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ABOUT APL

• A leading ocean carrier providing container transportation services worldwide
• 170 years of heritage and experience
• Extensive international shipping network and capabilities
• A unit of CMA CGM Group, a leading worldwide shipping group headquartered in Marseille, France

Management Team

Nicolas Sartini
Chief Executive Officer

Serge Corbel
Chief Financial Officer

Ed Aldridge
President, APL North America

Calvin Leong
Chief Trade Officer

Arnaud Coudray
Chief Commercial Officer

Lee Chee Seong
Chief Operations Officer

Network Services

• Operates in the world’s major trade lanes
• Extensive U.S. intermodal network
• Highly competitive transit times and reliable on-time performance

Trade Routes

• Asia-Europe
• Asia-Indian Subcontinent
• Asia-Latin America
• Asia-Oceania
• Indian Subcontinent-Europe
• Intra-Asia
• Intra-Europe
• Trans-Atlantic
• Trans-Pacific
• US-Latin America

Fleet and Terminals

Priority access to APL owned and operated terminals on the U.S. West Coast and strategic terminals in Asia

Terminals

<table>
<thead>
<tr>
<th>Owned</th>
<th>Joint Venture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan – Yokohama</td>
<td>China – Qingdao</td>
</tr>
<tr>
<td>Taiwan – Kaohsiung</td>
<td>Thailand – Laem Chabang</td>
</tr>
<tr>
<td>United States – Dutch Harbor</td>
<td>Vietnam – Ho Chi Minh City</td>
</tr>
<tr>
<td></td>
<td>The Netherlands – Rotterdam</td>
</tr>
</tbody>
</table>

Vessels: 63

Navigating APL’s 2017 Sustainability Journey | 3

5.0 million+ TEUs carried in 2017
INTRODUCTION

As a responsible carrier, APL is committed to ensuring sound environmental stewardship in all our activities, empowering talents and our communities as well as upholding ethical business practices.

This document outlines APL’s sustainability efforts from 1 January to 31 December 2017. Navigating as part of the Group, APL aligns our course with that of the Group which focuses on:

- Excellence in terms of safety and the environment;
- Commitment towards employees;
- Economic and social development locally and internationally; and
- Setting the highest standard in terms of ethics and compliance.

At APL, a Sustainability Steering Committee comprising functional and subject matter experts from the Global Safety, Security and Environment, Commercial, Communications, Legal and Human Resources functions was formed to champion APL’s sustainability course.

Reporting to APL CEO, the committee reviews APL’s sustainability policies and practices, formulate strategies, identify and recommend solutions, as well as engage stakeholders internally and externally.
PROTECTING THE ENVIRONMENT

Responsible environmental management is a cornerstone of APL’s worldwide operations. We adhere to the Quality, Health, Safety and Environmental Policy of the Group, which seeks to mitigate the environmental impact of our operations, promote workplace safety and safeguard the assets and goods that we carry across the ocean.

As APL continues to drive initiatives that reduce the environmental impact arising from our vessel operations, we are aligned with the Group in:

- Reducing carbon emission per TEU level by 30% by 2025, compared to 2015;
- Ensuring no major oil spills and zero container loss at sea;
- Cold-ironing development;
- Ballast water treatment implementation;
- Green disposal and dismantling; and
- Offering environmentally-friendly solutions to customers.

The goals are set to be achieved through fleet renewal, technology innovation, optimal operations, clean energy sources, best practices and benchmarking as well as collaborations with stakeholders such as the Clean Cargo Working Group, World Shipping Council, Asian Shipowners Association amongst others.

As part of the Group, APL will make further inroads in environmental protection as the Group takes delivery of nine new 22,000 TEU liquefied natural gas (LNG)-powered ships from 2020 onwards. Embraced for being environmental-friendly, LNG is an effective solution for reducing pollutants and greenhouse emissions, eliminating 99% of sulphur emissions, 99% of fine particulate emissions, 85% of nitrogen oxides and up to 25% of carbon emissions.

Reducing carbon footprint

In 2017, APL achieved a 50.7% reduction in carbon dioxide emissions per transported container per kilometer, compared to its base level in 2009.

APL’s vessel performance management and maintenance strategy have been pivotal in ensuring that our operations stay efficient and green. Our best practices include vessel technical enhancements such as bow modification and propeller retrofits that improve our ships’ operational efficiencies; fleet and voyage optimisation; slow steaming; as well as the deployment of a fuel-efficient and environmentally-friendly fleet of vessels.

