



SUSTAINABILITY INITIATIVES IN 2015



APL successfully reduced fleet carbon dioxide emissions by 45.5% in 2015

APL is committed to being a trusted partner and a sustainable shipping organisation. Focusing on responsible business practices, APL implemented measures and programmes that ensure the sustainable development of its business, environment and the society.

PROTECTING THE ENVIRONMENT

Adhering to its Environmental Policy, APL is committed to sound environmental stewardship in all its activities. In 2015, APL successfully reduced its vessel fleet carbon dioxide emissions by 45.5%, compared to emissions level in 2009. The accomplishment was attributable to improvements in operational and fuel efficiencies; as well as voyage optimisation. The injection of fuel-efficient and environmentally-friendly newbuildings into its global fleet also accounted for the lower carbon emissions levels.

To reduce sulphur oxide emissions and ensure compliance with the regulations in the Emission Control Areas (ECA) and port of Hong Kong, APL modified the tanks and pipelines of its vessels to facilitate fuel switch to low-sulphur fuel when they enter these regions. Kicked-in on 1 January and 1 July respectively, the mandate in the ECA sets a sulphur content limit of no more than 0.1% while that at the port of Hong Kong calls for a switch to compliant fuel with 0.5% or less sulphur. Observing the regulations, APL vessels calling these markets have been sulphur-fuel compliant.

APL “cold-irons” its vessels when they switch off their auxiliary engines and plug-in to on-shore power at the ports of Los Angeles and Oakland while at berth. As a result, emissions of nitrogen oxide, sulphur dioxide and particulate

matter has been reduced. From 1 January 2017, 70% of every container line’s fleet calling in California must be connected to shore-side electrical supply. To meet the more stringent requirement, APL is reviewing to deploy more cold-iron capable vessels to call at U.S. West Coast ports.

APL is committed to protecting ocean biodiversity. Fully supportive of efforts that curtail the carriage of shark fin on board its vessels, APL became a signatory to the Hong Kong Liner Shipping Association Shark Fin Policy in July. With that, shark fin joins the list of endangered species products such as elephant tusks as well as rhinoceros and antelope horns amongst others which APL already does not accept carriage.

To promote awareness of marine conservation, APL jointly developed an online game with a software company to enable the understanding of the harmful impacts of improper waste disposal; and the role which individuals play in preserving the marine ecosystem. This online learning tool was well-received and has since been extended to all elementary schools in Montgomery County, Maryland as well as the Toledo Maritime Academy students in Ohio.

PROMOTING SAFETY

Notwithstanding that its vessels are built safe by design, APL advocates “Safety First” on board its vessels and at the terminals that it operates. It adheres to international and local regulations; as well as safety codes and conventions of the maritime industry. Through safety protocols and training, APL imbues in its employees the right attitude towards safety management.



The APL fleet recorded eight consecutive years of zero fatality since 2008

Through its Operation Risk Management System, APL adopts policies and processes that ensure early detection, prevention and mitigation of risks associated with the business to enable safe and secure operations.

In addition, APL actively collaborates with the relevant industry stakeholders such as the Singapore Maritime and Port Authority (MPA) to promote overall maritime safety. For instance, APL supported the Safety@Sea Week 2015 initiative by MPA to instill a safety-first culture at sea.

As a result of its concerted efforts in ensuring safety, the APL vessel fleet recorded eight consecutive years of zero fatality since 2008.

EMPOWERING THROUGH EDUCATION

The company recognises that education is a key pillar in developing talent for the long term sustainability of the maritime industry. Through the NOL Lua Cheng Eng Memorial Scholarship and NOL Best Final Year Business Student Award, befitting students from the Singapore Management University (SMU) are being empowered.

In 2015, two SMU students received the scholarship and one SMU business student was awarded for excellent academic results and community service records. With that, the scholarship has been offered to 10 students since 2011 while 13 awardees have been recognised since the award was launched in 2002.

To encourage the underprivileged youth in the Philippines, APL gave backpacks to Filipino scholarship recipients as part of the American Chamber Foundation

Philippines' "Balik Eskwela" (Back to School) programme.

SUPPORTING COMMUNITIES

In the aftermath of a major earthquake in Nepal, employees of the Group, coupled with a dollar-for-dollar matching from the company, raised more than S\$38,000 to support Singapore Red Cross' disaster relief efforts.

On the community front, APL continued its partnership with non-profit organisation AmeriCares, bringing more than US\$9.9 million worth of medication and supplies to Bangladesh and the Philippines between July 2014 and June 2015.

In September, APL lent support to non-profit organisation Global Mobility USA and shipped wheelchairs and mobility aid equipment to the Da Nang Rehabilitation Hospital in Vietnam to benefit patients with disabilities.

Encouraging employees to be responsible stewards of the environment and involved in the community, APL staff and their families were rallied in a tree-planting effort at the Tokyo Bay in October. This was part of a Tokyo government-led campaign – "Groves on the Ocean" ("Umi-no-mori" in Japanese) – to transform an area of municipal refuse into beautiful groves and forests.

AWARDS AND RECOGNITION

APL received a Bronze rating from EcoVadis for its sustainability efforts in environment, labour practices, fair business practices and sustainable procurement. EcoVadis is a global initiative that facilitates the integration of sustainability criteria into customer-



APL won the Investment in the Future Award by Lloyd's List, for its outstanding training and education programmes

supplier relationships, thereby helping companies to communicate and improve their environmental and social practices.

APL's commitment to safety at sea was recognised at the 2015 Automated Mutual Assistance Vessel Rescue System Awards. APL vessels were commended for their readiness to send position reports and divert their sail plans to assist those in distress when needed.

In October, APL won the Investment in the Future Award at the Lloyd's List Asia Awards 2015 that acknowledges APL's training and education programmes for

employees and seafarers. The spirit of the award embodies APL's belief in investing for the future which APL invested over 7% of its total manning crew costs in training shipboard and shore-based staff in 2014.

In December, APL received the Environmental Shipping Index award from HAROPA, the French port of Le Havre, Rouen and Paris for its exemplary performance in reducing air emissions that exceeds the current emission standards of the International Maritime Organization.