

CHARTING A COURSE FOR SUSTAINABLE GROWTH



Pacific Basin



SUSTAINABILITY REPORT 2024

STOCK CODE: 2343

#WithYouForTheLongHaul

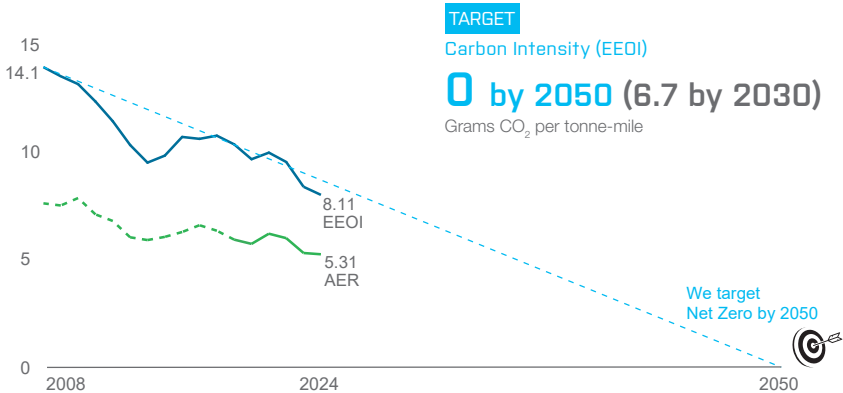
2024 ESG FACTS & FIGURES

Revenue (USD million)	2,582
Net profit (USD million)	132
Cargo volume carried (million tonnes)	90
Tonne-miles work done (million tonnes-miles)	176,540
Fuel consumed (thousand tonnes)	1,240
Fleet GHG emissions from vessel operations (thousand tonnes CO ₂ equivalent)	3,959
Pollution incidents (MARPOL violations)	2
Seafarer man hours (million man hours)	20.5
Notable navigational incidents	2
Lost-time injuries (0.54 injuries per million man hours)	11
Crew Retention	94%
Staff nationalities (shore staff & seafarers)	39
Women on our Board (44% as at 1 February 2025)	25%
Women in workforce ashore	44%
Women on our ships	58



Our sustainability policies and initiatives have an overall aim to drive the resilience and long-term financial performance of our Company in an increasingly complex international business landscape

We continue to reduce our fleet's carbon intensity consistent with IMO goals and regulations



Ordered four dual-fuel (methanol) low-emission vessels (LEV)s

Applying super-low-friction silicone hull coating on our ships



New Sustainability Committee
for elevated Board-level oversight of sustainability

Enhanced safety, security, health & wellbeing training programmes



Won Silver Award in ESG Leader category at ESG Shipping Awards International

AA- Sustainability Rating by HKQAA



Thank you to our several Pacific Basin colleagues from across our owned fleet and office network who produced almost all the photos in this report

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Linkage to related details within the Sustainability Report



Linkage to related details on our website www.pacificbasin.com



Linkage to related details in our Annual Report 2024



High-level KPIs (Key Performance Indicators)

About Pacific Basin

Pacific Basin is one of the world's leading owners and operators of modern Handysize and Supramax dry bulk ships

We own and operate dry bulk cargo ships. Our business is customer focused, providing over 600 industrial users, traders and producers of dry bulk commodities with a high-quality, reliable and competitive freight service under spot and long-term cargo contracts. We are headquartered and listed in Hong Kong and operate globally with a large fleet of ships trading worldwide

 Our History



Our Purpose

To safely and sustainably deliver by sea the dry bulk commodities that are essential to society

Our Vision

To be the leading ship owner/operator in dry bulk shipping, and the first choice partner for customers and other stakeholders

 p.61 The Value We Create



Customer Focus



Over **600** customers – industrial users, traders and producers of dry bulk commodities



Single spot voyages and longer-term multi-shipment freight contracts



Transporting grains & agricultural products, logs & forest products, steel & scrap, cement, fertiliser, metal concentrates, and other essential materials



What We Stand For

- Our customers, our people and our brand
- Honouring our commitments
- Long-term relationships over short-term gain
- Ease of doing business with us
- Personalised, flexible, responsive and reliable service
- A sustainable business approach
- Safety, wellbeing and environmental responsibility
- Care, good humour, fairness and respect
- Valuing diversity, equity and merit-based opportunity
- Excellence through dedication, teamwork and continuous improvement
- Collaboration to tackle challenges



With you for the long haul



p.8 Our Culture of Doing the Right Thing



p.10 Award-winning ESG



Our Scale & Global Reach

Fleet in Operation

Handy & Supra Ships

277 (average)

273 (2023)

Owned Fleet

Handy & Supra Ships

111 (average)

118 (2023)

Voyages Completed

Voyages

2,280+

2,180+ (2023)

Cargo Volumes

Tonnes

90.2m

84.7m (2023)

Ports Called

Ports & Countries

882/100

857/108 (2023)

Distance Travelled

Nautical Miles

14.9m

14.0m (2023)

Global Network

Offices

14

14 (2023)

Shore Staff

employees

403

389 (2023)

PB Ships' Crew

seafarers

4,600 on owned ships

5,100 (2023)

Cargo Customers

companies

600+

500+ (2023)



IFC ESG Facts & Figures



Our Fleet

SASB TR-MT-000.A

SASB TR-MT-000.B



Our Dry Bulk Segment



Handysize

25,000-40,000 dwt



Supramax

40,000-70,000 dwt

Our geared bulk carriers are highly versatile self-loading and self-discharging ships

They transport mainly minor bulks including agricultural products, raw materials, construction materials and other essential bulk commodities

Our cargo mix comprises mainly non-fossil-fuel commodities

The minor bulk segment offers benefits of diversification in terms of geography, customers and cargoes, enabling triangular trading, high laden utilisation and greater carbon efficiency

Our ships are laden with cargo about 90% of the time



Annual Report
p.5 Our Industry

85%

Non-fossil-fuel cargoes

90%

Laden utilisation



Financial Highlights

Revenue

US\$

2.6bn

2.3bn (2023)

EBITDA

US\$

333m

347m (2023)

Net Profit

US\$

132m

109m (2023)

Return on Equity

%

7%

6% (2023)

Available Committed Liquidity

US\$

548m

549m (2023)



Annual Report
p.3 Financial Highlights

Chief Executive's Sustainability Review



Our strong environmental, social and governance (ESG) performance is evidence of successful execution of our strategies to continually reduce our environmental impact, keep our crews healthy and safe, and maintain sound controls and accountability to our stakeholders. We have the people, values, assets, business model, strategies and financial health that position us well for a sustainable future.

Striving for Sustainability Fit for a Global Business

In a year characterised by geopolitical turbulence and an unusually flat freight market, the Company delivered continued stable results and maintained a healthy financial position in 2024, and we can be proud of the good progress we made in delivering on our strategy and priorities, reinforcing the long-term sustainability of our business.

AR Annual Report
p.12 Chief Executive's Review

Our sustainability efforts are driven by our quest for business performance and success, our vision to be the first-choice partner for customers and other stakeholders and by our culture of doing the right things. We are encouraged by positive feedback from our customers, investors and other partners, and by continued improvement in our ESG ratings, which is important to stakeholders who increasingly value sustainable business practices and development.

Almost all of our several ESG ratings improved in 2024, positioning us among the top few in our sector or industry globally, reflecting the professionalism and care demonstrated by our colleagues around ESG ashore and at sea.

We also received a number of sustainability-related awards, most notably the Silver Award in the ESG Leader category at the ESG Shipping Awards International 2024 and, for a third consecutive year, a Gold Award for the Most Sustainable Companies at Hong Kong's HKICPA Best Corporate Governance and ESG Awards. At the Hong Kong ESG Reporting Awards, we won three Grand Awards for excellence in social positive impact, excellence in ESG

governance and best ESG report (mid-cap), with a commendation for excellence in environmental positive impact.

➡ p.10 Our ESG Ratings and Awards

Leading the Way in Investment in Green Ships

In November, following a two-year collaborative green fuel study and ship design project with Japanese partners Nihon Shipyard Co and Mitsui & Co, Pacific Basin contracted for four dual-fuel newbuilding Ultramax low-emission vessels (LEVs) capable of running on green methanol as well as sustainable biodiesel and fuel oil. The vessels' exceptional design, specification and quality will meet our cargo customers' requirement for safe, reliable, efficient and low-emission transport well into the future, and offer us the fuel flexibility to optimise, comply and compete in what will be an increasingly challenging regulatory environment. Our investment in these next-generation vessels reaffirms our belief in our market in the longer term and in the business case for such LEVs, and it aligns with our sustainability goals, positions us at the forefront of innovation in our sector, and affords us several strategic early-mover benefits that will be important in the years ahead – including as an accelerator of growth for Pacific Basin.

We have been developing relationships with several green fuel producers to develop access to green methanol and sustainable biofuel (biodiesel) – including entering into a memorandum of understanding with Mitsui & Co to access volumes of green methanol – enabling our LEVs to comply with and benefit from the new FuelEU Maritime rules and IMO's expected global rules forcing the gradual uptake of sustainable fuels.

Decarbonisation Tops the Environmental Agenda

The most challenging priority of our environmental programme is the gradual decarbonisation of our fleet for compliance and to achieve our IMO-aligned net zero by 2050 target.

As we have long said, regulation (including a meaningful carbon penalty) must and will drive the transition to low-carbon or carbon-neutral shipping, and the European Union's inclusion of shipping in its Emissions Trading System (EU ETS) in 2024 and its FuelEU Maritime rules that took effect at the start of 2025 are beginning to support business cases for investment in green ships. What is needed is equivalent globally-applicable regulations that will enable the much higher green fuel and opex costs to be shared along the dry bulk supply chain and make major green capex decisions easier.

Those global regulations are under development; IMO's new technical and economic measures designed to force the gradual uptake of green fuels and to put a price on greenhouse gas emissions are scheduled to enter into force in 2027, subject to further negotiations between the 170+ member states of the IMO. Whether implementation is delayed or not, we believe new global rules are to be reckoned with in the coming few years, posing a significant compliance challenge to most owners and operators of especially conventionally-fuelled and less efficient ships.

◀▶ p.27 GHG Regulatory Snowball

Our recent commitment to order dual-fuel LEVs marks a significant milestone in our long-term plan to transition to net zero emissions by 2050 and comply with increasing decarbonisation regulations along the way.

◀▶ p.17 Our Decarbonisation Strategy

However, we also own over 110 existing, conventionally-fuelled vessels whose competitiveness we have been safeguarding through technical and operational fuel-efficiency measures and new ways to optimise our voyages.

Building on the several such initiatives we have implemented over many years, our fuel and energy-efficiency initiatives in 2024 included applying super-low-friction silicone hull coatings, retrofitting pre-swirl vanes, reshaping less efficient older propellers, installing more efficient smaller water pumps, retrofitting more efficient fuel injection nozzles, adopting strategic power weather routing services and RPM optimisation, and using advanced self-tuning autopilot systems.



◀▶ p.18 Fuel-efficiency Measures

The importance and prevalence of data and AI continues to increase as we and our industry look for an ever more granular understanding of the performance of our ships and the gains from technical and operational and other optimisation initiatives.

Our Commercial Voyage Optimisation team is working hard to extract more value from fuel-efficient operational measures and other voyage-related efficiency improvements. Leveraging digitalisation, we made good progress in 2024 on systems for more accurate data measurement, collection and analysis, including:

- implementing AI-driven processes for daily verification of our time-chartered (TC) fleet voyage data (for emission reporting compliance and fuel consumption optimisation);
- advanced data models for precise information on the fuel efficiency of our owned and TC fleet (for improving fuel efficiency);
- systems and models for choosing optimal methods of compliance with EU ETS and EU Fuel Maritime; and
- rolling out Remotely Operated Vehicles (ROVs) across our owned ships to monitor hull fouling.

Initiatives like these are important to help maximise the longevity of our conventionally-fuelled existing ships in the face of increasingly stringent regulatory requirements. Our ships are well positioned to continue to comply and trade for the foreseeable future, depending in part on the growing use and uncertain long-term availability of sustainable biofuels. However, new energy-efficiency gains will become increasingly marginal and costly, and only latest design, fuel-efficient, dual-fuel newbuildings will achieve the meaningful GHG reductions to meet the industry's longer-term targets.

We finished 2024 with 89% of our owned ships achieving Carbon Intensity Index (CII) ratings of A, B or C, with the rest rated lower (while still in compliance) due mainly to long periods held up in port. Our owned fleet's carbon intensity in 2024 was 42% lower than in our 2008 baseline year, and we expect to have more than halved our carbon intensity by 2030 enroute to our long-term target of net zero by 2050.

◀▶ p.25 Our CII Ratings

Responsibility to Our People

Notwithstanding the attention demanded by the industry's decarbonisation challenges, we continue to be keenly focused on the security, safety, wellbeing, development and engagement of our employees. Sadly none of these are guaranteed in our industry, but they have long been a priority at Pacific Basin.

Over the past three years we have spoken passionately about the plight of several of our seafarer colleagues and fought hard for their release after they were unfairly criminalised and imprisoned when drug traffickers managed to stash their contraband in less-accessible parts of two of our ships in 2021 and 2023 respectively. We were very happy to report in December 2024 that ten colleagues detained in Nigeria since July 2023 were released and returned home to be with their families just in time for Christmas. And you may remember that our Captain Yu Yihai was released in 2023 after two years in an Honduran prison.

◀▶ p.38 Security of our Ships & Crews

Our crews' eventual release was the result of a good team effort within Pacific Basin and in collaboration with allies ranging from local lawyers and P&I correspondents all the way up to leadership at the International Chamber of Shipping, BIMCO, ILO and the IMO, as well as departments of the Hong Kong Government, HKSOA, and offices and embassies of the People's Republic of China. We have advocated for security, fair treatment and due process for our colleagues and for seafarers generally in a number of forums.

◀▶ p.40 Interview with Suresh Prabhakar

In 2024, our crews registered 11 lost-time injuries in over 20 million man hours, which translates to one of our lowest ever LTIF injury rates, and our safety KPIs overall are considered among the best in our sector. Even so, our Board and managers cast a critical eye over all accidents and injuries, and we aspire to achieve zero incidents across our fleet.

Regretfully, one of our crew members died on a ship in 2024. This was a non-work-related fatality, but we still owe it to our seafarers to support their physical health and mental wellbeing as best we reasonably can, and we are doing this through the continuing development of our training strategies, enhancement of our safety and wellbeing programmes, engagement of remote physical and mental health service providers, and continued psychometric screening for all our seafarers before joining our ships.

We continue to challenge ourselves on what it means and takes to cultivate an optimally supported, competent, diverse, engaged and high-performing workforce. At sea and on shore, we continue to uphold the highest safety, security, health and wellbeing standards and train our colleagues for high-performance teamwork and to enable them to tackle evolving business challenges while looking after each other's overall wellbeing.

◀▶ p.47 Training & Development

Our shore-based team comprises staff of 36 nationalities which is indicative of the diversity in our organisation. Our gender distribution ashore is relatively well-balanced overall, but we recognise the lower representation of female colleagues in middle and senior management due largely to the significantly smaller proportion of female applicants for shipping industry roles. We are trying to improve in this area, leveraging our strong employer brand to build diverse high-performing teams, but our priority is in making diversity sustainable – increasing diversity the right way, not the fast way. Meanwhile, as at February 2024, women account for 44% of our Board which comprises directors of 7 nationalities who have wide-ranging professional expertise, backgrounds and perspectives.

We strive to create a culture of care, respect and non-discrimination and inclusion. Through this effort we aim to nurture a dynamic and high-performing organisation in which all colleagues feel safe, are welcomed for their differences, enjoy equality of opportunity for career advancement, recognition and rewards based on merit and are supported in their individual efforts to contribute to our business' success.

◀▶ p.53 Diversity, Equity & Inclusion



In 2024, our Sustainability team coordinated a review of two of our priority sustainability issues, namely Safety, Security, Health & Wellbeing and Diversity, Equity & Inclusion. We take a practical approach to both of these issues, firmly believing that Safety & Wellbeing and workplace DEI done right lead to a healthy, engaged, effective and thriving workforce and bring out and leverage the best in everyone and drives performance. These strategy reviews provided a valuable opportunity for deeper engagement with our colleagues on these subjects – including discussing why they are important for business, how we are progressing, what's our approach, and what are our related goals and targets – which is an important part of our efforts to embed and enhance our sustainability culture throughout the Pacific Basin organisation.

Responsible Value Creation for Our Stakeholders

We value long-term relationships with our stakeholders and are committed to serving our customers, society and sustainable trade, and our wider stakeholders for more resilient and sustainable dry bulk supply chains. Such initiatives are often characterised by a degree of collaboration and innovation.

One example is the collaborative research and vessel design work we conducted with Nihon Shipyard Co and Mitsui & Co before contracting for our first newbuilding LEVs, which we believe will inspire other ship owners to follow suit, while also signalling to global regulators, governments, green fuel investors and producers, energy companies, technology companies, engine makers and shipbuilders that shipowners are ready to play their part in the transition which cannot succeed without all other stakeholders playing their part too. We are now particularly engaged with green fuel project owners, helping them to understand the green fuel requirements and challenges in the dry bulk tramp shipping space. We believe examples like ours will help add momentum to the transition to low-emission shipping.

◀▶ p.20 Developing Low-emission Vessels

We continue to be involved with the Maritime Anti-Corruption Network (MACN) and TRACE which draw on collective action to eliminate corruption in our industry and advance commercial transparency in areas of anti-bribery, compliance and good governance. In 2024, we advocated for the security, fair treatment and due process for seafarers in a number of forums – including in maritime and security conferences in Lagos, Geneva and Houston – in which coast guard, law enforcement, drug enforcement and other security agencies sought to collaborate with the shipping industry to tackle the issue.

Since early 2023, we have been collaborating with our cargo customer Rio Tinto as part of their Designated Owners & Operators Standard initiative to enhance safety and crew welfare in the dry bulk industry.

We expanded our internship programme in 2024, welcoming a diverse group of 17 interns mainly in our Hong Kong headquarters. We believe internships are a way of helping young community members with their development and career preparations, providing opportunities to candidates from different backgrounds, while also raising their awareness about the shipping industry and possibly even developing a pipeline of potential future employees. Our interns come to us mainly via our scholarship programme with Hong Kong Polytechnic University, our commitment to Hong Kong's Racial Diversity Charter, and our relationship with the Zubin Foundation.

We actively support the Hong Kong Maritime Museum's programmes and initiatives that align with our shipping and community-focused social responsibility priorities in Hong Kong. To mark the International Day of the Seafarer in late June, we sponsored free admission to the museum for the public, with programming and workshops on the day partially facilitated by Pacific Basin ship officers, cadets, and shore-based managers and former ship captains.

We also supported the marine conservation and education programmes of WWF Hong Kong, which included eco-tours around Hong Kong's shorelines and coral reefs for over 60 Pacific Basin colleagues and family members.

These initiatives are just a few examples of the increasing engagement and collaboration with like-minded stakeholders that we consider valuable to better tackle our industry's main challenges and promote a responsible, ethical, inclusive and resilient global marketplace.