Reducing sulphur oxide emissions

In 2017, APL-operated vessels continued to use fuel with a much lower sulphur content than the present 3.5% limit that is mandated by the International Maritime Organisation (IMO). This responsible practice kept our sulphur oxide emission low at 0.72 grams per TEU-km that year.
China’s 0.50% sulphur limit for ships operating within three domestic emission control areas (ECAs) took effect on 1 January 2017. Under the Chinese requirement, ships calling at 11 key Chinese ports in the Pearl River Delta, the Yangtze River Delta and Bohai-rim waters, must switch to compliant fuel within one hour of arriving at berth and continue to use it until not more than one hour prior to departure. These ports are Shenzhen, Guangzhou, Zhuhai, Shanghai, Ningbo-Zhoushan, Suzhou, Nantong, Tianjin, Qinhuangdao, Tangshan and Huanghua.

APL fully complies with the regulations, deploying vessels which had been adapted to consume low-sulphur fuel when entering these ports. As the regulations step-up ahead, we will ensure compliance when the low sulphur requirement is extended to all ports located within the three Chinese ECAs from 1 January 2018.

2017 also saw the next phase of California’s cold-ironing regulation kick in on 1 January, which required 70% of APL’s fleet calling in Californian ports to be equipped to operate from shore-side electrical power. APL fulfilled the more stringent requirement with vessels switching off their auxiliary engines and plugging into on-shore power when at berth. The efforts add up in reducing fuel consumption and the emissions of nitrogen oxide, sulphur oxide and particulate matter directly associated with the vessels.

With the 2020 global sulphur limit set to be applied from 1 January 2020, the global maritime industry is gearing up to comply with IMO’s 0.5% sulphur limit for fuel oil used on board ships. Committed to ensuring compliance, APL will be using low-sulphur compliant fuel oil across our vessel fleet, employing exhaust gas cleaning systems or “scrubbers” that clean emissions before they are released into the atmosphere and deploying LNG-fueled vessels according to vessel plans of our Group.

### Protecting ocean biodiversity

Pioneering ocean biodiversity protection, APL implemented ballast water management plans across our vessel fleet in accordance with the International Convention for the Control and Management of Ships’ Ballast Water and Sediments (BWM Convention) that entered into force on 8 September 2017.

Under the Convention, all ships in international traffic are required to manage their ballast water and sediments to a certain standard, according to a ship specific ballast water management plan. All ships will also have to carry a ballast water record book and an international ballast water management certificate. The ballast water management standards will be phased in over a period of time. Eventually most ships will need to install an on-board ballast water treatment system.

As at 31 December 2017, 34 APL-owned vessels have been fitted with IMO-compliant ballast water treatment systems while the remaining fleet deploys the intermediate solution of mid-ocean ballast water exchange. Consistent with the Convention’s terms, we will ensure our ships manage their ballast water to remove, render harmless, or avoid the uptake or discharge of aquatic organisms and pathogens within ballast water and sediments.
No carriage of endangered species products
Abiding by all laws and regulations, APL ensures that we stay aligned with global environmental sustainability initiatives. We refer to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) as we continually review our list of no-carriage products including shark fin, dolphins, whales, elephant tusks as well as rhinoceros and antelope horns.

Through engagement with industry peers, partners and stakeholders, we continue to facilitate global trade in a sustainable and responsible manner.

Ensuring seafarers’ safety
Ensuring the safety of our seafarers and cargo remain a priority. 2017 recorded APL’s 10th consecutive year of zero fatality since 2008 and a low lost-time injury frequency rate of 1.55 incidents per million man hours.

The results are attributable to APL’s “Safety First” emphasis on board our vessels and at the terminals that we operate. We adhere to international and local regulations, as well as safety codes and conventions of the maritime industry.

Through safety protocols and training, APL imbues in our employees the right attitude towards safety management. In particular, we adopt policies and processes that safeguard early detection, prevention and mitigation of risks associated with the business to enable safe and secure operations.

Optimising safety at sea
To optimise the safety of our vessels and seafarers, APL deploys the latest navigation assistance tools and technologies to track and analyse wide-ranging nautical, meteorological and geographic information from ashore in real-time – 24 hours a day, 7 days a week. Based on live analytics of the vessels’ operating speeds, ocean currents, weather forecasts and high traffic areas, a team of onshore experts are empowered to assess, anticipate and mitigate any navigation-related risks to its vessel operations.

Complementing the effort, route optimisation systems are being installed onboard our vessel fleet. These systems take into account the hydrodynamic properties of the vessel, loading parameters and weather forecasts to map out the safest and most efficient voyage that enable ship officers to make best informed and real-time navigation decisions throughout its voyage.

Besides safeguarding our assets and cargoes, APL also renders the voluntary support of our sea crews to maritime safety. Through the Automated Mutual-assistance Vessel Rescue (AMVER) Maritime Safety Programme, we join over 160 merchant shipping companies to provide a worldwide safety network that assists search and rescue coordinators in responding to emergencies at sea. In 2017, seven APL-operated vessels were acknowledged at the AMVER Award Ceremony in recognition of APL’s outstanding dedication to the Programme that rescued 283 survivors in 2016.
CULTIVATING TALENTS AND SUPPORTING COMMUNITIES

APL believes in doing our part to improve lives around the world and contribute to social well-being. We support environmental conservation, education, disaster relief and aid delivery efforts; as well as enable the communities where APL has a presence.

