours a day 7 days a week)			
Exposure hours	20780760	24872256	30788928
Lost time injury frequency rate	0.48	0.44	0.49

Environment	2018	2019	2020
SOx emissions from our managed fleet (g/T-Nm)	0.206	0.171	0.022
NOx emissions from our managed fleet (g/T-Nm)	0.335	0.295	0.301
CO ₂ emissions from our managed fleet (g/T-Nm)	10.939	9.666	9.937
FSU conversions	0	0	1
Number of Alternate Low Carbon Fuels (No. of ships)	0	0	1

Anti-corruption	2018	2019	2020
Whistle blowing channels – cases received	N/A	0	0
GDPR enquiries and incidents recorded by data protection officer	N/A	N/A	0



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All information is correct to the best of our knowledge.