◀▶ p.61 How We Create Value

Responsible Business Fundamentals

Our culture of doing the right things includes good governance and ethical management and decision-making, and striving for best-in-class risk management, reporting, transparency, corporate stewardship and stakeholder confidence.

Good corporate governance underpins all components of our business and brings energy and credibility to the Company's decision-making, which is central to delivering value for our shareholders. Our international Board comprises a majority of Independent Non-executive Directors (INEDs) with diverse expertise and backgrounds, and was enhanced in February 2025 with the addition of two new and highly qualified INEDs, Ms. Kalpana Desai and Ms. Heather Wang, who we welcome warmly to the Pacific Basin team.

Responsibility for Pacific Basin's sustainability rests with our Board who in January 2024 elevated its delegated board-level oversight of sustainability from the Audit Committee to a dedicated new Sustainability Committee. In line with best practice, this is facilitating greater board-level bandwidth to ESG matters, while also freeing up time in board and audit committee meetings for other business.

As at February 2025, the Sustainability Committee, chaired by Dr. Kirsi Tikka, now comprises three independent non-executive directors and one non-executive director.

Our Chairman Stanley Ryan has stepped down from the Sustainability Committee and has been replaced by our two new INEDs, Ms. Desai and Ms. Wang, who both have qualifications, experience and strong professional backgrounds that will help to strengthen our Board and Sustainability Committee with a broader range of valuable expertise.

Management and a dedicated sustainability team are supported by a Sustainability Management Committee in coordinating and enhancing our approach to sustainable business practices and investments, in ensuring compliance with growing ESG requirements for companies engaged in shipping and listed on the Hong Kong Stock Exchange, and to better integrate more precise and deliberate sustainability thinking into our culture and every aspect of our business.

We believe our enhanced sustainability governance structure will further improve the effectiveness of our approach to sustainable practices and development, the resilience and reputation of our business, and the confidence our stakeholders place in us.

p.72 Sustainability Governance

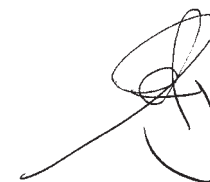
Effective Platform for a Sustainable Business

We continued to make progress in addressing our most significant sustainability issues last year, as evidenced by improved performance in key areas and by our external recognitions and ESG ratings. With dedicated sustainability, decarbonisation, safety, operations, HR and other relevant teams, and with the closer oversight of an expanded board-level Sustainability Committee, we have experienced people and an effective platform with which to tackle our challenges and make good progress on our sustainability journey.

Our approach to sustainability is well aligned with our company strategy and culture, so internal engagement these days, especially with new employees, is focused on why ESG is important at Pacific Basin. We continually review our strategies for managing our most material ESG priorities and issues. These collaborative exercises and related internal engagement help to refine and update our ESG ambitions and targets, while empowering our colleagues to tailor our initiatives to achieve them and further embedding sustainability in our culture.

We are privileged to have excellent and dedicated people in our Pacific Basin family both at sea and ashore, and I thank them all for what they do so well and for the way they do it, responsibly delivering value for our customers, shareholders and other stakeholders. They are all Pacific Basin ambassadors whose actions underpin the reputation and resilience of our Company.

I thank also our shareholders, customers and other stakeholders for their continuous support, including their increasing interest in and expressions of encouragement for our ongoing ESG efforts. We have the excellent Board, colleagues, values, assets, business model, strategies, financial health and culture that position us well for a sustainable future.



Martin Fruergaard

Chief Executive Officer

Hong Kong, 28 February 2025



Our Culture of Doing the Right Thing

At Pacific Basin, we aim to achieve a healthy balance between growth and profitability, and the environmental and social issues related to our business. We believe that sustainability is a journey that the entire business is on together, propelled by our drive to compete and lead, and guided by our culture of doing the right thing.



Our Purpose

To safely and sustainably deliver by sea the dry bulk commodities that are essential to society

Our Vision

To be the leading ship owner/operator in dry bulk shipping, and the first choice partner for customers and other stakeholders

Our Slogan

With you for the long haul

➡ p.61 How We Create Value

Our Business Principles

- We are passionate about our customers, our people, our business and our brand
- We honour our commitments, and we value long-term relationships over short-term gain
- We offer a personalised, flexible, responsive and reliable service, and we look for ways to make it easier to do business with us
- We take a sustainable business approach and promote high standards of safety, wellbeing and environmental responsibility
- We are all corporate ambassadors and share a strong sense of belonging to our Pacific Basin family
- We are caring, good humoured and fair, and want all our colleagues to feel safe, supported, wanted and trusted
- We value diversity, and we treat everyone with dignity, respect and equality of opportunity
- We target excellence and success through dedication and teamwork
- We continuously look to enhance our business model, our service and our conduct in everything we do
- We look for collaboration to tackle our industry's challenges

Achieving our ESG Goals

Integrating Sustainability and Activating ESG Awareness & Engagement



A sustainability strategy isn't fully effective unless it is consistent with our vision and values, and aligned with our business strategy. Furthermore, our ESG strategy provides a compass and roadmap, but is meaningless without the buy-in and cooperation of our colleagues across our business.

Therefore, to be good at sustainability, we challenge our colleagues to:

- Recognise that ESG lives with our teams, integrated into our daily operations
- Make ESG practices more intentional and precise
- Be curious and creative about ESG matters
- Engage, discuss, collaborate and innovate within our teams and cross-functionally
- Find and leverage competitive advantage from ESG
- Staff engagement for greater ESG awareness and a stronger ESG culture

We still have a long sustainability journey ahead, and we don't have all the answers. To achieve our goals, we need all hands on deck, working together to implement and continuously refine our strategy.

➡ p.11 4 Pillars of Sustainability

➡ p.72 Our sustainability team

Why do we Care?

Growing environmental concerns, increasingly complex regulations, and shifting stakeholder expectations drive the need for an enhanced sustainability strategy that aligns with and complements our business strategy. This serves to improve our resilience against and readiness for current and future challenges, and to position our business to capture opportunities and create value.

External and Internal Drivers

- | | |
|---|---|
| ■ Climate Change | ■ Positions for Opportunity |
| ■ Global Biodiversity Loss | ■ Attracts & Retains Talent |
| ■ Rules & Regulations | ■ Access to Shareholder/Lender Capital |
| ■ Risk & Reputation Management | ■ Customer Expectation |
| ■ Resilience & Readiness for Challenges | ■ Board of Directors Expectation |
| ■ Drives Performance | ■ Alignment with our Purpose, Vision & Principles |
| ■ Business Differentiation | |

Our ESG Ratings

Our ESG ratings continue to improve and are among the best in the dry bulk shipping sector, if not among maritime transport companies overall, according to information available from various ESG ratings agencies.

The landscape of ESG ratings platforms is fragmented and complex, so we currently prioritise the following:

	2023	2024
HKQAA	AA-	AA-
Assessing the ESG performance of Hong Kong-listed companies on behalf of Hang Seng Indexes		
MSCI ESG	BBB	BBB
Used by about 70% of our largest shareholders for assessing the ESG performance of companies		
Sustainalytics	Low Risk	Low Risk
Used by about 40% of our largest shareholders for assessing the ESG risk exposure and management performance of companies		
EcoVadis	Bronze Medal	Silver Medal
Used by several of our customers who are beginning to conduct supplier/partner ESG assessments		

AA-



We are also rated favourably among our shipping peers by several other ESG ratings agencies and platforms, such as ISS, S&P Global, Bloomberg, Refinitiv, Sustainalytics and FTSE Russell. As we do not subscribe to them, we are unable to disclose their ratings for Pacific Basin.



ESG Awards

In 2024, we won several top awards/recognitions for ESG and related performance, including:

ESG Shipping Awards International

- Silver Award in ESG Leader category

HKICPA Best Corporate Governance and ESG Awards

- Gold Award in Most Sustainable Companies Awards (Small Market Cap)

Hong Kong Awards for Environmental Excellence

- Silver Award in Transport and Logistics

Hong Kong ESG Reporting Awards

- Grand Award for Best ESG Report (mid-cap)
- Grand Award for Excellence in ESG Governance
- Grand Award for Excellence in Social Positive Impact
- Commendation for Excellence in Environmental Positive Impact

Hong Kong Marine Department Awards

- Outstanding Performance in Port State Control Inspections
- Award for Bravery (for crew of m/v Columbia River)
- Green Fleet Award (for achieving AER ratings of A or B)
- Award for Recruiting the Most Hong Kong Sea-going Cadets

IR Magazine Awards - Greater China

- Best ESG Reporting (mid-cap)

Spinnaker

- Best HR Initiative Award 2024 (for our enhanced maternity leave policy)

4 Pillars of Sustainability at Pacific Basin

Our industry is facing an evolving and increasingly complex business landscape which poses both risks and opportunities for our company. To navigate the challenges of today and tomorrow, and to further define our role as industry leaders, we are harnessing our culture of “doing the right thing” and putting it to work in a pragmatic sustainability framework comprising four pillars of responsibility

ENVIRONMENTAL RESPONSIBILITY

Decarbonising our fleet, managing our waste and use of resources, and minimising our impact on biodiversity as we continue to grow our business



RESPONSIBILITY TO OUR PEOPLE

Safeguarding a decent, healthy and safe work environment and nurturing an empowered and inclusive organisation, while developing a diverse, well-supported and high-performing workforce



RESPONSIBLE BUSINESS FUNDAMENTALS

Evolving and enhancing management and governance practices (including due diligence, financial and risk management, integrity and transparency) to safeguard business resilience and stakeholder trust and confidence



RESPONSIBLE VALUE CREATION

Serving, helping and collaborating with customers, suppliers, the seafarer community and other stakeholders to support a responsible and resilient supply chain and PB community

With You for the Long Haul

Materiality

We determine in a number of ways what sustainability issues really matter to us. Several of them are risks and responsibilities that we are mandated to manage by our industry's regulators and other authorities. Some sustainability issues are matters increasingly raised in our routine dealings with customers, employees, banks and investors.

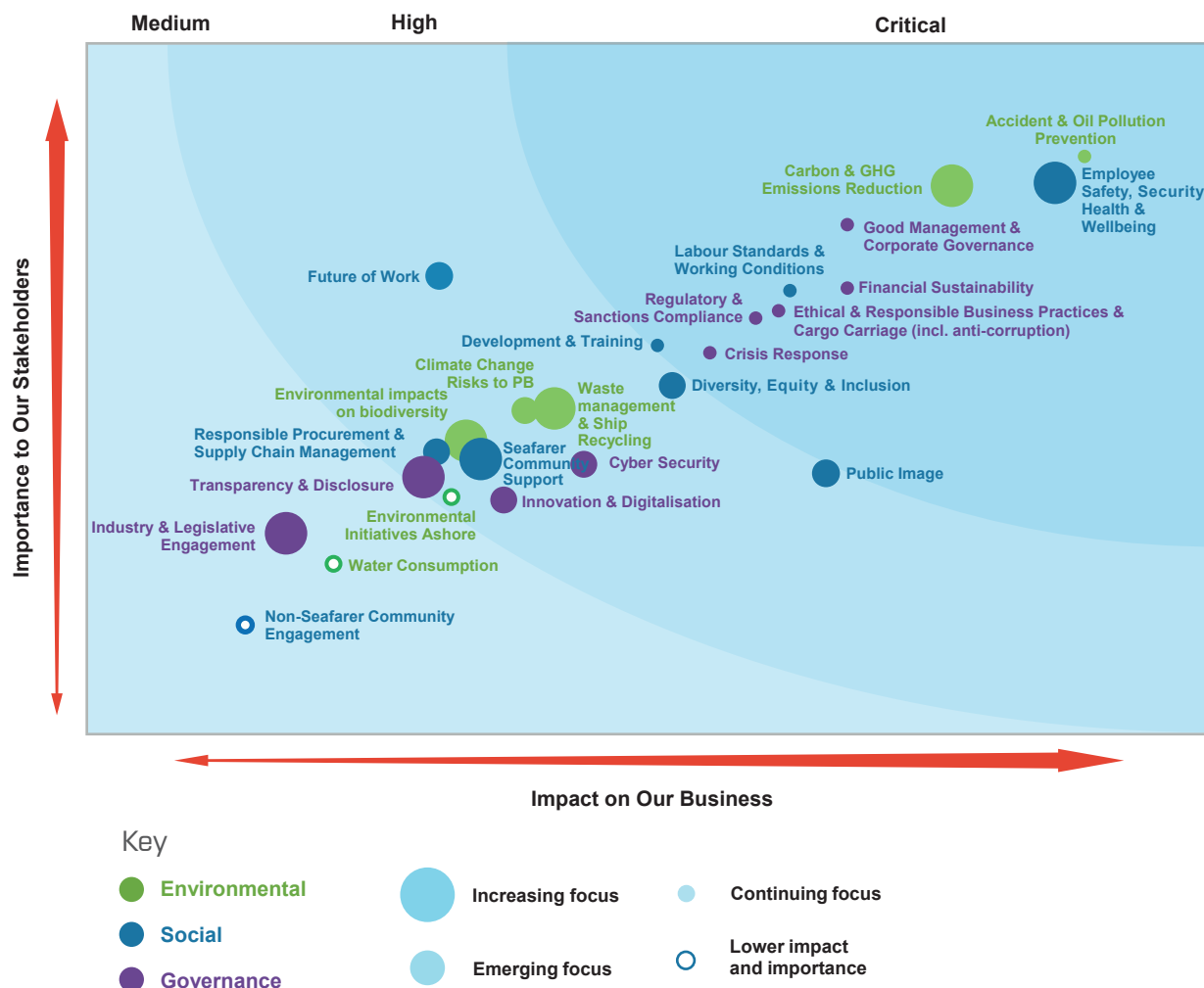
We also consider the requirements of reporting standards and frameworks such as GRI, IFRS S1 & S2 and SASB, and the criteria of ESG ratings agencies and platforms as proxies for investors' and other stakeholders' expectations.

➡ p.106 Sustainability Reporting Frameworks

➡ p.10 Our ESG Ratings

We conduct ESG materiality surveys every 1-2 years, reaching out to different stakeholder groups on a rotational basis. Our most recent stakeholder survey was enhanced by independently run focus group workshops with 45 stakeholders to clarify what sustainability issues are important to them and how they think we are doing. This was part of a larger sustainability strategy review, which also entailed ambition-setting for our various sustainability issues – a process that is ongoing and will be regularly revisited.

All these engagements enable us to map issues that are of greatest importance to our business, our stakeholders, society and the environment, and to determine the key issues for discussion in our sustainability reporting.



Our Sustainability Priorities

We further prioritise our ESG issues based on our assessments of what is currently most important to our stakeholders, our business, society and the environment, what is most urgent, and considering our levels of ambition towards the several sustainability issues that we deem material for our Company. We currently see these five ESG issues as our company's top-most sustainability focus areas:



Employee Safety, Security, Health & Wellbeing

↔ p.37

We constantly look for ways to safeguard the safety, security, health & wellbeing of our seafarers and office colleagues



Diversity, Equity & Inclusion

↔ p.53

We strive for a culture of care, respect and non-discrimination, and a workplace where all colleagues feel welcomed, included, supported and fairly treated



Carbon & GHG Emissions Reduction

↔ p.16

Climate change & decarbonisation are the priority in our wider efforts to minimise our environmental impact



Good Management & Corporate Governance

↔ p.72

Good ethical management, decision-making, controls and governance underpin sustainable business development



Responsible Business Practices & Cargo Carriage

↔ p.75

We apply sound business ethics and principles, and we are cautious in our choice of suppliers, counterparties, cargoes and trading areas so that we contribute positively to sustainable development

Enhancing our Sustainability Culture with DEI and Safety & Wellbeing Strategy Reviews in 2024

In 2024, we conducted internal workshops to review and tighten up our vision, ambitions, goals and targets for (a) Safety, Security, Health and Wellbeing and (b) Diversity, Equity & Inclusion, key outcomes of which are summarised in pages 42 and 55.

In 2025, the ESG team will lead workshops to review our strategies for our three other priority ESG issues listed above. These collaborative exercises and related internal engagement help to train our organisation and provide a forum for discussing, refining and

updating our ESG ambitions, goals and targets, while empowering our colleagues to tailor our initiatives to achieve them and further embedding sustainability in our culture.

ENVIRONMENTAL RESPONSIBILITY



Drawing on our Natural Capital

The primary environmental impacts of shipping are emissions and discharges. At sea and in port, these outputs are substantially all regulated, and compliance is enforced across international, regional and local jurisdictions.

We recognise our responsibility to reduce our operations' impact on air, sea and land, and our Pacific Basin Management System is designed to measure and continually improve every aspect of our fleet operations, including our environmental outputs.

Environmental Responsibility



Ambition

As a leading dry bulk ship owner and operator, Pacific Basin seeks to further improve our fleet scale, optimise our performance and offer flexible and reliable service while striving to minimise environmental impact. We take responsibility for decarbonising our fleet, managing our waste, marine discharges and resources consumption, ensuring our ships are primed for proper recycling and minimising our biodiversity impacts as we continue to grow our business.

Commitment to

Decarbonising our fleet

We target to become net zero by 2050 to reduce our impact on climate change by adopting technical and operational measures, preparing for market-based measures and supporting the development and deployment of green fuels and zero-emission vessels.

Minimising our environmental impact

We manage and operate our fleet and offices with a commitment to reducing our resource consumption, waste footprint and biodiversity impacts. We ensure that our older ships that we sell are primed for proper recycling at end of life.

Enhancing and optimising green & safe ship operations

We strive to adopt industry best practices and promote a culture of high standards to ensure environmentally-responsible and safe ship operations through continued investment in training, systems, procedures and technology.

Related material issues

Carbon & GHG emissions reduction
Innovation & Digitalisation
Regulatory & Sanctions Compliance
Climate Change Risks
Industry & Legislative Engagement

Waste Management & Ship Recycling
Accident & Oil Pollution Prevention
Environmental Impacts on Biodiversity
Environmental Initiatives Ashore
Water Consumption

Innovation & Digitalisation
Regulatory & Sanctions Compliance
Development & Training



In support of the UN Sustainable Development Goal 13, we pursue measures to reduce our emissions and minimise our contribution to air pollution and its impact on climate change



In support of the UN Sustainable Development Goal 14, we pursue measures to improve safety, training and environmental stewardship to prevent pollution and reduce our impact on marine biodiversity

SEHK
ESG

Aspect A1 (Emissions) General Disclosure



p.25, 28 & 30

The first step to improving the environmental performance of our fleet is to measure and analyse the outputs of our vessels. From there, we assess and adopt measures to reduce our environmental impacts, with performance improvements achieved through both technical and operational measures.

Energy Efficiency & Decarbonisation

Bulk carriers are by far the most energy-efficient mode of transportation, meaning also that they generate significantly less carbon emissions per tonne-mile of cargo carried than any other mode using fossil fuels.