Promoting Employee learning and Wellness

As at 31 December 2017, APL has a total of 5,039 employees globally (excluding seafarers) with a male-female proportion of 42.8% and 57.2% respectively.

An advocate of learning, APL continued to ensure that our employees are adept in their roles through training. Promoting employee well-being, APL organised activities ranging from health-related talks to bowling tournament to marathon event that united our Singapore-based employees.

Cultivating Talents

APL remained steadfast in encouraging employee learning and training. Apart from e-learning, APL employees are enriched through the Group’s Leadership Excellence Agility Development (LEAD) Program. Between May and July, six APL executives participated in the initiative that is designed to nurture leadership, strengthen excellence in shipping operations and impart knowledge for business development, innovation and entrepreneurship.

Through JUMP (Junior Upwards Mobility Program), an employee exchange programme, select APL employees are offered a 6-month overseas attachment in Marseille. In 2017, one APL employee was handpicked for this unique training and career development opportunity.

APL is committed to developing maritime talents, and building a sustainable pipeline for the industry. In 2017, we offered internships to 24 students at its Singapore office. The internship opportunities are part of the company’s partnerships with local tertiary institutions in Singapore to give students a head start of the working world before they graduate. During the year, one intern was offered an Analyst role in APL upon completion of her internship with the company.

APL seeks to inspire and nurture the next generation of talents for the maritime industry. In 2017, three outstanding students from the Singapore Management University received the Lua Cheng Eng Memorial Scholarship and Best
Final Year Business Student Award from APL. With that, the scholarship has been offered to 14 students since 2011 while 15 awardees have been recognised since the Award was launched in 2002.

APL’s talent outreach also involved its participation at a career fair by the Singapore Institute of Technology and engagements with students of the ESSEC Business School. At these events, APL shared about the myriad of career opportunities in shipping, creating interests amongst the students.

Since 2008, APL has been collaborating with the International Trade Education Programs (ITEP) to offer internship, mentorship and career opportunities to Southern California high school students. 2017 saw APL continue to engage the youths while it also hosted an experiential terminal tour for students from the Phineas Banning High School.

Environmental Conservation
In support of the Haribon Foundation’s ‘Road to 2020’, APL gathered employees at the NPC Caliraya-Lumot Watershed in Cavinti Laguna, reforesting an area using native tree species. Through the movement, the environmental organisation in the Philippines is seeking to restore one million hectares of Philippines rainforests by 2020.

In Thailand, employees got together in Klongklone, Samutsongkram for mangrove restoration. Its first mangrove planting activity, the “Seed today. Life tomorrow” initiative saw some 225 seedlings being planted within the reforested KlongKlone mangrove.

In Japan, APL employees cleaned up the Port of Tokyo Wild Bird Park that is visited by some 120 different species and some 226 species of wild birds annually. As they collected bags of garbage onsite, APL employees contributed too, to the preservation of wildlife habitats.

In the United Arab Emirates, over 100 employees rolled up their sleeves, cleaning up an open desert area near the Dubai–Sharjah border. The activity saw employee-bonding and reinforced their environmental consciousness.

Enabling Communities
To help underprivileged girls secure a job and become independent, APL organised a drive that collected garments and shoes for the beneficiaries of Granja para Niños “La Esperanza” in Mexico. As it called for donations, APL also saw to the logistics that delivered the donated items to the home for young women between 18 and 25 years old; and girls between 10 and 17 years old.

During the year-end festive season of giving, some 200 needy students in Jordan received their much-needed school supplies from APL. Apart from donating school bags, winter wear and a variety of
sports equipment, APL also installed new drinking water and air conditioning systems to bring about a more conducive learning environment.

In the United Kingdom, APL raised funds which benefitted Save the Children, a non-profit organisation that seeks to protect children, giving them a healthy start and the chance to learn.

In China, employees from APL’s Global Shared Service Centre in Chongqing brought cheer to the children from the Chunmiao Primary School with gifts of study desks, chairs, fans and books amongst others. In addition to the gifts that were purchased with proceeds raised through internal donation drives, our employees devoted time to interact with the children during the visit.

In support of the Red Cross Society, APL organised a blood donation drive in Jakarta, Indonesia. Employees came forward enthusiastically as blood donors, becoming the lifeline of patients and those who need blood in times of emergencies.

APL celebrated Singapore Day 2017 in Melbourne, Australia as a sponsor of containers and ocean freight to and from Singapore and Australia. Through the cause, APL brought the taste of home to the many Singaporeans living and working in Australia.