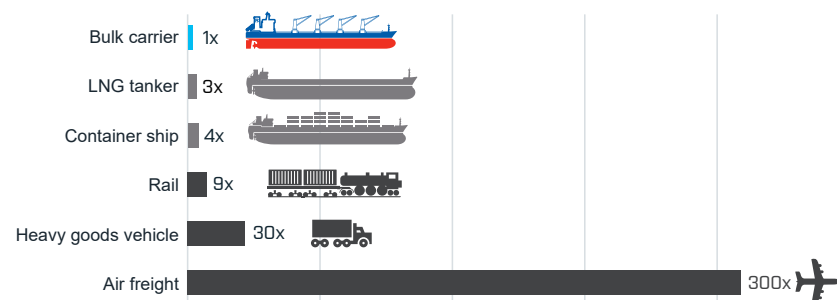
However, we recognise that shipping's share of global greenhouse gas emissions (currently about 3%) will rise if left unchecked and that an ambitious approach is needed if shipping is to align with the 1.5°C limit and net zero by 2050 goal of the UNFCCC, and so we – and our industry – need to do our bit to constantly find ways to reduce our emissions and ultimately decarbonise altogether.

Effective from January 2023, the International Maritime Organization (IMO) implemented the first global regulations (short-term measures) to start the challenging process of decarbonisation across our industry and, during that year, IMO published a revised, more ambitious greenhouse gas (GHG) strategy, and we learned more about EU plans to regulate on GHG emissions from shipping (EU ETS and FuelEU Maritime) which are now in effect.

In 2025, we are due to learn more about IMO's planned technical and economic measures (mid-term measures) scheduled to take effect in 2027.

Bulk carriers are the most energy-efficient mode of transport

grams of CO₂ per tonne mile



Source: Pacific Basin, comparisons are approximate and based on data from the UK Government's Greenhouse gas reporting: conversion factors 2019

IMO GHG Strategy

Revised in 2023, IMO's GHG strategy includes goals for international shipping to achieve:

- net-zero emissions by about 2050
- CO₂ intensity reduction of 40% by 2030 compared to 2008 level
- total GHG emissions reduction of 20-30% by 2030 and 70-80% by 2040
- 5-10% of energy use to come from zero GHG emissions technologies and fuels by 2030



Pacific Basin's own net zero by 2050 target to which we committed in 2021 is closely aligned with IMO's target.

IMO's Short-term Measures

Energy Efficiency Index for Existing Ships (EEXI)

- All ships must achieve a minimum energy-efficiency level, certified at first survey after 1 Jan 2023
- Requiring technical enhancements that result in permanent efficiency gains (eg retrofitting fins, ducts, reshaped propellers, sails, engine power limiters, etc.)

Carbon Intensity Indicator (CII)

- Effective January 2023, all ships must gradually improve their carbon intensity through operational measures
- CII is measured annually using Annual Efficiency Ratio (AER)
- AER rating categories are A to E, with A-C being fully compliant
- D is permitted for three years and E is permitted for one year before corrective action is required to return to C
- Rating requirements tighten over time for longer-term reduction in carbon intensity

↔ p.25 Our Carbon Intensity Performance

IMO's Mid-term Measures In Development

Technical measure: a global GHG fuel standard regulating the phased reduction of marine fuel GHG intensity, essentially forcing the gradual adoption of green fuels

Economic measure: a GHG emissions pricing mechanism, likely in the form of a global carbon levy to incentivise the adoption of green fuels

↔ p.26 Continuous Preparation for Decarbonisation Rules

↔ p.27 GHG Regulatory Snowball

Our Decarbonisation Strategy

Our longer-term goal of complete decarbonisation requires a multifaceted, holistic approach.



Preparation for increasing and tightening decarbonisation regulations

Regulatory and government engagement for an effective and pragmatic transition

Experience and data sharing and collaboration for excellence

Seafarer training for safe LEV operations and a Just Transition

Roadmap to net zero by 2050

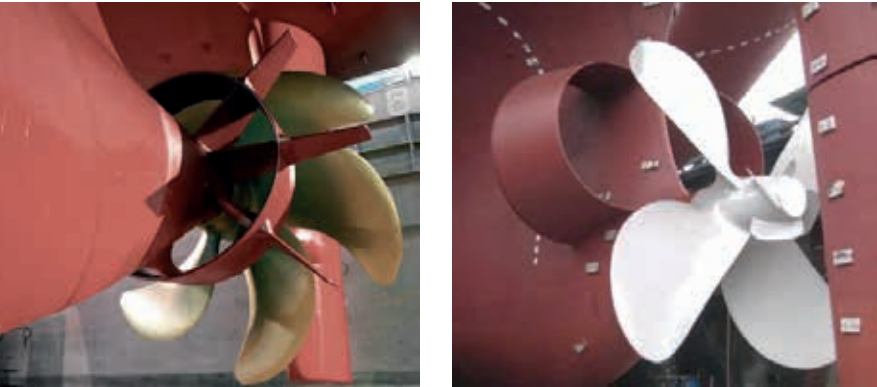


Our Main Decarbonisation Measures

Energy-efficient technology adoption

We continue to investigate and invest in innovative technological enhancements to improve the energy efficiency of our ships including, for example:

- Fitting propeller boss cap fins, non hub-vortex propellers, rudder bulbs, Mewis ducts and recently also pre-swirl vanes (PSV) to improve water flow through the propeller and to improve propulsion hydrodynamics
- Reshaping propellers to improve torque characteristics and efficiency
- Engine tuning to optimise combustion pressure
- Applying anti-fouling paints over a larger hull area to reduce drag even when fully laden
- Applying silicone coatings to hull and propeller for better anti-fouling and surface smoothness
- Retrofitting LED lights throughout our ships to reduce demand for auxiliary power
- Installing engine power limiters where required to meet EEXI rules
- Installing harbour seawater pumps and smaller main engine preheat pumps that consume less power
- Selecting ships with fuel-efficient hull designs (e.g. Aeroline design) and more fuel-efficient machinery



Photos showing pre-swirl vanes (PSV) and Mewis ducts, propeller boss cap fins and a silicone painted propeller

Silicone hull paint significantly reduces drag

In 2024, we applied silicone hull coating to 35 owned ships, and our findings point to significant fuel savings of around 8% when sailing in good weather. We will continue to roll out the use of silicone hull paint across our fleet. Occasionally, when the ambient humidity and temperature are unsuitable for the application of silicone, we apply other advanced high-performance antifouling paints that deliver a fuel saving of about 5% in good weather.

The accumulation of biofouling (such as algae and barnacles) on ship hulls leads to increased drag and fuel consumption, and therefore increased emissions of greenhouse gases and air pollutants. To combat this issue, antifouling paints are applied to ships hulls. Conventional biocide-based antifouling coatings deteriorate and become less effective (resulting in more drag) over time between dockings. Silicone paint is smooth and elastic, allowing for much slower build up of biofouling and for the hull to retain its super low-friction qualities for longer. The application of silicone paint to the hull results in fuel savings, reduced carbon emissions, and potential cost savings on future dockings.

We also apply silicone or other advanced paints to our ships' propellers to avoid efficiency deterioration of about 1% due to biofouling.



In support of the UN Sustainable Development Goal 13, we pursue measures to reduce our emissions and minimise our contribution to air pollution and its impact on climate change

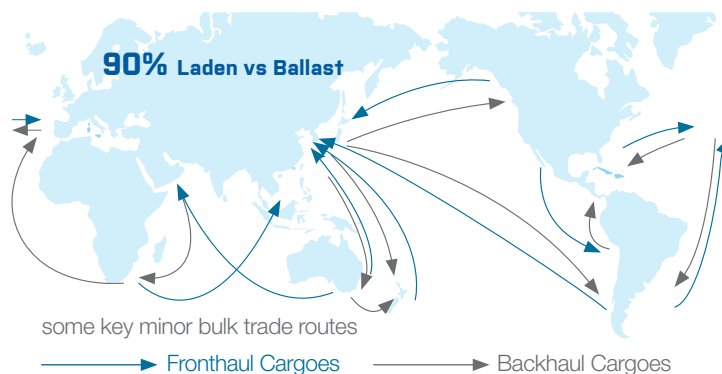
SEHK ESG	KPI A1.5 Emission targets & measures
SEHK ESG	KPI A2.3 Energy efficiency targets & measures
SASB TR-MT-110a.2	



Carbon-efficient operational measures

We continue to investigate and make vessel operations and deployment decisions that will gradually improve the carbon intensity of our activities, such as:

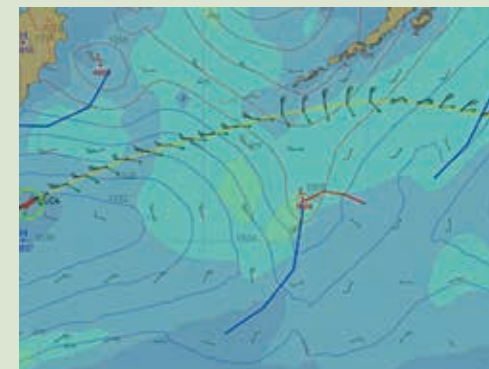
- Maintaining our high laden-to-ballast ratio – Our ships are laden with cargo about 90% of the time because the uniformity and scale of our fleet and our ship operating and cargo expertise enable us to optimally schedule and combine our ships and cargo for high utilisation. That is a significant advantage compared to many ships in our sector that spend more time in ballast
- Becoming increasingly selective, as may be more necessary in the future, about vessel employment to optimise our ships' sea-to-port time ratio for CII compliance
- Fuel-efficient voyage planning, enhanced by the latest strategic power weather routing services which determine optimal routing and engine RPM speeds based on forecast and real-time weather conditions
- Reducing rudder movements and improving course-keeping using advanced self-tuning autopilot systems that automatically adapt to load and weather characteristics
- Using hull condition analysis to optimise hull cleaning frequency for reduced drag
- Speed optimisation using PB Right Speed Programme so that our ships are not sailing faster than is necessary – economically and to achieve desired carbon intensity performance



Constant Power Weather Routing

We use latest weather routing services that optimise vessels' routes based on winds, currents, wave height and direction, and adverse weather, while also optimising engine speed (RPM) to maintain constant power output, regardless of weather conditions. This avoids unnecessarily high engine torque in bad weather conditions and can result in significant fuel savings, as the ship's engine does not need to work as hard to maintain the same speed which, over time, also results in less stress, wear and tear.

In 2024, constant power weather routing resulted in a total fuel saving of almost 6,200 metric tonnes of fuel across our owned ships, representing 5% fuel savings worth about US\$ 5.2 million.



Enhancing Optimisation with Evolving Digital Tools

Our Commercial Voyage Optimisation team is working hard to extract more value from fuel-efficient operational measures and various other voyage-related factors and efficiency improvements. Leveraging digitalisation, we made good progress in 2024 on systems for more accurate data measurement, collection and analysis, including:

- implementing AI-driven processes for daily verification of our time-chartered (TC) fleet voyage data (for emission reporting compliance and fuel consumption optimisation);
- advanced data models for precise information on the fuel efficiency of our owned and TC fleet (for improving fuel efficiency);
- systems and models for choosing optimal methods of compliance with EU ETS and EU Fuel Maritime; and
- rolling out Remotely Operated Vehicles (ROVs) across our owned ships to monitor hull fouling.



We will work hard to extract value from our conventionally-fuelled assets, optimising their deployment as best we can applying technical and operational measures to meet tightening decarbonisation rules for as long as possible

Fleet renewal and growth for energy efficiency

We have long invested in the growth and renewal of our fleet, which has ensured that we have the capacity and the reliable and increasingly efficient ships with which to serve our expanding customers' needs and reduce the energy and carbon intensity of our activity.

- We aim to continue to expand our capacity and will continue to gradually replace our oldest ships with modern, larger and more efficient second-hand ships, prioritising vessels with fuel-efficient hull designs and machinery
- Having not ordered newbuilding ships for several years, we have now started to order dual-fuel low-emission vessels (LEVs)



17 PARTNERSHIPS FOR THE GOALS



In support of the UN Sustainable Development Goal 17, we engage and collaborate with our peers, industry associations, NGOs and other stakeholders on matters that drive the sustainable development of our industry

Development of low-emission vessels

We target for our fleet to comprise only zero-emission vessels by 2050, which will only be possible with collaboration, innovation and significant investment.

- In collaboration with Nihon Shipyard Co and Mitsui & Co, we designed and have ordered four dual-fuel LEVs (see below)
- We expect to operate our first LEV well ahead of our 2030 target
- We engage regularly with the classification societies, engine manufacturers, shipbuilders and other stakeholders who are more directly involved in new fuels and new propulsion R&D, and we also engage with other ship owners and operators who are similarly interested in tracking and contributing to this industry discussion with input from the user's practical perspective
- We are members of the Getting to Zero Coalition committed to getting commercially viable deep-sea zero-emission vessels powered by zero-emission fuels into operation by 2030 with the ambition of full decarbonisation by 2050

 **p.23** Getting to Zero Coalition

Collaborating on Low-Emission Vessels

Following a two and a half year collaboration with Japanese partners Nihon Shipyard Co and Mitsui & Co, Pacific Basin has ordered four 64,000 dwt Ultramax dual-fuel low-emission vessels (LEVs) capable of running on both green methanol and conventionally fuel oil.

These vessels are of a new design optimised for fuel economy with the newest and most efficient engines as well as extra upgrades to further enhance the vessels' operational capabilities and safety features. This move reconfirms our belief in our market going forward and in the business case for such LEVs, and it aligns with our sustainability goals, enhances our fleet's ability to comply with increasing decarbonisation regulations, positions us at the forefront of innovation in our sector, and affords us several strategic early-mover benefits that will be important in the years ahead, including:

- expertise-building on a steep learning curve;
- collaborating with sustainability-minded cargo customers to reduce supply chain emissions;
- collaborating with green fuel producers and suppliers as well as associations, governments agencies and other authorities to signal real and growing demand for green fuel in the bulk shipping sector;
- enhancing our access to green fuels; and
- enhancing our access to capital from forward-thinking investors and lenders.



Our Chief Executive Officer Martin Fruergaard at the dual-fuel LEV newbuilding contract signing with our partners Nihon Shipyard Co and Mitsui & Co.

A summary of decarbonisation gains from our energy-efficiency initiatives

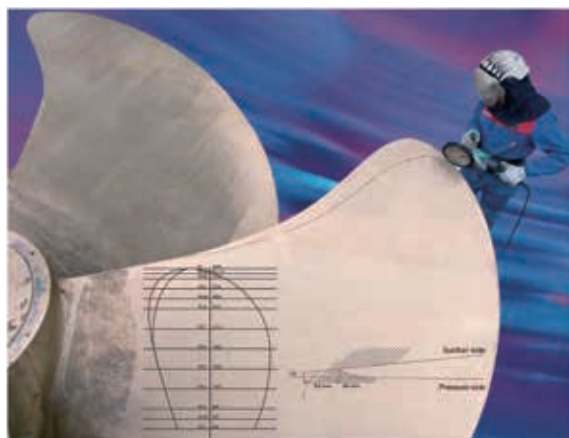
We continue to research and invest in innovative technological enhancements and operational measures to improve the energy efficiency of our ships, and have long invested in the growth and renewal of our fleet for enhanced efficiency. As our investors and other stakeholders seek to understand the real-world pathways to net-zero emissions, we present below a summary of energy-efficiency initiatives we have adopted together with an approximate estimate of fuel/emissions savings from each in ideal conditions. We also list examples of technologies that, after investigations and/or trials, we have not adopted or discontinued (at least for now) on account of them being inadequately effective, economical and/or practical for our type of ships and trades.

Our main initiatives currently	Approx. Emissions Reduction (%)*	Dismissed or discontinued initiatives	Reasons**
Energy Efficiency Technologies	19-20	Air lubrication	Poor ROI
Silicone & other advance hull coatings	8	Battery packs	Poor ROI
Propeller boss cap fins (PBCFs)	2-3	CO ₂ capture	Commercially impractical
Mewis ducts & pre-swirl vanes (PSV)	2-3	Flettner rotors	Commercially impractical
Eco fuel injection nozzles	2	Hydrogen fuel cells	Commercially impractical
Propeller trimming	1	Kites	Commercially impractical
Silicone propeller coating	1*	Propeller renewal	Poor ROI
Slide valves	1	Shaft generator	Poor ROI
Fuel additives	1	Shore power	Commercially impractical
LED lights	<1	Solar panels	Inadequate emissions reduction
Small SW pumps	<1	Ultrasound hull fouling prevention device	Inadequate emissions reduction
Small FW preheat pumps	<1	Waste heat recovery	Commercially impractical
Carbon Efficiency Operational Measures	9-10	Wind turbine	Poor ROI
PB Right Speed programme	5	Trim optimisation	Inadequate emissions reduction
Strategic power weather routing	4	Graphene propeller coating	Inadequate emissions reduction
Self-tuning autopilot systems	1	Automatic control of main engine power	Inadequate emissions reduction
Main engine performance monitoring	— [#]		
Fleet Renewal (gains from trading up our conventionally-fuelled ships)	16-17		

* Accurate actual emissions reduction of each energy-efficiency measure is difficult to ascertain, as challenges in acquiring quality data from vessels, variations in operating conditions and the lack of efficient benchmarking all pose significant difficulties in performance analysis. Additionally, decoupling the performance of the hull, propeller and machinery complicates the assessment of real benefits.

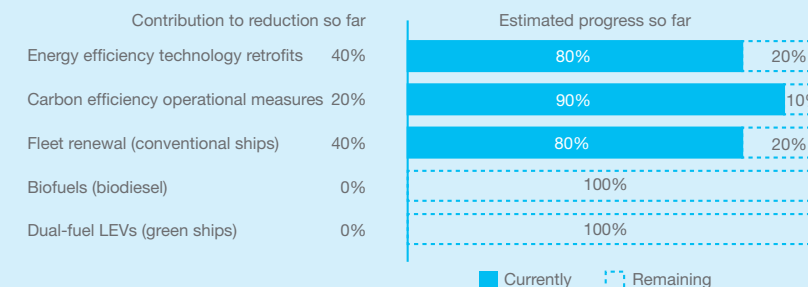
[#] We adopt these initiatives to avoid energy efficiency losses due to deterioration in the underlying technology.

↔ p.18 Energy-efficient technology adoption



Progress on our decarbonisation journey so far

We believe that we have already extracted most of the decarbonisation potential available through technical and operational measures (subject to new innovation), so we will mostly need to rely on the use of sustainable biofuel and transition to LEVs (green ships) running on green fuels to get us the rest of the way to zero.



All numbers on this page are approximate and for indication only



Supporting green fuel availability

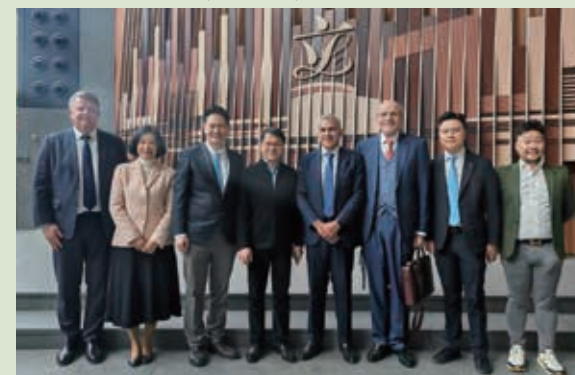
To meet its 2050 net zero target and comply with decarbonisation regulations, our industry urgently needs very large volumes of sustainable biofuel and other alternative green fuels. There is uncertainty about when, where and if these sustainable fuels will be available to shipping in adequate volumes, and so we try to help drive the availability of green fuels for our sector and ensure that we have priority access to the fuels we will need for our LEVs.

- We are in regular contact with the world's leading marine fuels and green fuels companies to share updates on our LEV project and future green fuel needs, and to learn about developments in green fuel production and supply.
- We engage with Hong Kong authorities about our sectors' green fuel needs, which has helped to the matter in the Hong Kong governments' policy planning and signalled demand for green fuel production in China.
- We engage with a few of our cargo customers who are also in the business of producing biofuel, bio-methanol and similar green fuels, with a view to collaborating on the sustainable fuelling of our LEVs when they eventually join our fleet.
- We remain open to possibly making investment in green fuel infrastructure.
- We aim for green methanol, biofuels and other synthetic fuels to make up 5% of our fuel mix by 2030.

Engaging with Government and Green Fuel Producers

In 2024, the Hong Kong Government published its Action Plan on Green Maritime Fuel Bunkering which outlines targets, strategies and action measures to develop Hong Kong as a green maritime fuel bunkering centre. Pacific Basin has played its part in supporting the Action Plan through our membership of the Methanol Bunkering Task Force of the Transport and Logistics Bureau which helps the Hong Kong government formulate policies that drive the development of green fuel bunkering in Hong Kong.

We are also in dialogue with several green fuel suppliers and producers – many based in Hong Kong and China – to develop our access to bio-methanol and e-methanol as well as biofuel (biodiesel) for our low-emission vessels.



What is Sustainable Biofuel?

Biofuel is produced from plants that capture carbon from the atmosphere as they grow. Depending on its source, it can be an environmentally friendly alternative to fossil fuels. For example, used cooking oil produced from plants can be repurposed as engine fuel instead of being discarded as waste. When used as fuel, the combustion of sustainable biofuel returns CO₂ to the atmosphere that the plant had absorbed during its life. This process can result in "net zero" emissions on a full lifecycle basis, meaning it adds no new carbon to the atmosphere and is therefore considered sustainable.

IMO has completed its lifecycle assessment (LCA) of candidate future fuels, and the carbon factor of different biofuels are expected to be published in IMO's coming Fuel GHG Standard.

Biofuels can then be blended with fuel oil to reduce ships' carbon emissions intensity, thus extending their ability to comply with carbon intensity reduction rules. Biofuels can also be used as a drop-in fuel to fully replace fuel oil.

What are Alternative Green Fuels?

Some new fuels such as methanol contain carbon and therefore emit CO₂ during combustion. However, if such new fuels are produced using renewable energy and carbon captured from the atmosphere or biomass, the emissions from using these fuels can be classified as "low carbon" or even "net zero" on a well-to-wake or full lifecycle basis. Such fuels, including green methanol and green ammonia (which contains no carbon), can be certified as sustainable or green, but they can be used only on ships with special engines specifically designed to run on those fuels.



Information-sharing and collaboration for excellence

Information-sharing and collaboration foster a culture of knowledge exchange and joint efforts to achieve our industry's very difficult long-term decarbonisation goal.

- We are expanding our emissions data sharing and related dialogue to raise carbon footprint awareness among our customers and other stakeholders
- We are increasingly harnessing data, digitalisation, innovation and collaboration to tackle decarbonisation
- We have selectively joined other voices calling for globally implemented carbon pricing and other measures that are necessary to drive or support the transition to LEVs and green fuels

Getting to Zero Coalition

We are members of the Getting to Zero Coalition (GTZ) of over 200 organisations committed to exploring how to get commercially viable deep sea zero-emission vessels powered by zero-emission fuels into operation by 2030, with the ambition of full decarbonisation by 2050. GTZ facilitates valuable knowledge and experience sharing, and our Head of Decarbonisation has participated in GTZ workshops and seminars.

Getting to Zero Coalition



We stand by our support of the Call to Action for Shipping Decarbonisation that GTZ and the Global Maritime Forum coordinated in 2021, which calls on governments to:

1. Commit to decarbonising international shipping by 2050
2. Support industrial scale zero-emission shipping projects through national action that de-risks first movers and accelerates innovation
3. Deliver market-based policy measures that will support the deployment of zero-emission vessels and fuels and will make zero-emission shipping the default choice by 2030.

Voyage Emissions Reporting

In 2024, we expanded our Voyage Emissions Reporting to now cover cargo customers who together represent over 24% of our cargo volumes. Through this emissions data sharing and related dialogue, we hope to raise carbon footprint awareness among our customers and are open to collaboration in tackle in the decarbonisation challenges that we share.

Carbon Neutral Voyages on Offer

While not a key part of our decarbonisation strategy, we continue to offer the option of voluntarily offsetting of voyage emissions for Pacific Basin customers wanting carbon neutral shipping. For this, we partner with Hong Kong power company CLP to supply our PB Carbon Neutral Voyage Programme with independently verified carbon credits derived from CLP's wind and solar farms in Asia.

Poseidon Principles & Sea Cargo Charter

Shipping company stakeholders are increasingly embracing their shared responsibility in the decarbonisation of our industry. The ship finance sector established the Poseidon Principles in 2019, major charterers adopted the Sea Cargo Charter in 2020, and the marine insurance sector followed suit with the Poseidon Principles for Marine Insurance in 2021. These initiatives commit to track, assess and disclose the emissions and climate alignment of these businesses' shipping portfolios.

We collaborate by providing our partners with timely annual data. We expect these partners will in time become increasingly selective in choosing their clients in order to achieve their tightening carbon intensity targets.



In support of the UN Sustainable Development Goal 17, we engage and collaborate with our peers, industry associations, NGOs and other stakeholders on matters that drive the sustainable development of our industry

Voluntary Speed & Emissions Reduction Programmes

Pacific Basin continues to participate in voluntary speed reduction and emissions reduction programmes in the vicinity of ports where they exist. Two most notable initiatives where our ships trade frequently are:

- Port of Los Angeles' Vessel Speed Reduction Program
- Port of Vancouver's EcoAction Program

Both programmes incentivise environmental practices with discounted harbour dues. We are happy to play our part to reduce air emissions as part of such programmes to benefit the areas' residents, visitors, maritime professionals and the local ecology.

- In 2024, Pacific Basin received the inaugural "Green Fleet Award" from the Hong Kong Marine Department for having 67 ships rated AER categories A and B in 2023 (with a cash prize of about US\$2,500 per ship).

Environmental Ship Index Programme

We participate in the voluntary Environmental Ship Index (ESI) programme founded by the International Association of Ports and Harbors (IAPH, part of the World Ports Sustainability Program) which recognises and rewards ships that exceed the minimum international environmental standards, demonstrating commitment to reducing environmental impact, promoting sustainability and emphasising the importance of data sharing.





Preparation for increasing decarbonisation regulations

Regulation needs to drive the challenging transition to zero-emission fuels and vessels, and we already see global and regional regulations in effect and in the pipeline that are making shipping more complicated and pose a significant compliance challenge for ship owners and operators around the world.

We map out current and expected future decarbonisation regulations and analyse what they mean for our existing fleet, for conventionally-fuelled ships generally and for our company's growth strategy, and we take early steps to prepare ourselves accordingly.

As a large dry bulk player with dedicated sustainability, decarbonisation and optimisation teams, and with comprehensive capabilities spanning technical, marine (environmental), chartering, commercial operations, research, financial planning & analysis, and other functions, we are well equipped to understand and navigate the increasingly complex regulatory environment.



p.26 Continuous Preparation for Decarbonisation Rules

p.27 GHG Regulatory Snowball



In-house Decarbonisation Training to Support Just Transition

We invest in the professional development and wellbeing of our workforce, ensuring our office staff and seafarers are ready for the industry's green transition to a low-carbon future. By developing comprehensive training programmes, we are equipping them with the skills needed to operate new low and zero-carbon vessels and handle alternative fuels. Pacific Basin supports the Maritime Just Transition Task Force, recognising the importance of preparing the nearly two million seafarers worldwide with the expertise to propel our industry through a successful transition to net zero.

We have conducted in-house training for all technical managers and crew to familiarise them with decarbonisation rules. We updated our ships' EU MRV and FuelEU reporting plans, fleet regulations, risk documentation and on-board checklists to ensure compliance with new rules such as the FuelEU regulations starting in 2025.

Biofuel training has been provided in our office for all technical managers and training managers, and this module has been included in our crew training programme. All crew members are now familiarised with the use and handling of biofuel.



Tracking a Course to Net Zero by 2050

We strive to improve the Group's decarbonisation performance to comply with existing and expected new regulations and to achieve our 2050 net zero emissions target, and to enhance the overall sustainability of our business. While our absolute emissions may increase further as our fleet grows, our average emissions per ship per unit of transport work done (our carbon intensity) continues to improve long term.

Reducing Our CO₂ Intensity

Short and Long-term Goals

Our long-term target is to achieve net zero emissions by 2050.

Enroute to this 2050 target, we expect to have reduced our EEOI carbon intensity to 6.7 by 2030, representing a reduction of over 50% compared to our 2008 baseline. This exceeds IMO's target of a 40% reduction in CO₂ per transport work over the same period.

We aspire for our ships to achieve a CII AER rating of "C" or better, but we will prioritise EEOI with high laden-to-ballast utilisation while managing our AER to ensure CII compliance.

Key Motivators

- Fuel saving
- Decarbonisation
- Eliminating our climate impact
- IMO regulations
- EU rules

2024 Performance

Our fleet's carbon intensity in 2024 decreased 4.5% to 8.11 grams of CO₂ per tonne-mile, as calculated using the ship Energy Efficiency Operational Indicator (EEOI) method. This was due to larger average cargo sizes and ongoing energy efficiency initiatives, offset partly by higher average speed and longer port stays.

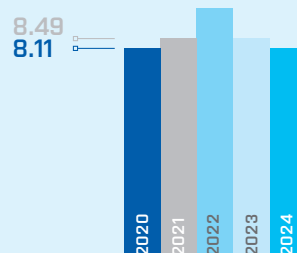
Our fleet's AER carbon intensity of 5.31, improved by a smaller 1% due to an increase in average size of our ships and energy efficiency initiatives, but disadvantaged by slightly more time in port and shorter voyage distances.

Our AER D-rated ships include ships with long port stays, higher speed instructions and fouled hulls.

Carbon intensity data from our chartered-in ships is insufficiently accurate, but we are developing tools to enhance data accuracy from our chartered fleet, and we will in due course disclose carbon intensity figures for our combined owned and chartered fleet.

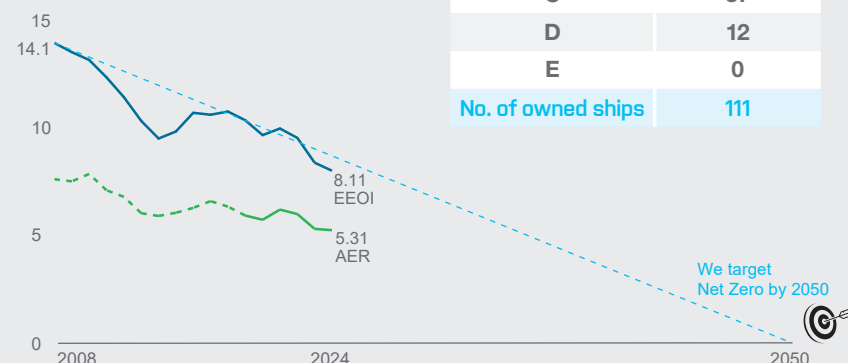
KPI
Carbon Intensity (EEOI)
8.11
grams CO₂ per tonne-mile

↓ 4%



← p.87 Performance Data Summary
Our CO₂ performance data

TARGET
Carbon Intensity (EEOI)
0 by 2050 (6.7 by 2030)
grams CO₂ per tonne-mile



Our AER Carbon Intensity Ratings

Rating	2024
A	18
B	44
C	37
D	12
E	0
No. of owned ships	111

Our 32 owned ships that are subject to Energy Efficiency Design Index (EEDI) rules attained an average EEDI of 4.71 grams of CO₂ per tonne-nautical mile, which exceeds the average required EEDI of 7.54 grams of CO₂ per tonne-mile.

All of our owned ships comply with the Energy Efficiency Existing Ship Index (EEXI) rules with 56% of our ships needing engine power limiters (EPL) to comply.

SASB TR-MT-110a.4

← p.16 Measures of Carbon Intensity

Continuous Preparation for Decarbonisation Rules

Challenges around Decarbonisation in our Sector

Our industry’s Paris-aligned 2050 decarbonisation goal will require the maximum possible improvement in the fuel-efficiency of existing and new conventionally-fuelled ships, and a concerted and timely transition to new green ships (or LEVs) capable of running on sustainable fuels such as green hydrogen, methanol or ammonia.

The challenges around such investment decisions are several and significant:

- For existing and newbuilding conventional ships, some energy-efficient technology retrofits are prohibitively expensive and unsupported by current freight earnings and/or impractical on certain ship types;
- For newbuilding dual-fuel green ships, newbuilding prices are high even before the significant extra capex of the dual-fuel upgrade (although the gap with modern second-hand ship prices has been reducing), sustainable fuels will initially be much more expensive than fossil fuels, and there is uncertainty about when sustainable fuels will be available to shipping in adequate volumes.

There remains uncertainty about how and when high LEV capex and green fuel costs can be passed along the supply chain in the highly competitive market for tramp shipping of low-value dry bulk commodities.

Regulation must lead

We see cargo customers, investors, lenders and other stakeholders increasingly engaged in discussions about the decarbonisation challenge and, while this is a positive development for our industry, we still stress that regulation must lead.

Carbon pricing is key to making expensive green fuels competitive against conventional fossil fuels, and regulations that force the uptake of sustainable fuels are necessary to signal to governments and energy companies that they must deliver on the need for massive growth in renewable energy capacity and sustainable fuel production.

Increasing carbon reduction rules will drive the transition

Regulation is beginning to lead, but it will still take some years before conditions clearly support major capex decisions for most shipowners and allow increased green fuel, opex and capex costs to be passed up to cargo customers. In the meantime, the increasing and tightening regulations will pose a significant compliance challenge to many smaller ship owners and operators. We welcome them, though we would far prefer one set of global regulations rather than a patchwork of regional measures.

Recent, planned and other potential future regulations set out to achieve the following:

1. Forcing energy-efficiency technical improvements in vessels
2. Forcing carbon intensity improvements in vessel operations
3. Forcing a gradual uptake of sustainable fuels
4. Attaching high carbon pricing on fossil fuels

IMO’s global energy efficiency and carbon intensity regulations (EEXI and CII) came into effect in 2023 and our ships are in compliance and well positioned to continue to comply and trade for the foreseeable future.

The European Union included shipping in its Emissions Trading System (EU ETS) with effect from 2024, and we pass up the cost of compliance with this carbon pricing mechanism to our cargo customers by including the cost of required EU Allowances (EUAs) in our freight rates for EU-related voyages.

The EU’s FuelEU Maritime rules took effect in January 2025, forcing the gradual uptake of renewable and low-carbon fuels when trading in, to and from EU. We are complying by using sufficient compliant biofuel on just a few ships (or green methanol when we operate LEVs), in conjunction with pooling EU-related emissions from all our ships engaged in EU trades.

We will continue to closely monitor and prepare for new and evolving GHG reduction measures applicable to international shipping, such as those summarised on page 27, including IMO’s planned mid-term technical and economic measures (described on page 16) scheduled to take effect in 2027.

We stand ready to share information with our customers and help them understand the challenges and implications of new decarbonisation rules on their trades, with ideas for short-term mitigation and long-term solutions for compliance and the health of the environment



Our Compliance with Decarbonisation Rules

IMO EEXI

59% of our owned ships needed EPL retrofits to comply with EEXI, reducing the average maximum operating speed of our fleet by 0.5 knots

IMO CII

We finished 2024 with 89% of our owned ships achieving CII ratings of A, B or C. The rest rated lower (while still in compliance), mainly due to long periods held up in port

EU ETS

We include the cost of EUAs in our freight rates for EU-related voyages thus passing the cost up to cargo customers. In 2024, we purchased 65,000 EUAs for compliance on 304 EU-related voyages

FuelEU Maritime

We are using compliant biofuel on some ships for compliance of all our pooled EU-trading ships, which is cheaper than paying the Fuel EU penalty

GHG Regulatory Snowball

EEDI & SEEMP, EU MRV, IMO DCS regulations 

EEXI energy efficiency rules 

CII carbon intensity rules 

Reinforced by Poseidon Principles & Sea Cargo Charter
(banks, insurers & cargo customers)

2013-
2019

2023


EU Emissions Trading System (ETS) 

2024

FuelEU Maritime 
Fuel GHG intensity rules

2025

IMO Fuel GHG-intensity Standard 

IMO economic measure 
(eg global carbon levy)

Steeper IMO CII emissions reduction 

US Clean Shipping Act? 

US International Marine Pollution
Accountability Act? 

IMO GHG Strategy revision
New rules, steeper emissions reduction, etc.

New IMO long-term measures

New fuels safety regulations

More regional regulations?

Forced phase-out fossil fuels?

2027

2028+



forcing continual carbon intensity
improvements in vessel operations



forcing energy efficiency
improvements in vessels



forcing gradual uptake
of sustainable fuels



attaching a heavy
price on carbon

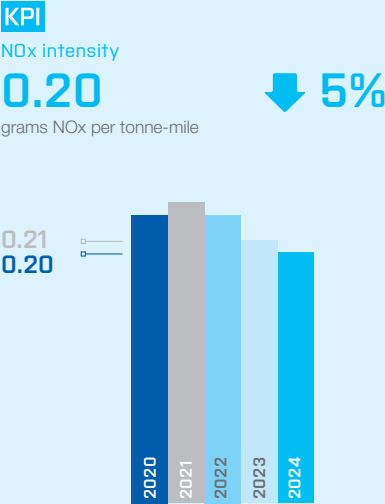
Our Progress on Other Key Emissions

Reducing our Nitrogen Oxides (NOx) Intensity

The combustion of marine fuels generates harmful NOx emissions which is a factor of engine design and closely correlates with CO₂ emissions and fuel consumption. Moreover, the higher the combustion temperature, the greater the NOx formation.

In 2024, the total NOx emissions from our owned fleet is 3,800 metric tonnes and our NOx intensity decreased 5% in 2024 due to our reduced fuel consumption per tonne-mile.

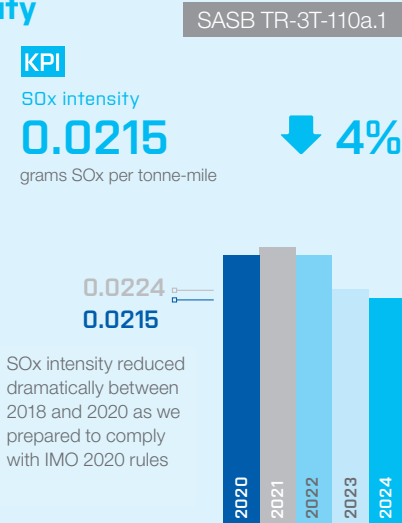
The control of NOx emissions is mainly achieved by reducing fuel consumption and equipping ships with latest generation engines certified for lower NOx emissions. Our vessels are all equipped with NOx-controlled engines that meet the relevant IMO standards.