Disaster Relief And Delivering Aid

Following one of the worst hurricanes that slammed Puerto Rico in September, APL shipped a container of canned food, drinking water and personal supplies to its Puerto Rican colleagues and their families to help them tide over the difficult period.

APL continued its partnership with Americares in 2017, shipping more than $120 million worth of medicine and medical supplies from the United States to six countries.

A total of 26 shipments containing a broad range of medical products including vitamins, hygiene items, diabetes medications and respiratory treatments, were made to Americares health care partners in Cambodia, El Salvador, Guatemala, Honduras, Nicaragua and the Philippines.

In aid of the Cross Road Foundation, APL shipped a container of necessities from Hong Kong to the refugee camps in northern Iraq ahead of the winter season. The container comprised clothes and shoes, blankets and room heaters, school stationery and supplies, mobility aids, dental and nursing supplies amongst others.

Since 1999, APL has been collaborating with the Hong Kong-based non-profit organisation to ship containers of relief aids to refugee camps in third world countries.
PRACTISING ETHICAL BUSINESS

Integrity and respect underpin the APL's interactions with our stakeholders. We believe that ethical interactions with shareholders, customers, suppliers, business partners and among employees must always be upheld. Employees at all levels are expected to contribute towards providing a safe and healthy work environment.

APL remains committed to a corporate culture of compliance. Every employee is responsible for achieving high standards of ethics, integrity and business practices in accordance with all applicable laws.

Corporate code of conduct

Our Corporate Code of Conduct covers property, people and conduct, and finance. Employees are required to uphold the company's standards of ethics and integrity in all their business activities and interactions.

Vendor code of conduct

Vendors and suppliers to APL are also expected to conduct their business activities in full compliance with applicable laws of the country and location of their operations as well as international regulations. Our Vendor Code of Conduct articulates legal, ethical and moral standards expected of our vendors and external partners.
STAKEHOLDER ENGAGEMENTS AND RECOGNITION

APL engages our stakeholders – i.e. employees, customers, government, industry peers, suppliers and more - on our sustainability journey through our websites, social media platforms, company intranet, public speaking forums as well as customer and industry stakeholder meetings.

APL's Sustainability Steering Committee reaches out to our offices worldwide to rally global participation in causes that would enable economic and social development. 2017 saw our employees from various countries involved in initiatives ranging from environmental conservation to education to efforts that enable the community.

Every month, APL’s Global Head of Safety, Security and Environment Department shares the company’s developments and performance in the areas of safety, security and environment with internal stakeholders from the Commercial, Operations, Trade Management, Network Planning, Finance, Human Resource, Corporate Communications and Legal functions as part of management review. Where necessary, the team will initiate further dialogues and reviews with the relevant stakeholders to understand or address issues.

APL is a member of the Clean Cargo Working Group and voluntarily participates in the Clean Shipping index, benchmarking our environmental performance against other carriers. We analyse environmental metrics of carbon dioxide, nitrogen oxide, sulphur oxide, waste, water and chemicals to ascertain how we measure-up against our performance targets and peers. Any shortfall in our performance will be assessed for further refinements.

Ensuring that we stay on top of industry developments, APL also looks to performance benchmarking studies, including reports and recommendations from the World Shipping Council Environment Committee, and expert reports from the IMO Environment Protection Committee.

Through collaboration with stakeholders such as the Maritime and Port Authority of Singapore on safety initiatives and suppliers on technological trials, APL seeks to identify the best practices and solutions which we can adopt for responsible shipping.

APL is also member of the Pacific Merchant Shipping Association and International Operators Dangerous Goods Association. Through these groups, we engage shipping communities, regulators and supply chain stakeholders to value-add to legislation and policies governing environment quality standards and safe transportation.
In 2017, APL rolled out more pro-active customer engagements with selected key customers so that they too can make a difference in reducing carbon footprint via their shipments with APL. Since the second half of the year, we have been generating quarterly reports of carbon emissions arising from their shipments. As APL helps them stay aware of their carbon footprint, collaborative opportunities are also explored to find ways for customers to reduce their cargo emissions.

During the year, APL also became a signatory of the International Chamber of Commerce’s Declaration of Intent to prevent the transportation of counterfeit goods.

**Recognition**

In November 2017, APL received the ‘Best Green Shipping Line’ award from HAROPA, the French port of Le Havre. APL’s third consecutive win, the achievement marks an acknowledgement of APL’s exemplary environmental performance in reducing air emissions beyond the standards set by the International Maritime Organization.

September 2017 saw APL being named ‘Ship Operator of the Year’ at the Safety at Sea Awards 2017 in London. The accolade is an affirmation of APL’s safe working practices and initiatives which have demonstrably improved the work life and welfare of sea crew on board APL-operated vessels.