Reducing our Sulphur Oxides (SOx) Intensity

The IMO 2020 global 0.5% sulphur limit reduced the maximum sulphur content of marine fuel from 3.5% to 0.5%. Ship owners have had to comply either by using more expensive very low-sulphur fuel or by burning heavy fuel oil in combination with installing and operating exhaust gas scrubbers.

In 2024, the total SOx emissions from our owned fleet was 34,400 metric tonnes and our SOx intensity decreased 4% in 2024 due to our reduced fuel consumption per tonne-mile. We complied with the rules mainly by using fuel of less than 0.5% sulphur content, or 0.1% in ECA zones. To a lesser degree, we also used exhaust gas scrubbers to comply. We currently have 32 scrubber-fitted Supramax vessels.

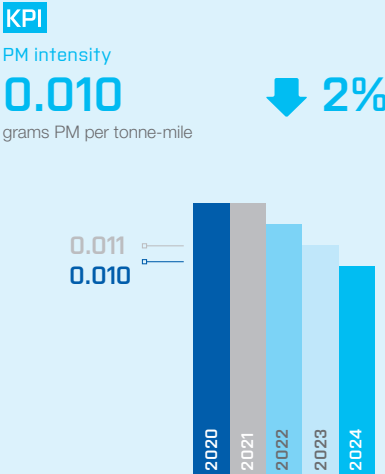


Reducing our Particulate Matter (PM) Intensity

PM emissions, including black carbon, are a result of incomplete combustion and fuel impurities, and closely correlate with CO₂ emissions.

In 2024, the total PM emissions from our owned fleet was 1,800 metric tonnes and our PM intensity decreased 2% due to our reduced fuel consumption per tonne-mile.

We control our PM emissions by using low-sulphur fuel or installing exhaust gas scrubbers, by reducing fuel consumption, and by acquiring ships with fuel-efficient engines.



Conserving Marine Biodiversity

As a maritime shipping company, we are committed to minimising our impacts on marine biodiversity by adopting environmentally responsible measures in our operations and by monitoring advances in more eco-friendly paints, technologies and practices.

We invest in and adopt environmentally-friendly equipment and operational practices, including those that comply with the MARPOL convention and all applicable regulations, such as ballast water treatment systems, biocide-based but non-toxic paints and biodegradable oils for oil-to-sea interfaces, as well as some of a voluntary nature, to help protect the marine environment. Our ships occasionally sail through marine protected areas or areas with conservation status, for which we always comply with relevant local laws and regulations often involving slow-steaming or using ultra-low sulphur fuel to protect marine biodiversity or reduce emissions.

We reduce risks to wildlife

Pacific Basin continues to participate in speed reduction and voyage planning programmes where they exist to protect endangered species from collisions, propeller strikes, noise and disruption.

Three notable initiatives where our ships trade are:

- Vancouver Fraser Port Authority's Enhancing Cetacean Habitat and Observation (ECHO) Program
- US NOAA's programme to protect the North Atlantic Right Whales in the Stellwagen Bank National Marine Sanctuary on the US East Coast
- Southern California's Protecting Blue Whales & Blue Skies Programme – Gold tier

We gladly play our part to reduce the disruption to sensitive habitats such as these and voluntarily slow and reroute our ships where requested to do so by relevant authorities.

Ballast Water Management

The Ballast Water Management Convention has required that ballast water treatment systems (BWTS) be fitted on all ships since 2024 to substantially eliminate the harmful transfer of invasive aquatic organisms between marine ecosystems where they do not belong. 100% of our owned Handysize and Supramax ships are fitted with BWTS – mostly systems based on filtration and electrocatalysis. We have implemented ballast water management plans to ensure our ballast water management procedures are carried out to the standards set out by IMO, US Coast Guard and relevant coastal states, including no ballast water exchange when in certain types of port.

In 2024, our owned ships discharged 12.1 million m³ of seawater through ballast water exchange.

SASB TR-MT-160a.2

Priming our ships for safe, green recycling

Old ships sent for demolition may contain hazardous materials such as asbestos, heavy metals and ozone-depleting substances, which can pose health and safety risks to scrapyard workers and be harmful to the environment.

While we sell our older ships for further trading well before the end of their economic lives, we have a Ship Recycling Policy that ensures we comply and support sustainable ship recycling initiatives, including the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (the Hong Kong Convention). Our policy outlines best practices to follow during the process of designing, building, operating and potentially also decommissioning and recycling vessels, ensuring that the entire recycling process for retired ships is carried out in a safe and environmentally sound manner.

We have prepared of a certified Inventory of Hazardous Materials (IHM) for each of our ships, a critical requirement of the Hong Kong Convention that must be onboard every vessel. The IHM lists all hazardous materials on board and indicates their locations, to be maintained and updated throughout the life of the ship so that an accurate inventory is available at the end of a ship's life to ensure its safe and environmentally sound recycling.



In support of the UN Sustainable Development Goal 14, we pursue measures to improve safety, training and environmental stewardship to prevent pollution and reduce our impact on marine biodiversity

Oil Pollution, Resource Consumption & Waste Management

Avoiding Oil Pollution Incidents

Short-term Goal:

We target never to have any oil pollution incidents.

Key Motivators:

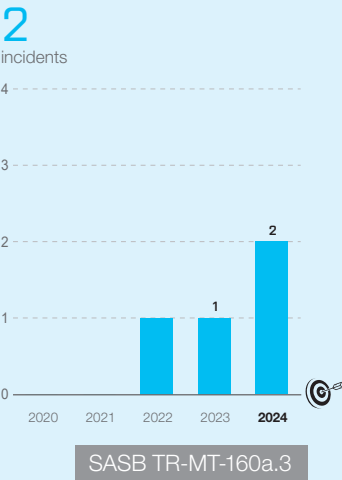
- Comply with IMO regulations
- Protect marine biodiversity

Current YOY Performance:

In 41,500 owned vessel days in 2024, we recorded two oil pollution incidents. One was due to excessive pumping rates during bunkering, while the other occurred when a hatch cover hydraulic pipeline joint failed during cargo loading. Our crew responded well to contain the spillage. Lessons learned were shared and discussed with our ships' crews.

- Our ISM and ISO-compliant safety management system prescribes system controls, procedural safeguards and training to prevent and respond to oil spillage.
- Oily water separators prevent the risk of inadvertently pumping out contaminated bilge water.
- Stringent bunkering procedures to prevent inadvertent oil pollution during bunkering.

Oil Pollution Incidents KPI



Minimising our Garbage Landed

Short-term Goal:

We target to achieve <1.8 (m³ per month per ship) garbage landed in 2025. We also target a 2% reduction in plastic waste generated on board.

Key Motivators:

- Reduce resources use

Current YOY Performance:

In 2024, our garbage landed volume increased 8% due to volatility in the amounts of operational waste generated on board. We continue our efforts to reduce the volume of domestic and operational garbage generated on our ships through initiatives such as equipping our ships with drinking water purifiers (reducing the need for bottled water) and requesting our suppliers to try to eliminate the use of plastic packaging.

Garbage Landed



Managing our Fresh Water Consumption

Short-term Goal:

In 2025, we target to consume less than 47 tonnes per month per ship of fresh water sourced from ashore. We always try to rely more on desalinated seawater.

Key Motivators:

- Reduce resources use

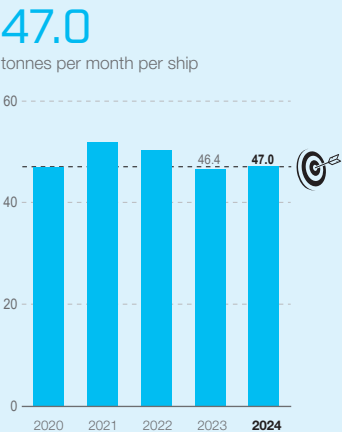
Current YOY Performance:

Our fresh water sourced from ashore increased 1% to 47 tonnes per month per ship in 2024.

Over 70% of fresh water that we consume is produced by desalinating seawater using fresh water generators on board our ships. It is the fresh water sourced from ashore that we consider to be material for disclosure. Fresh water is consumed primarily for drinking, cooking and other domestic purposes as well as for boiler, machinery cooling, and deck and hold cleaning.

How much water we need from ashore depends on the capacity of our fresh water generators and the amount of time ships are in port where desalination is not possible.

Fresh Water Sourced from Ashore



Plastic Litter & Waste Management

Marine plastic and microplastic pollution is harmful to marine biodiversity and human health. In 2021, IMO adopted the Strategy to Address Marine Plastic Litter from Ships to strengthen the international framework to achieve zero plastic waste discharges to sea from ships by 2025. At Pacific Basin:

- We do not allow any plastic waste discharges to sea, so as to comply with regulations and best practices
- We use receptacles for garbage segregation and waste compactors on our ships to facilitate easy storage of plastic and other operational garbage (excluding food waste and cargo residues) until it can be disposed of responsibly ashore
- Oily water separators and bilge evaporation equipment prevent the risk of inadvertently contaminating sea water
- We install freshwater purifiers on board to discourage the use of plastic bottled water which helps reduce plastic waste

Our fleet incurred two garbage disposal violations in 2024 when seafarers incorrectly disposed of garbage bags of rotting food waste overboard

SEHK ESG p.88 Performance Data Summary

Our emissions & discharge performance data



KPI A1.6 Handling of waste and reduction initiatives

Our policies and guidelines are designed to promote environmental awareness, mandate environmentally-friendly activities and promote similar behaviour at work and in the communities where our ships trade and our employees live and work.

Green Efforts Ashore

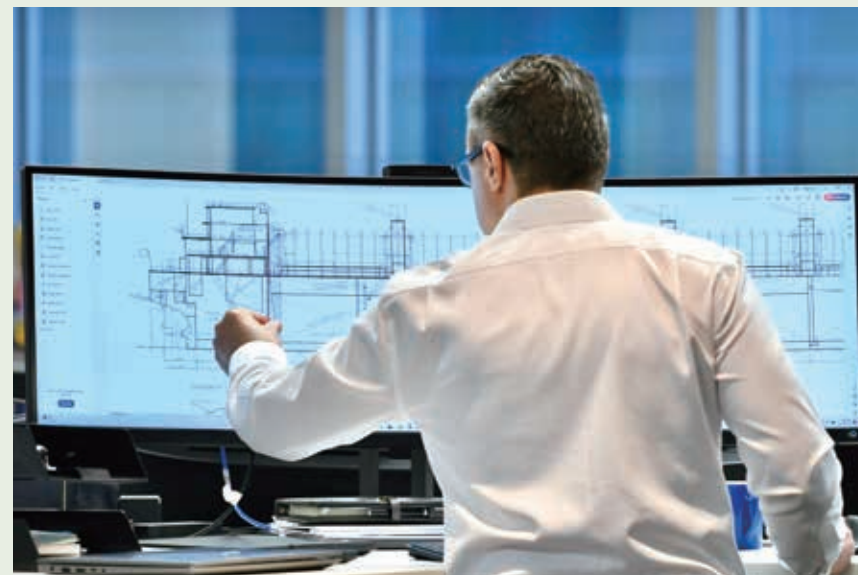
Across our offices ashore, we do what we reasonably can through our comprehensive programme of initiatives to minimise our footprint by addressing environmental elements that are within our control. For example:

- In our Hong Kong office we use water efficiency grade 1, low-flow water taps, which are the most efficient under Hong Kong's voluntary water efficiency labelling scheme
- We do not use plastic rubbish bin liners at our desks
- We constantly and gradually upgrade to more efficient office equipment to further enhance the efficiency of our offices and, when fitting out or renovating our offices, we prioritise low-energy motion-activated lighting, fewer lights, more natural light and more energy efficient air-conditioning
- We strive to reduce aircon use (especially during the summer months) and pursue other initiatives specified by the Environment and Ecology Bureau's "4T Charter"
- We communicate policies, guidelines and reminders across our office network to reduce consumption of electricity, water and materials, and to recycle office waste

Energy Saving and 4T Charters

Our Hong Kong office is a signatory to the Energy Saving Charter and 4T Charter of Hong Kong's Environment and Ecology Bureau's to help save energy, with commitments to:

- a) maintain average indoor temperatures between 24-26°C in June to September
- b) switch off electrical appliances and systems when not in use
- c) procure energy-efficient appliances and systems
- d) engage staff to adopt these practices



Global Computer Upgrade and Hong Kong Office Rejuvenation

In 2024, we upgraded computers across our global offices to enhance efficiency and productivity. We also completed a rejuvenation of our Hong Kong office workstations with new ergonomic chairs and ultra-wide computer monitors for enhanced ergonomics, wellness, engagement and productivity.

To minimise the environmental impact from these projects, we gave 119 old but well-maintained computer monitors and 159 office chairs to our colleagues for reuse at home, and we donated 64 old computers, 70 monitors and 37 office chairs to Caritas Computer Workshop and The Salvation Army to support their community projects. 13 IT items were donated to the building management office of One Island South for reuse.

↔ p.45 Wellbeing Ashore

↔ p.52 Workplace Conditions Ashore

The WWF's Low-carbon Office Operation Programme (LOOP^{PLUS}) has again audited our measurements of energy consumption and environmental outputs from our headquarters in Hong Kong.

- Our headquarters office in Hong Kong (where 55% of our shore-based staff work) produced indirect scope 2 and 3 carbon emissions of 1,258 metric tonnes for the 2024 audit year, a 26% decrease year on year mainly due to less business travel and paper use.
- Scope 2 and 3 emissions from our 14 offices globally is estimated to be 2,631 metric tonnes, while scope 3 emissions from our seafarers' air travel to and from our owned ships was 5,231 metric tonnes (a slight reduction compared to the previous year). The total carbon emissions generated by our global shore side operations decreased 9% to 7,862 metric tonnes.

We offset our global shore-based carbon emissions

Since 2020, we offset the annual carbon emissions from our office activities, commuting and business and crew travel, with carbon credits supplied by Hong Kong-headquartered power company CLP whose independently verified carbon credits are derived from CLP's wind and solar energy projects in Asia.

In partnership with CLP, we also offer our cargo customers the option of voluntarily offsetting voyage emissions with CLP carbon credits.



↔ p.23 PB Carbon Neutral Voyage Programme

We disclose our carbon footprint data through several channels, including:

- the **Carbon Footprint Repository** (CFR) developed by the Environmental Protection Department of the Hong Kong Government for listed companies
- the **HKQAA** Sustainability Rating and Research for the Hang Seng Corporate Sustainability Index Series
- the **World Wildlife Fund** (WWF) Low-carbon Office Operation Programme (LOOP^{PLUS})
- our **Pacific Basin** Sustainability Report
- various **ESG ratings platforms** such as MSCI, ISS, Sustainalytics and EcoVadis



Our Pacific Basin Management System ashore and at sea conforms to the mandatory International Safety Management (ISM) Code. It is also certified by DNV to voluntary ISO 14001:2015 standards for our environmental management system.

RESPONSIBILITY TO OUR PEOPLE

Drawing on our Human Capital

The safety, security, health, wellbeing and behaviour of our employees underlies every aspect of how we operate. They are driven by policies, procedures, a safe and caring team culture as well as efforts to continually improve how we conduct ourselves in our business at sea and onshore. Providing healthy work conditions, a safe and supportive environment and opportunities to develop and advance within the Company are key to the wellbeing and fulfilment of our staff and the success of Pacific Basin.



Responsibility to Our People



Ambition

Pacific Basin strives to develop a diverse, effective and motivated team. At sea and on shore, we continue to uphold the highest health and safety standards and train our colleagues to enable them to tackle evolving business challenges while looking after their – and each other's – overall wellbeing. We want to encourage and support each individual's unique efforts to contribute to our business and to remove barriers to inclusion and equality of opportunity.



In support of the UN Sustainable Development Goal 8, we are a caring employer and seek to provide full and productive employment and decent work for all our seafarers and shore-based staff

SEHK
ESG

Aspect B1 (Employment)
General Disclosure

Commitment to

Safeguarding a decent, healthy & safe work environment

We strive to eliminate injury and navigation incidents and promote a healthy work environment at sea and ashore. We will continue every effort to get our seafarers home quickly and safely even during crises. We enable fair, decent and productive livelihoods for all of our staff.

Nurturing an empowered and inclusive organisation

We value, respect, trust and care for our people. We invite and support each unique individual to contribute to our business and its positive impact. We value and encourage diversity of experience, perspectives and opinions, provide equality of opportunity, and strive to remove bias and barriers.

Investing in a well-supported and competent workforce

We invest in the growth of our teams to enhance safety, environmental protection, productivity, customer satisfaction and the success of our business overall. We strive to enhance our employer brand to attract talent, and we promote job fulfilment by unlocking potential and supporting career development.

Related material issues

Employee Safety, Security, Health & Wellbeing

Labour Standards & Working Conditions

Accident & Oil Pollution Prevention

Diversity, Inclusion & Equal Opportunity

Seafarer Community Support

Future of Work

Training & Development

Seafarer Community Support

We strive to be the employer of choice for our existing staff and for talented potential employees in our industry

We are passionate about our people and try to provide our multi-national colleagues with a safe, supportive and enjoyable working environment

In-house Fleet Management Drives Health, Safety, Quality and Environmental Focus

As ship owners, our service reliability is enhanced by an innovative and comprehensive in-house ship management capability that assures the quality of our large fleet of owned ships and growing number of seafarers, while also driving our sector-leading safety, wellbeing and environmental performance.

Our experienced team of ship managers provide dependable shore-based support to our fleet so that our seafarers can manage our ships with a strong safety and wellbeing culture and meet the specific needs of our customers.

Our shore-based and ship-board teams work together to ensure operational readiness and service reliability of our ships at all times, as well as compliance with classification society and flag state rules, environmental regulations, labour laws and all other local and international laws and regulations. Their combined efforts are key drivers of stakeholder satisfaction and our Pacific Basin brand.



Our comprehensive ship management function covers:

- Newbuilding and contracting support
- Newbuilding supervision
- Technical support for ship sale and purchase activities
- Technical and crew management of ships
- Marine & safety quality management and superintendence
- Procurement
- Regulatory compliance
- Dry docking supervision
- Safety & security assessments and training
- Internal/external audit corrective action implementation
- Decarbonisation & optimisation
- Projects and retrofits
- Innovations for operational and commercial efficiencies
- Training & Development

We operate our own Pacific Basin crewing and training centres in Dalian, Manila and Hong Kong where our crew recruiting, training and management activities are based. Our pool of 4,600 seafarers are mainly from the Philippines and China, and some of our officers and cadets are from India, Ukraine, Hong Kong, Bangladesh and elsewhere.

We believe that the right investment in our employees – both at sea and ashore – does much to increase safety, knowledge, productivity and contribution, and promote a deeper sense of belonging across our organisation.

That investment in our employees and their engagement broadly addresses the following areas:

- | | | | |
|---|--------|----------------------------------|--------|
| ■ Safety, Security, Health & Wellbeing | ↔ p.37 | ■ Diversity, Equity & Inclusion | ↔ p.53 |
| ■ Oil Pollution Prevention | ↔ p.30 | ■ Seafarer Community Support | ↔ p.64 |
| ■ Training & Development | ↔ p.47 | ■ Responsible Business Practices | ↔ p.71 |
| ■ Labour Standards & Workplace Conditions | ↔ p.51 | | |

Benefits of In-house Fleet Management

Having a world-class fleet management team in-house represents a significant advantage for us and our stakeholders:

- We can be directly involved with our seafarers, ensuring they benefit from our best shore-based support, sound labour standards and workplace conditions, and the investments we make in their safety, wellbeing, training and risk management
- We have better control of the quality of our core owned fleet of over 110 ships and the service reliability that we are able to offer our customers
- We can ensure that we adequately shoulder our responsibility to continually reduce the environmental impact of our operations and stay ahead of and comply with all relevant environmental and other laws and regulations in our highly regulated industry

Our shore-based fleet management team – covering technical, marine & safety, crewing and decarbonisation – comprises experienced former ship captains and chief engineers who understand intimately the challenges and needs of our ships and crews and other stakeholders



Operating in a Highly Regulated Industry

Our workplace safety, health and engagement metrics follow best practices as defined by the industry and our peers. Shipping is a highly regulated industry and Pacific Basin meets all requirements, is an early adopter of best practices and in some cases exceeds requirements determined by local, regional and industry mandates and customer expectations.

Our commitment to safety is manifested through (a) a proactive Pacific Basin Management System, (b) innovative home-grown initiatives and significant investment in seafarer training at sea and ashore to standards exceeding mandatory requirements, and (c) KPIs that are among the best in the industry.

Quality Assured

Our Pacific Basin Management System ashore and at sea conforms to the mandatory International Safety Management (ISM) Code. It is also certified by DNV to voluntary standards, including:

- ISO 9001:2015 for our quality management system
- ISO 14001:2015 for our environmental management system
- ISO 45001:2018 for our occupational health & safety management system



Award-winning Safety & Quality at Sea

The history of our fleet management team stretches back well beyond the founding of Pacific Basin, as many of our colleagues served at Jardine Ship Management which we acquired in 2000. Drawing on our team's combined experience, a safety-first ethos and the prudent rules and guidelines enshrined in our Pacific Basin Management System, we are proud to be the stewards of best practices in technical, marine & safety, quality and sustainability management. We frequently receive industry recognition for our commitment to and performance in these areas, as well as other areas such as corporate governance and investor relations.

In 2024, we won several top awards/recognitions for ship management and related performance, including:



Hong Kong Marine Department Awards

- Outstanding Performance in Port State Control Inspections (16 times in the past 17 years)
- Award for Bravery (for crew of m/v Columbia River)
- Green Fleet Award (for achieving AER ratings of A or B)
- Award for Recruiting the Most Hong Kong Sea-going Cadets

United States Coast Guard

- AMVER Certificate of Merit

Australian Maritime Safety Authority

- High performing operator

HKICPA Best CG and ESG Awards

- Gold Award in Most Sustainable Companies Awards (Small Market Cap)

Some notable other awards in recent years include:

- Bulk Ship Operator of the Year Award at International Bulk Journal Awards 2023
- Shipping Company of the Year at Seatrade Maritime Awards 2022
- Excellence in Dry Bulk Shipping at Lloyd's List Asia Pacific Awards 2019
- Dry Bulk Operator of the Year at Lloyd's List Global Awards 2018

Safety, Security, Health & Wellbeing

Safety first at all times

Our Pacific Basin Management System provides clear policies and procedures for our ship and shore staff to follow and mechanisms for us to analyse our performance and facilitate improvement, with one main objective: Promoting and ensuring safety at sea and prevention of human injury or loss of life



Aspect B1 (Employment)
General Disclosure

Our HSEQ policy and Pacific Basin Management System embody a number of broad actions designed to achieve this objective

- We employ and train qualified seafarers in accordance with requirements of flag state and STCW (Standards of Training, Certification & Watchkeeping) Convention
- We have implemented risk assessment systems to review all identified risks to our ships, personnel and the environment, and to identify and establish appropriate safeguards and practices
- We seek to continuously improve quality, health & safety and environmental performance and management skills of personnel ashore and at sea, through a system of audits, analysis and feedback
- We keep personnel appropriately informed of HSEQ matters by circulating pertinent information and providing training resources
- We provide a safe and healthy work environment and ensure the welfare of the staff
- We enforce a drug and alcohol policy on board our ships and ensure all watch-keeping personnel undergo drug and alcohol tests before embarking on any of our vessels
- We conduct anti-piracy training, follow best practices and adhere to Internationally Recommended Transit Corridor mandates covering areas threatened by piracy attacks



People-focused Safety Innovation

We constantly strive to enhance our safety culture with commitments from senior management ashore driving this safety mind-set across our organisation and fleet.

Our commitment to safety is manifested not only through our proactive Pacific Basin Management System, but also through innovative proprietary initiatives and significant investment in seafarer training at sea and ashore to standards exceeding mandatory requirements, resulting in safety performance metrics (KPIs) that are among the best in the industry.

Our focus is to implement a safety culture where every crew member is well informed of the tasks at hand and the risks they entail, and is empowered to speak out to voice his/her concerns and to stop work if it is deemed unsafe. Initiatives to implement this include:

- Enhanced Formalised Risk Assessment for every critical activity
- Work planning meeting and toolbox talk onboard
- Incentives for reporting of unsafe conditions or acts on board without blame/penalty
- Safety feedback by every "Manager Participant"
- Unannounced checks on safety equipment
- Analysis of industry and internal incidents to enhance safety awareness
- Training of staff ashore and onboard with a focus on safe operation
- Increased focus on behavioural safety
- Enhanced interactions with Junior Officers and Ratings
- Collaboration with industry peers to uplift safety and crew wellbeing

Security of Our Ships and Crews

We prioritise the safety and security of our staff, our ships and our operations. We practice proactive vigilance and risk management especially in times of heightened security threats which are currently commonplace in an increasingly complex and volatile international trading community.

Significant threats to our industry currently include:

- Drug smuggling
- Piracy
- Robbery
- Hijacking of ships
- Terrorist attacks on ships and port facilities

Other threats:

- Stowaway & human smuggling
- Sabotage
- Bomb threats
- Shipping of illicit weapons
- Tampering with documentation / cargo

These security threats are real and underscore the importance of maintaining high levels of security. We implement proactive security measures and continuous vigilance which are essential to mitigating these risks and ensuring the safety of our crews and ships and the integrity of our operations. Our comprehensive security measures, plans and standards to ensure the detection and assessment of security threats and the implementation of preventive measures on our vessels are audited at every organisational level for effectiveness in preventing security incidents and other unlawful actions onboard.

Our fleet’s Security Policy includes:

- Providing a safe and secure work environment on vessels
- Implementing measures to prevent unlawful actions on board
- Cooperating with international bodies and states to deter maritime terrorism
- Enhancing security awareness among our seafarers

Each ship has a designated Ship Security Officer who is responsible for implementing and maintaining the Ship Security Plan, coordinating drills and training, and liaising with the Company Security Officer and Port Facility Security Officers, in part to comply with the International Ship and Port Facility Security Code (ISPS Code) that provides a framework for ships and port facilities to detect and deter acts which pose a threat to maritime security.

When navigating through high-risk areas, we have implemented the following enhanced security measures.

- Voyage risk assessments
- Dog searches
- Security guards
- Patrol boats
- CCTV
- Underwater drone searches
- Gangway turnstile
- Perimeter camera

Recent Security Hotspots



Security of our Shore-Based Staff & Assets

In 2024, we introduced a Security Policy for Shore-Based Locations aimed at protecting Pacific Basin’s shore-based staff, physical assets, and operations from identifiable security risks. This policy applies to all employees and visitors who have access to Pacific Basin’s shore-based facilities, equipment, information and assets. The policy’s primary objectives are to:

- Define our commitment to safeguarding our physical assets, facilities and information
- Establish a framework for annual security reviews
- Promote a culture of security awareness and responsibility
- Ensure compliance with applicable regulations and industry standards

Regular risk assessments will be conducted to identify potential security threats and mitigation strategies will be developed to minimise exposure to these risks.

Enhancing Security on Board in 2024 & 2025

We are enhancing security on board our ships and across our business in a number of ways:

- In 2024, we formed an internal Security Team to enhance intelligence, security measures and crisis management to mitigate risks and improve the security focus for our entire fleet, crew and global business. The team will utilise advanced technology to allow for improved security and provide remote monitoring services.
- We are installing new gangway turnstiles equipped with facial recognition technology across our entire fleet. This will allow us to maintain a real-time record of everyone boarding and disembarking. 26 of our ships have been equipped with turnstiles so far.
- Additionally, we are trialing an AI-driven security camera system designed to monitor abnormal activities and enhance onboard safety. This system raises alerts about any suspicious events.
- In May, we discussed and exchanged ideas with Information Fusion Centre (IFC) on how to enhance maritime security, develop stronger cooperation with different partners and facilitate timely information sharing. We are joining IFC's "Maritime Awareness Partnership" programme to enhance the Voluntary Community Reporting system that is administered by the IFC Watch Floor.



Continued Drug Smuggling in Ships by Cartels

Commercial shipping has become plagued by illicit drug smuggling operations, largely due to the continued expansion of the global narcotics market and a marked switch to seaborne trafficking when the usual air and land transportation modes were severely disrupted during the Covid pandemic. In most of the cases, seafarers are innocent of participation in such activities.

We are committed to cooperating with authorities to prevent drug smuggling by implementing rigorous security measures. Our crew members are briefed on the increased risk of drug smuggling, and they play a crucial role in maintaining security on our vessels. When calling ports in known drug export countries, our seafarers are trained to remain vigilant and comply with all security procedures. By following procedures and conducting risk assessments, seafarers can help prevent the smuggling of illegal drugs and protect themselves and others.

While substantially unconnected to the illicit drug trade, we also have a Drug and Alcohol Abuse Policy in place which applies to all personnel onboard to prevent drug use and possession by our crews. Crew members possessing or smuggling drugs will be subject to immediate dismissal and legal action.

Concern over Criminalisation of Seafarers

Over the past three years we have spoken passionately about the plight of several of our seafarer colleagues and fought hard for their release after they were unfairly criminalised and imprisoned when drug traffickers managed to stash their contraband in less-accessible parts of two of our ships in 2021 and 2023 respectively.

We were very happy to report in December 2024 that ten colleagues detained in Nigeria since July 2023 were released and returned home to be with their families just in time for Christmas. And you may remember that our former colleague Captain Yu Yihai was released in 2023 after two years in an Honduran prison.

Our crews' eventual release was the result of a good team effort within Pacific Basin and in collaboration with allies ranging from local lawyers and P&I correspondents all the way up to leadership at the International Chamber of Shipping, BIMCO, ILO and the IMO, as well as departments of the Hong Kong Government, HKSOA, the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China and local Chinese embassies. We have in a number of forums – including in maritime and security conferences in Lagos, Geneva and Houston – in which coast guard, law enforcement, drug enforcement and other security agencies sought to collaborate with the industry to tackle the issue.

PB Speaks Out about Drug Smuggling in Shipping

In May 2024, our CEO Martin Fruergaard spoke at the Geneva Dry shipping conference to highlighted the challenges caused by drug cartels of illicit narcotics smuggling in dry bulk ships. In 2023, 167 tonnes of cocaine were found on ships in South and Central America with an estimated 50% going undetected. During the discussion, Martin called for a collaborative approach to tackle the issue, emphasising the need for engagement and cooperation from all stakeholders in shipping, ports and security. He said that, at Pacific Basin, we prioritise the safety and security of our staff, our ships and our operations, and that we spend more than US\$3.5m annually on various security measures, including sniffer dogs, CCTV, underwater drones and divers to try prevent drugs from being smuggled onto our ships while in port.



Participating in Maritime Security Conference

In August 2024, we participated in a maritime security conference in Lagos, Nigeria, titled "Drugs & Human Smuggling/Trafficking: The Evolving Maritime Security Threats to Ships and Seafarers." This event, organised by MASPAN (Maritime Security Providers Association of Nigeria) and AMANO (Alumni of Maritime Academy of Nigeria Oron), aimed to address and discuss solutions to the unjust detainment of seafarers when drugs are discovered onboard ships.

During the conference, we urged the National Drug Law Enforcement Agency (NDLEA) to reconsider its current stance on these matters. Many seafarers have no knowledge of the drugs on their ships, yet they face extended detention along with their ships. Such measures are not only unfair but also severely impact the mental and physical wellbeing of innocent seafarers and their families. Additionally, these prolonged detentions force ship owners to rearrange their trade routes, adversely affecting the global maritime industry while incurring significant financial costs due to lengthy investigations.

We believe that shipowners should be prepared and willing to hand over suspected drug smugglers to the authorities. Innocent seafarers and ships should not be subject to detainment, as in most cases crew members are not involved in drug smuggling.

We urged the NDLEA to adopt practical measures similar to those implemented in the USA, Europe and Brazil. In these regions, swift investigations can allow innocent seafarers and ships to resume their operations without unnecessary delays.

An Interview with Suresh Prabhakar

Captain Suresh Prabhakar is our former Global Head of Commercial Operations who retired from the Company in early 2025. He was with Pacific Basin for 24 years, passionately overseeing the operations of our ships, mentoring younger colleagues, and advocating for our seafarers. In fact, in his final few years at Pacific Basin, he immersed himself into our lengthy efforts to free our 11 wrongfully detained seafarers and he advocated for fair treatment and due process for unfairly criminalised seafarers generally. We have asked Suresh to share with us his views and experience relating to developments in our industry during his half a century in shipping.

How did your career evolve from graduating from seafarer training academy to retiring from Pacific Basin as Global Head of Operations?

I trained as a Deck Cadet in Bombay on the training ship Rajendra in 1973-75, and from mid-1975 to 1977, I sailed as a Deck Cadet with the Shipping Corporation of India on tankers and general cargo ships. After obtaining my 2nd Officer's Certificate of Competency (COC) in Bombay in late 1977, I sailed for 14 years with two Hong Kong based companies on bulk carriers and tankers – a year with Gulf-East Shipping and 13 years with the ship-owning arm of the Jardine Matheson group. I obtained my Mates and Masters COC in Auckland and sailed for nine years as a Master or Chief Officer with Jardines, with crew mainly from the UK and Hong Kong and latter also the Philippines. After completing a Master's degree in the USA in early 1992, I came ashore in Hong Kong as a Master Mariner with Jardine Ship Management. I was promoted to head the technical/crewing department in 1998.

In December 2000, Jardine Ship Management merged with Pacific Basin and I continued as the head of the technical team until 2003. Thereafter I helped PB establish and oversee Technical/Crewing offices in Shanghai and Dalian for two years before returning to Hong Kong to join the Commercial Operations team which I headed for 16 years. Over the last couple of years, I oversaw important security-related projects until my retirement in February 2025.

What stands out as the most remarkable social changes in the shipping industry over the course of your career?

During my career, technological advancements have resulted in reduced crew sizes from 60 to 20 per ship. Sextants and paper navigational charts have been replaced by GPS and electronic

charts. Telex and fax have been replaced by email. Crew can communicate easily with their families through video calls and emails rather postal mail. In the past, crew would interact with each other regularly through social gatherings on board and dedicated movie nights, while today many crew prefer to stay in their cabins and communicate with their families which, in my opinion brings its own challenges like loneliness and mental issues. Companies have become more aware of crew mental health issues and are finding ways to address these issues effectively.

MLC 2006 (Maritime Labour Convention) has brought about improvements in crew living and working conditions on board ships as well as fair wages and working hours. There is a greater focus on diversity and inclusion and as a result, there has been an increase in women choosing seafaring as a profession although number are still relatively small. Rightly, there has been an increased focus on protecting the environment by reducing emissions and through better waste management. Whilst regulations like ISM and OPA 90 and inspection regimens like those imposed by oil majors and Port State Control are designed to improve safety, reduced crew sizes have resulted in work overload to comply with these regulations. The demands placed by shore-based organisations on Masters and senior officers for prompt answers has largely been driven by the low cost of communications through email and WhatsApp. Whilst this may sound efficient, the workload and stress imposed on the crew must not be overlooked.



How would you describe the way our seafarer colleagues are regarded and treated today, by our Company, and by society generally?

Whilst the shipping industry has perpetually complained about crew shortages, in my opinion the industry must take responsibility for this problem. Seafarers perform a difficult job being away from their families for about 8 months of the year and work under difficult conditions faced with the vagaries of the sea, security challenges brought on by piracy and drug cartels, unreasonable facilitation demands made in some ports by corrupt officials and the ever-increasing regulatory challenges. Despite this, many shipowners clamour for the cheapest crew, yet demand the best service and loyalty, without spending money on crew welfare and training. In bad markets when shipowners struggle, some unscrupulous owners abandon their crew and leave them to fend for themselves– the last two years has seen the worst crew abandonments on record.

During Covid-19, seafarers were treated poorly by authorities globally, both at seaports and airports. If many in the shipping industry do not care for its seafarers, why would others?

Thankfully, there are responsible and caring shipowners like Pacific Basin who treat their crew with dignity, respect and care. We have a robust crew recruitment, training and welfare programme through which we closely engage with our seafarer colleagues and their families, listen to their views, and consistently strive to improve. This has helped us achieve crew retention rates of about 90%.

In return our crews deliver a world class service and proudly promote the Pacific Basin brand as our frontline ambassadors.

Our long-time Director of Operations Suresh Prabhakar dedicated much of his time in 2024 to enhancing awareness about the rising scourge of narcotics smuggling on ships by drug cartels, raising concern over the unjust criminalisation and detention of seafarers caught up in such cases, and he passionately represented our seafarers and our Company when such incidents arose.

We thank Suresh sincerely for his huge contribution to Pacific Basin over the past 24 years, and we wish him a very happy, healthy and fulfilling retirement.

Anti-Piracy

Piracy against merchant vessels has reduced in recent years, but it does remain a security threat especially in the Gulf of Guinea, in South East Asia, off the Coast of Somalia, in the Gulf of Aden and in the wider Indian Ocean. Pacific Basin continues to be vigilant and we follow IMO guidance and industry Best Management Practices (BMP5) for ships to prevent, report and respond to pirate attacks. We employ armed guards on our owned vessels when occasionally transiting the Indian Ocean region high-risk “Voluntary Reporting Area” and Gulf of Guinea. Key anti-piracy measures we pursue prior to every transit through high risk areas include:

- conducting thorough voyage-specific threat and risk assessments (carried out by our Company Security Officer and Technical Director) on a ship-by-ship basis, and reviewing our Ship’s Security Plan
- hardening our vessels with relevant ship self-protection measures (SPM) applying a layered defence methodology according to BMP5
- following the navy-patrolled Maritime Security Transit Corridor when transiting the Gulf of Aden, the Southern Red Sea and associated waters
- training our crew to follow best practice in the event of an attack (including steps to take if boarded by pirates) which can make all the difference between an unsuccessful approach by pirates and falling victim to a kidnap and ransom situation that ends with no loss of life, or an attack with tragic consequences

We also engage with industry and anti-piracy organisations to exchange information on security risks. We maintain close communication with our vessels, and our in-house ship management team is always on standby to offer help and support in case of any emergency.

We are a signatory of the Gulf of Guinea Declaration on the Suppression of Piracy, indicating our support for a range of initiatives to address the rising number of piracy attacks in the Gulf of Guinea.



During the reporting year, there were no piracy attacks on our owned vessels.

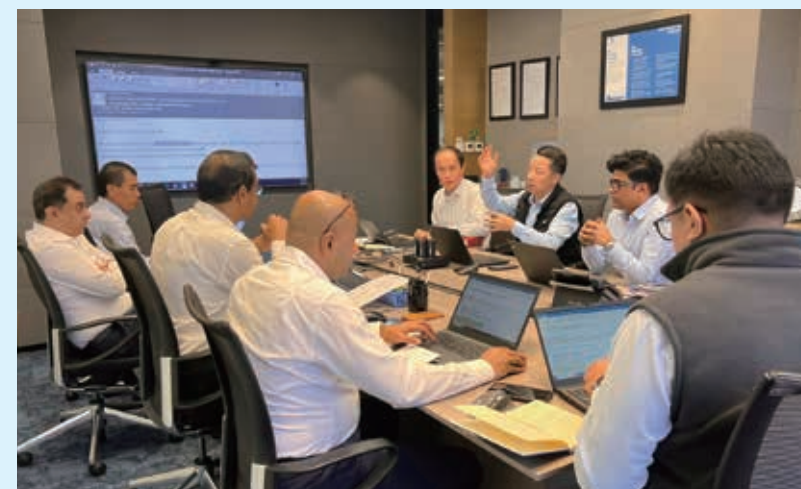


Crisis Response

Emergencies occur without notice, therefore, effective planning and preparedness are essential to restore control, reduce confusion and avoid mistakes and omissions. We have a crisis management manual in place and conduct crisis management training and drills to ensure that we are equipped and prepared to handle emergencies and crisis situations appropriately and in a timely manner.

Our manual defines the procedures to be adopted and guidelines to be followed by ships’ staff and shore staff in the event of a major or serious incident involving a vessel or office within the Pacific Basin group and to ensure that resources are deployed in a coordinated, prompt and effective manner.

According to our crisis management manual, ships are required to conduct monthly emergency drills to simulate various shipboard emergencies involving only the ship’s staff. Additionally, ship-shore emergency response drills are carried out at least once a year, involving different ships managed by Pacific Basin.



Safety, Security, Health & Wellbeing — Strategy Blueprint

In 2024, we conducted workshops to review and enhance our Safety & Wellbeing Strategy, which culminated in valuable output including this updated summary Safety & Wellbeing strategy blueprint.

Vision Where are we going?	We strive to create a robust safety and wellbeing culture that results in a safe, healthy, engaged and effective workforce. Through these efforts, we aim to achieve the best safety performance, reliability, service quality and reputation in our sector, in turn enhancing our position as a preferred employer and inspiring positive change in our industry.		
Pillars How will we get there?	Responsibility to our People We are a caring company that wants our colleagues at sea and ashore to be safe and feel safe – physically and mentally	Responsible Safety & Wellbeing Culture We nurture an empowered, risk- and safety-focused organisation, and our leaders and managers confidently lead teams and create a safe work environment in which our colleagues can thrive	Responsible Value Creation We serve, help, collaborate with customers, suppliers, the seafarer community and other stakeholders to support a responsible and resilient supply chain and PB community
Anchors Fundamentals to support our strategy	Robust data & performance metrics to make informed decisions and monitor progress		
	Confident communications and engagement activity		
	Governance, accountability & risk management framework in place to maintain momentum		
Ambition Level: Leadership	Responsible Teams: Fleet Management Team (seafarers & ship-based activity) HR Team (shore-based staff)	Owner: Director Fleet (seafarers) Director HR & Administration (shore-based staff)	

Safety & Wellbeing Targets

- Zero major navigational incidents
 - Zero fatalities
 - Aspire to eliminate workplace accidents & injuries in the long term
 - Reduce LTIF to <0.50, 0.48, 0.46 in 2024/25/26
 - Zero harassment incidents (zero tolerance)
 - Zero major security incidents (incl. innocent drug trafficking, piracy, military attacks)
 - Zero drug & alcohol violations
 - <0.53 deficiencies per PSC inspection
- Zero detentions
 - Maintain about 85% seafarer retention (90% shore staff retention)
 - Conduct crew engagement surveys – target about 80% initially
 - 100% attendance/compliance with training matrix
 - Create an environment that prioritises physical and mental health and fosters continuous improvement
 - Increase meaningful engagement with partners on Safety & Wellbeing issues (also DEI and other material ESG issues)

Ambitions

to ensure everyone gets home safe by preventing fatal and life-altering incidents

to cultivate a proactive safety & wellbeing culture where everyone feels empowered and responsible for their own safety and the safety of others

to set an example and collaborate with partners to support a more responsible and resilient supply chain and PB community

Crew Wellbeing

Seafaring is a noble profession and, while it is often fulfilling, it can be very challenging for ships' crews. Seafarers are far away from their families and friends for many months at a time, and they can feel isolated, lonely, fatigued, anxious, physically unfit, bored and deprived of the amenities and creature comforts of home.

We have long been mindful of our seafarers' needs and wellbeing, and we have over the years pursued many initiatives to improve our crews' lives and wellness – social, emotional, spiritual, intellectual and physical.

These wellbeing challenges were significantly amplified during the pandemic when governments' Covid containment measures meant that crews were not allowed to step ashore for a few hours of relaxation or even to return home on completion of their contracts. Even if crew could disembark in a port, there were often no airline connections to get them home, requiring ship managers to be even more inventive with crew change and travel logistics. Seafarers often had to quarantine multiple times before commencing or after completing their tours of duty, in many cases adding up to 5-8 weeks of quarantine before they could be reunited with their families.

Covid containment measures eased in 2022 and crewing logistics are back to normal. Nevertheless, the wellbeing challenges of seafarers will always remain a priority for us.

Here are some of the crew wellbeing initiatives that we continue to pursue:

- We provide our seafarers with sports equipment, increased internet and communications access, and free access to mental health support
- We engage Sea Bird Medicare and 3Cube to support our crews' physical and mental wellbeing with the latest in remote medical support services from doctors, specialists, psychologists, wellness experts, and technical and support teams
- We raise awareness across our fleet about wellbeing and the need to look out for each other's mental wellbeing, and our Wellness at Sea Manual covers issues ranging from managing stress and fatigue, eliminating harassment and bullying, to common signs of depression and guidance for care
- While on shore leave, all our seafarers undergo crew wellness training covering the contents of our Wellness at Sea Manual

- We subscribe to the Sailors Society's Wellness at Sea coaching programme to enhance the effectiveness of our in-house fleet-wide wellness programme with multi-media training on mental health and wellbeing for seafarers, their families and shore staff
- We also engage with professional seafarer wellbeing trainers from the Mission to Seafarers and we support their Sustaining Crew Welfare Campaign
- We have trained all our Crewing Assistants in Manila and Dalian to identify signs of distress amongst our crew when communicating with them during their tenure onboard
- We are training all our ships' Masters in the good management of any cross-cultural issues and conflicts onboard

←→ p.47 Training & Development

One non-work-related fatality

Regretfully, one of our crew members passed away in 2024. This was a non-work-related fatality, but we still owe it to our seafarers to support their physical health and mental wellbeing as best we reasonably can, and we are doing this through the continuing development of our training strategies, enhancement of our safety and wellbeing programmes, engagement of remote physical and mental health service providers, and implementation of additional psychometric screening for all our seafarers before joining our ships. Following certain incidents and as part of our routine training, we circulate wellness bulletins with relevant wellbeing advice, including reminding staff of our two remote medical service providers available to support our crews' physical and mental wellbeing, and we engage professional seafarer wellbeing trainers to enhance the effectiveness of our wellbeing training programme.



KPI B2.1
Number and rate of work-related fatalities

Implementing Starlink for High-speed Connectivity

We have integrated a state-of-the-art technology internet service from Starlink to provide high-speed internet service, enabling our crew to benefit from internet speeds exceeding 200 Mbps with ultra-low latency. This enables seamless communication and data transmission. With access to a faster, more stable and free internet, our seafarers can better connect with their families, friends and the outside world. This high-speed internet access not only enhances seafarer wellbeing but also facilitates faster access to critical applications and enable remote support and increased digitalisation. 91 of our owned ships are now equipped with Starlink.



SEAFIT Crew Welfare Survey

In 2024, we took part in the SAFETY4SEA SEAFIT Crew Welfare Survey. The overall crew wellness index of our crew is 79%, which is higher than the overall SEAFIT survey benchmark of 72%. Key findings highlighted the shift from physical to mental health concerns, ongoing issues with internet connectivity, the significance of wages and the need for improved recreational and mental support activities on board.

We are committed to providing a supportive environment for all crew members, understanding that their satisfaction and health are vital to our collective success. We will use the survey results to further improve our crew wellbeing initiatives.

We acknowledge our seafarers who demonstrate professionalism in maintaining safe operating practices, a good team spirit and wellbeing on board, and a seamless and reliable service to our customers



Zero Tolerance of Harassment

We reaffirm our longstanding commitment to providing a safe environment for all our staff free of discrimination and harassment on any grounds. We operate a zero tolerance policy towards sexual, racial or any harassment in our workplace, and we investigate all allegations of harassment promptly and with respect for the victim. Our Staff Code consists of policies on sexual and racial harassment, and a Code of Conduct sets out the reporting channels and handling procedures for any reported incidents. In conjunction with our whistleblowing policy and procedures, these mechanisms ensure we act in compliance with relevant laws, regulations and best practices.

In 2024, we recorded three cases of harassment and bullying in our fleet and one case in an office ashore, the latter being the subject of a whistleblowing case. Following the Company's investigations, the perpetrators were dismissed and we have stepped up our harassment and bullying prevention training across our fleet.

*We are caring,
good humoured and fair,
and treat everybody
with dignity and respect,
encouraging diversity
of opinions and cultures*

Wellbeing Ashore

We also mindful of the needs and wellbeing of our colleagues ashore, so we pursue many initiatives to improve their lives and wellness in our offices.

We start with a comfortable, ergonomic workstation with adjustable desks, ergonomic chairs, large computer monitors, good lighting and clever cluster arrangements for easy social interaction and better collaboration (see also “workplace conditions ashore” on page 52 and “green efforts ashore” on page 31).

Our Hong Kong headquarters also offers social and break-out spaces, a private room for the use of our several young mothers, an exercise room and sports and gaming equipment.

We also look for other ways to promote good mental and physical health. For example, we supply free fruit and regularly offer healthy snacks. We actively support colleagues who take on healthy physical challenges in the aid of charitable causes or simply to stay fit, and we encourage all our staff around the world to make the most of whatever nature and facilities are available to them for better health and fitness. We encourage a healthy balance between family life and work. We keep our employees engaged through newsletters, information circulars, town hall meetings, an open-door policy, and multiple means of staying connected through a group-wide intranet, instant messaging and video conferencing systems.

Maternity Leave Enhancement

Maternity and paternity leave benefits affect the wellbeing of both parents and their baby. They give parents the undivided quality time to bond with their child, which promotes healthy early development and a strengthened family unit, while also offering parents the essential time to adapt to their new roles and responsibilities without the pressure of work obligations. It also facilitates a more harmonious and efficient workforce in the future and represents an investment in the future wellbeing of our staff and their families.

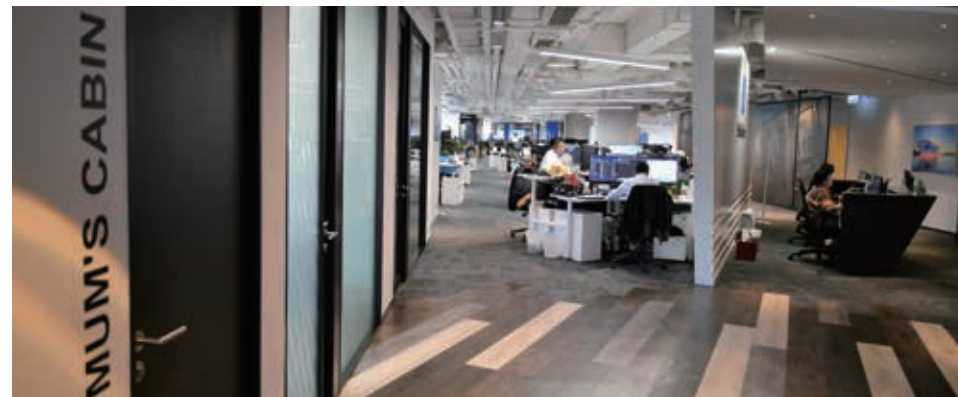
We extended the opportunity for new mothers to work from home for a fully paid three-month period following the conclusion of their statutory maternity leave. We also increased paternity leave to one month (the statutory paternity leave in Hong Kong is five days), aligning with our commitment to supporting stronger family units and a healthy early development of our staff's newborns.

Effective Communication in Leading Hybrid Work Teams

The hybrid work model combining in-person and remote work has become a common feature in many workplaces. Despite its popularity, companies are experiencing higher instances of interpersonal conflict. Leaders and their teams must learn how to navigate these difficult interactions.

We organised a wellness programme titled “Effective Communication in Leading Hybrid Work Teams” in our Hong Kong office, facilitated by an employee service consultant to address the insecurity associated with hybrid work mode, share tips for overcoming communication barriers and enhance productivity and engagement. Our Hong Kong colleagues learned about strategies for monitoring performance and promoting staff engagement in hybrid work teams.

In 2024, we conducted two other wellness programmes for our Hong Kong colleagues, including “Making Incense” and “Making Natural Mosquito Repellent and Anti-itch Cream” workshops.



Health & Safety Performance in 2024

REDUCING INJURIES TO OUR CREW

SASB TR-MT-320a.1

Short Term Goals:

We target to reduce our LTIF to less than 0.5 in 2025 and aim to substantially eliminate injury incidents in the longer term.

Steps to achieve target:

- enact effective policies and procedures
- comprehensive training and development

Key Motivators:

- Crew safety
- Corporate reputation and goodwill

↔ p.43 1 Non-Work-Related Fatality

Current YOY Performance:

In 2024, our crews registered 11 lost-time injuries in over 20.5 million man hours, mostly arising from relatively minor slips, trips, falls and finger injuries, resulting in a return to one of our lowest ever pre-Covid* lost time injury frequency (LTIF) levels. Nevertheless, our injury rates remain low by historical industry standards.

* Much reduced injury rates in 2021-2022 were industry-wide due to less intensive ship maintenance activity during the Covid pandemic and substantially no doctors' visits to ships, resulting in fewer prescriptions for "time off" or repatriation.

REDUCING SAFETY INSPECTION DEFICIENCIES

Short Term Goals:

We aim to achieve an inspection deficiency rate of less than 1.0 defects per inspection by maintaining our ships to a high standard, as assessed by external Port State Control (PSC) inspectors.

Steps to achieve target:

- enact effective policies and procedures
- comprehensive training and development

SASB TR-MT-540a.3

Key Motivators:

- Crew safety
- Timely port turnaround
- Asset condition and longevity
- Corporate reputation and goodwill

↔ p.65 Ports Where Our Ships Trade

Current YOY Performance:

In 2024, our average deficiencies per inspection was 0.72 (2023: 0.79), and 72% of our Port State Control inspections found zero regulatory deficiencies.

We recorded fewer PSC deficiencies on our ships that are less than 15 years old.

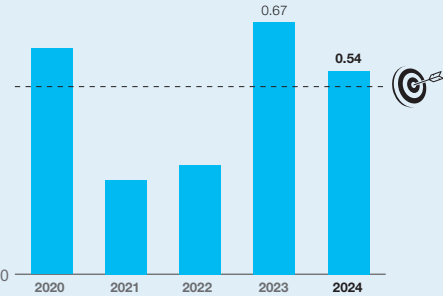
KPI

Lost Time Injury Frequency (LTIF)

0.54 ↓ 19%

injuries per million man hours

1



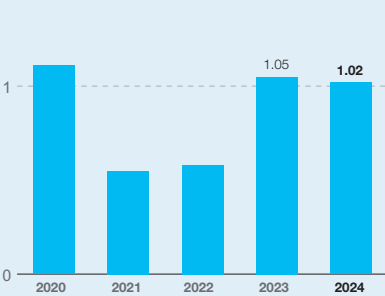
KPI

Total Recordable Case Frequency (TRCF)

1.02 ↓ 3%

injuries per million man hours

2



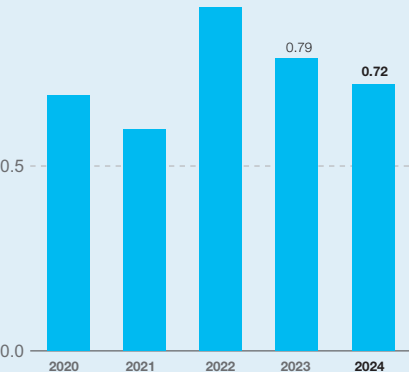
KPI

External Inspection Deficiency Rate

0.72 ↓ 9%

deficiencies per inspection

1.0



SEHK ESG

KPI B2.2
Lost days due to work injury

Training & Development

We believe that our investment in the development and training of our staff at sea and ashore drives engagement, motivation and retention of our staff and is key to maximising their safety and productivity

Employees at Sea

We train our seafarers to standards equal to or exceeding those required by the International Maritime Organization's International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW). This significant investment we make in seafarer training at sea and ashore drives our safety and external inspection performance indicators which are consistently among the best in the industry.

- We host multiple officer and ratings training seminars biannually at our crewing centres in Philippines, China and India.

- In 2024, we conducted

6 training seminars
attended by 561 seafarers

8 mini-training seminars
attended by 305 seafarers

46 training webinars
attended by 2,713 seafarers

119 external training
attended by 2,643 seafarers



Through these one or two-day events, we engage with our “on-board managers” to reinforce our company policies, practices and values, review regulatory changes and industry developments, share safety and navigation-related experiences, and analyse industry incidents and develop preventive measures with the involvement of our crew and managers.

Examples of training topics in 2024

- Navigational safety
- Ballast water treatment system checks & troubleshooting
- Auxiliary engine overhaul
- Crew safety
- Mental wellness & social wellbeing
- Sexual harassment & anti-bullying
- Prevention of drug trafficking and smuggling
- Engine room watch-keeping
- Commercial operations
- Fuel & luboil purifier overhaul
- Main engine piston ring & scavenge manifold inspection & procedures
- Inventory of Hazardous Materials (IHM) familiarisation
- Log carriage procedure
- Deck maintenance
- Port state control inspections
- Technical training
- Electrical training for engineers
- International Maritime Dangerous Goods (IMDG) Code
- International Maritime Solid Bulk Cargoes (IMSBC) Code
- Cargo security
- Main & auxiliary engine components calibration
- Hatch cover operation & maintenance
- Stern tube air seal maintenance
- Voyage planning
- Exhaust gas cleaning system operation & troubleshooting

Our Head of Training and his dedicated training team seek to develop and implement a more cohesive training strategy for all seafarers in our owned fleet, adopting a well-designed and structured approach that boosts overall performance and engagement



In support of the UN Sustainable Development Goal 4, we invest significantly in the development and training of our seafarers which drives safety, environmental protection, professionalism and fulfilling work on board

➡ p.37 Safety, Security, Health & Wellbeing



Aspect B3 (Development & Training)
General Disclosure

- We organise monthly topical training for all deck and engineering departments staff conducted by Masters and Chief Engineers under the guidance of our shore-based training managers.
- We conduct enhanced pre-joining briefings for all our sea staff.
- Our senior crewing managers review all staff's training needs during annual performance appraisals to ensure skill gaps are identified and plugged and further development training is on offer.
- We have run officer cadet recruitment and training schemes in our crewing centres in China since 2005, Philippines since 2010, Hong Kong since 2013, as well as in Ukraine since 2017 and India since 2022.
- We have officer cadets training on all of our ships and are growing our intake of female cadets.
- Our safety training materials are available to marine university students to raise their safety awareness, regardless of whether they plan to join our company after graduation.

2 officer cadets per ship

- We employ Marine & Safety Managers and Training Managers ashore who conduct fleet safety inspections, navigation audits and pre-joining briefings and provide shore-based support on marine and safety issues to our ships' crews.

9 ships per safety/training manager

- In addition to our Marine & Safety Managers ashore, we deploy 8 Fleet Training Managers to sail periodically on our owned vessels and deliver on-the-job training to our crew.
- Our in-house technical department communicates shore-based advice and support to our ships' staff to enhance the safety of our operations at sea and the consistency of our service quality.
- We review incidents and near-misses, analyse root causes and develop and implement preventive measures, all of which we communicate back to our ships.
- We collaborate with training centres that integrate anonymised fleet incident data into our Bridge Resource Management (BRM) and Engine Resource Management (ERM) courses, enabling our seafarers to benefit from real-world scenarios presented in a simulated environment.
- We promptly notify our ships of relevant regulatory changes and industry developments.
- We circulate monthly alerts to our fleet with reminders of lessons learned from past accidents and injuries sustained on our ships.



- Examples of non-STCW training on-board, in classrooms and via computer include regular simulator-based training in Bridge Team Management and the types of ECDIS (Electronic Chart Display Information System) fitted on our ships, and Maritime Resource Management, in partnership with the Swedish Club. We cultivate leadership qualities through monthly leadership and MRM remote training for both our shore-based and on-board managers, because we believe the success of our safety management system depends on the trained skills of our managers and how these leaders approach our safety management system's implementation at sea, onshore and at the ship-shore interface.
- Our crew training conferences, seminars, webinars and cadet programmes offer a clear path of career advancement within the ranks of our crew.
- We deploy an advanced Learning Management System (LMS) for online training and support crew development.

Crew Mental Wellness Training

We arrange mental wellness training programmes for our crew, encouraging them to recognise the importance of mental health and develop strategies to manage stress, build resilience, and maintain a positive mindset. By fostering awareness and equipping our crew with practical tools, we aim to promote a healthier and more balanced approach to personal and professional challenges.

Employees Ashore

Ashore, we make a concerted investment in staff training and leadership development at all levels of the organisation, which has resulted in enhanced productivity, engagement, loyalty and retention and a strong foundation for our succession planning. That investment ashore broadly takes the following forms:

- Independently-run classroom and seminar-based training
- On-the-job training, site visits and company visits
- Understudy programmes for young executives
- Social and team-building exercises promoting high-performance teamwork and a culture of high standards
- Leadership and management training and executive coaching for high-potential employees identified as future leaders
- Training in specialised management tools
- Group-wide intranet connectivity, instant messaging and web-based video supporting real time information sharing

The Company has a healthy budget for training and development of shore-based staff, of which typically around half receive some form of external training each year provided by local trainers or leading business schools internationally.



7 graduate and other young recruits
in 2024

17 student interns
in 2024

Our recruitment and training of international graduate and other young recruits over many years has armed our teams with keen, talented executives who are now demonstrating their value at all levels and in our offices around the world. In 2024, 7 young staff members attended our structured trainee programme in which trainees cycle through our various departments and, travel on ships, visit dry-docks, spend time with our shipping agents, shipbrokers and customers, and receive an in-depth experience in all facets of dry bulk shipping.

We expanded our internship programme in 2024, welcoming a diverse group of 17 interns mainly in our headquarters in Hong Kong.

We regularly support Hong Kong Maritime Week, recruit interns from Hong Kong's Maritime Services Training Institute, and fund scholarships at Hong Kong Polytechnic University, several recipients of which now work at Pacific Basin.





In November, our global Operations colleagues from around the world gathered in Hong Kong for five-day meetings and activities designed to share insights, discuss key changes expected in the next 12 to 24 months and foster stronger bonding, teamwork and strategy development.

65% staff receiving external training

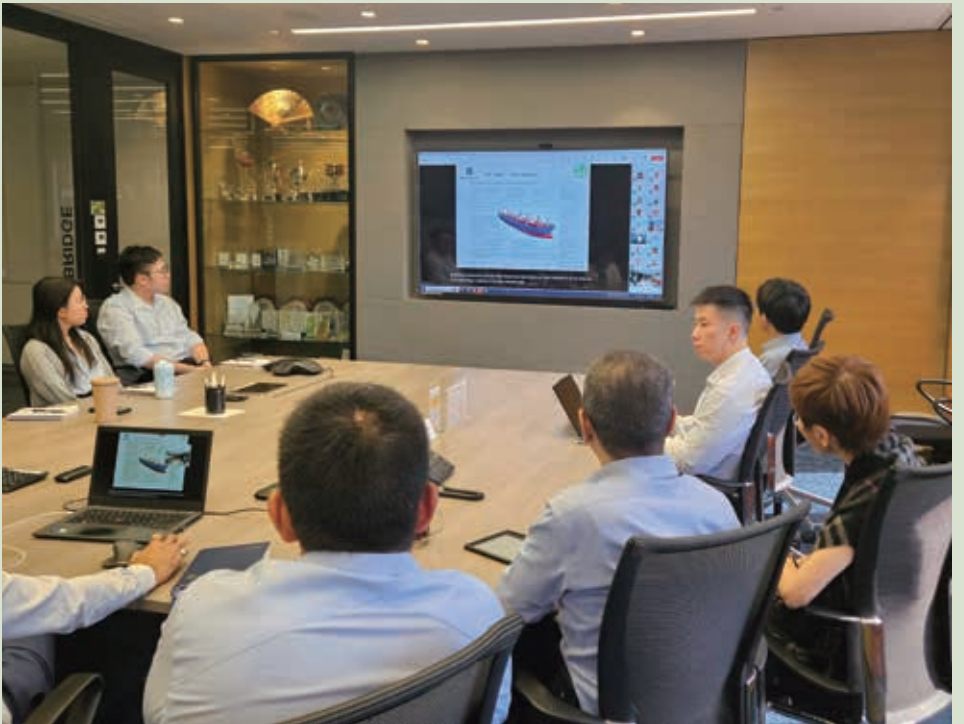


10 Average training hours per onshore employee



ISO, ISM, ISPS, MLC & MARPOL Awareness Training

Every year, the Marine & Safety experts on our Fleet Management team run awareness training for shore-based staff – especially new joiners – on our implementation of international ISO 9001, ISO 14001 and ISO 45001 standards as encapsulated in our Pacific Basin Management System. The training sessions also cover the ISM Code, International Ship and Port Facility Security (ISPS) Code, MLC 2006 and the MARPOL convention. In 2024, colleagues from our Hong Kong headquarters and overseas offices attended such training in person or by video conference to refresh and enhance their knowledge and understanding of our certification standards and the implementation and internal control of our management systems. The sound execution of our Pacific Basin Management System has underpinned an excellent record of safety and environmental performance over many years.



KPI B3.1
Percentage of employees trained by category



KPI B3.2
Average training hours per employee



p.89 Training hours by function

Labour Standards & Workplace Conditions

Through the commitment we make to providing decent work, sound workplace conditions and fair employment terms, we benefit in return from strong retention of high-quality, loyal seafarers and safe operations

➡ p.54 Seafarer Retention

Our labour standards, human rights practices and workplace conditions adhere to all conventions where our ships trade and our offices are located.

Our labour policies and minimum standards are determined with reference to the conventions of the International Labour Organization (ILO) – the United Nations agency that shapes policies to promote decent working conditions for seafarers and other workers. We are also committed to the internationally recognised provision on human rights as expressed in the UN Guiding Principles on Business and Human Rights.

These ILO conventions relating to seafarers have been consolidated into a single, coherent instrument – the Maritime Labour Convention 2006 (MLC) – which has been ratified by China and the requirements of which have been largely incorporated in Hong Kong flag state legislation under Hong Kong CAP478

Merchant Shipping (Seafarers) and other ordinances. As such, the conventions are mandatory for us to follow in respect of our Hong Kong-flagged dry bulk ships.

Where ILO conventions have not been ratified by our flag state, we voluntarily comply with or exceed the requirements of such conventions by way of a Collective Bargaining Agreement (CBA) with the International Transport Federation (ITF)-affiliated seafarer unions. Pacific Basin was actively involved in drafting the current Hong Kong flag state CBA which applies to all Hong Kong employers of seafarers under the ITF.

We have also adopted the Sustainable Shipping Initiative Code of Conduct which seeks to reinforce compliance with the MLC and other relevant maritime conventions and goes beyond by focusing on valuing seafarers and the full spectrum of their human rights.



Seafarers' Bill of Rights

The Maritime Labour Convention 2006 (MLC) is an international agreement of the International Labour Organisation (ILO) which sets out seafarers' rights to decent conditions of work.

More than 100 pages long, the MLC 2006 sets minimum requirements for nearly every aspect of working and living conditions for seafarers such as:

- freedom from forced labour
- minimum age
- prevention of child labour
- conditions of employment
- hours of work and rest
- occupational safety & health
- health protection & medical care (including crew family)
- payment of wages
- annual leave & repatriation
- accommodation, food & catering
- social protection
- right to collective bargaining

Our compliance with ILO conventions and CBA terms is audited by Port State Control inspections and Class

SEHK
ESG

Aspect B4 (Labour Standards)
General Disclosure

SEHK
ESG

KPI B4.1
Description of measures to review employment practices to avoid child and forced labour

SEHK
ESG

KPI B4.2
Description of steps taken to eliminate child and forced labour when discovered

Workplace Conditions Ashore

Ashore, our offices adhere to all relevant local workplace health and safety and related codes, offering our employees a safe, comfortable and productive work environment. This includes good lighting and air conditions, and ergonomic workstations. Our group headquarters' office is located outside of Hong Kong's Central business

district. This office provides a healthier and more casual, practical and fulfilling working environment that supports more productive and collaborative work. All of our global offices have been refurbished in recent years to upgrade our office work spaces for greater energy efficiency, staff comfort and collaboration.

↔ p.45 Wellbeing Ashore

Future of Work

At Pacific Basin, we are committed to expanding opportunities for individuals from diverse backgrounds to work in the shipping industry through innovative and non-traditional approaches. Recognising the challenges faced by the industry, such as low interest in seafarer careers due to perceived work conditions and an aging workforce, we are dedicated to addressing these issues and ensuring a sustainable talent attraction and retention strategy.

To achieve this, we have implemented several measures. Firstly, we explore opportunities for shore staff to support seafarers and even take on certain tasks, fostering collaboration and synergy between different roles. Additionally, we analyse workflows to identify changes that can be implemented in new vessel designs or retrofits, enabling new work styles that align with modern needs. Furthermore, we are actively investigating ways to provide opportunities for seafarers during their off-duty periods and post-retirement, promoting long-term engagement and career development within the industry and benefiting us with the value that they still have to offer.

Since 2021, our Remote Working Policy offers our shore-based employees greater flexibility in their work arrangements. We firmly believe that true flexibility benefits both the Company and our employees by aligning performance expectations with work-life needs.

The future of work at Pacific Basin is expected to feature our current hybrid working model and a stronger emphasis on artificial intelligence (AI) education. Looking forward, it is evident that the work landscape is set for more significant change, driven by technological advancements, evolving societal expectations, and the growing integration of AI tools. While these changes bring challenges, they also present exciting opportunities for innovation, expansion and the establishment of a more adaptable and inclusive work environment.

As we navigate this transition, it will be crucial to keep the focus on people - ensuring that technological advancements serve to enhance, rather than replace, human capabilities and contributions.

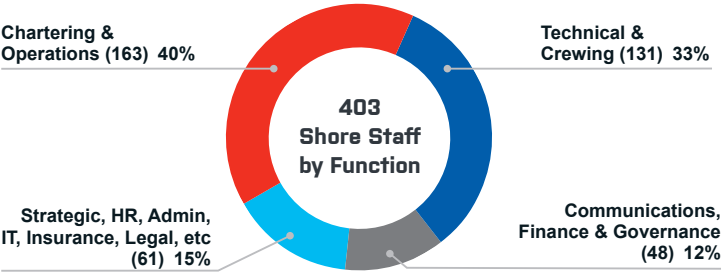
🔗 Careers at Pacific Basin



Our Director of Human Resources & Administration P.B. Subbiah and his HR and Admin teams look out for the health, development, diversity, inclusion, culture and overall engagement of our colleagues ashore, as well as the smooth management of our offices

↔ p.90 Shore Staff by Region

SEHK ESG	KPI B1.1
Total workforce by employment type	



Diversity, Equity & Inclusion

Creating high-performing teams and a more successful company

We recognise the value of having diverse staff of different skills, experience, backgrounds perspectives and opinions that make our business more dynamic, vibrant, innovative and successful.

We strive to create a culture of care, respect and non-discrimination and inclusion, and a workplace where all colleagues enjoy opportunities for career advancement, recognition and rewards based on their merit, where all ideas are heard, where decisions are based on merit, and where staff are supported in their individual efforts to contribute to our business' resilience and success.

Our shore-based team comprises staff of 36 nationalities, and the gender and age distribution of our shore-based workforce is relatively well-balanced overall. We recognise the lower representation of female colleagues in middle and senior management due largely to the significantly smaller proportion of female applicants for shipping industry roles, but we do try to leverage our strong employer brand to build diverse high-performing teams.

Pacific Basin was an early adopter of the Hong Kong Equal Opportunities Commission's (EOC) Racial Diversity

and Inclusion Charter, in support of the EOC's mission to promote racial equality and inclusion in the workplace.

We are also investing in the development of a growing number of female seafarers on our ships. We currently have 58 female seafarers on our owned ships, including 20 officers.

Pacific Basin is a corporate member of the Diversity Study Group and the Women's International Shipping & Trading Association (WISTA International) who provide forums for engagement on diversity and inclusion in shipping.

Our continuous team-building efforts and other employee engagement initiatives have led to robust staff engagement which is evidenced by our strong record of successfully tackling business challenges, and good retention and the high satisfaction score from an independent study conducted in 2022.

Our long-service and retention figures are a testament to the employee engagement and job fulfilment at Pacific Basin over a period of significant growth

90% shore staff retention

39% shore staff with Pacific Basin for over 10 years

88% enjoy working at Pacific Basin (2022)

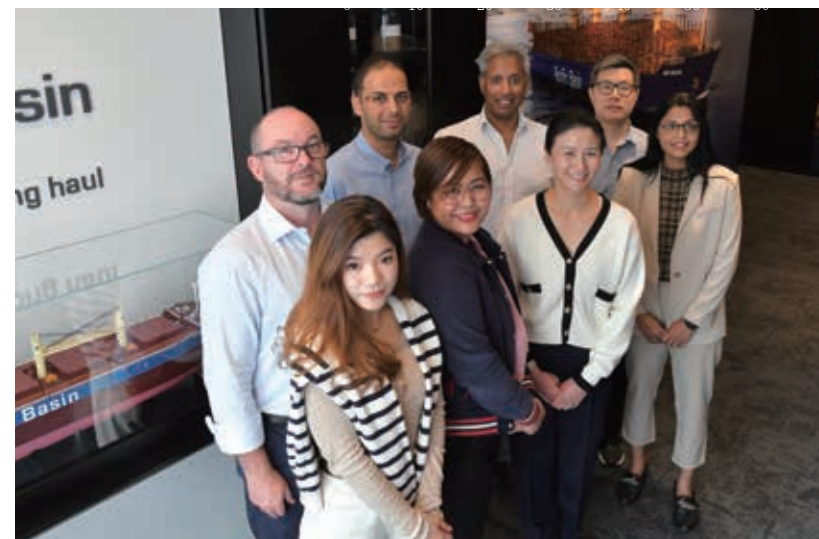
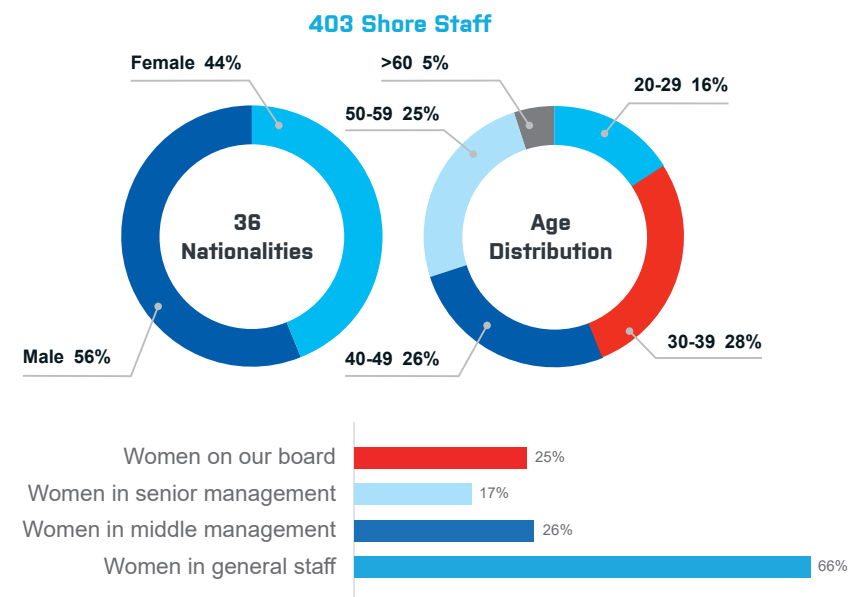
82% overall engagement score (2022)



Aspect B1 (Employment)
General Disclosure



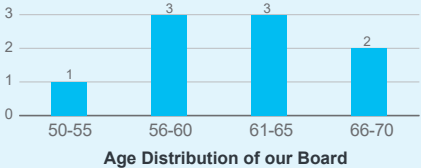
KPI B1.2
Employee turnover rate



Board Diversity

Our Company recognises the value of a diverse board, and our Nomination Policy and Board Diversity Policy contain criteria and principles for identifying suitably qualified Board candidates with appropriate education, qualifications, skills, knowledge and experience that can benefit the Company's business and development, as well as other forms of diversity such as cultural, background, ethnicity, gender and age.

After an extensive global search, we welcomed two new appointees to our Board as Independent Non-Executive Directors who also serve on our Sustainability Committee and other committees effective from 1 February 2025. Our Board now comprises nine members of seven nationalities, including six Independent Non-executive Directors, two Non-executive Directors and one Executive Director, with four women directors comprising 44% of the Board.



7 Nationalities on our Board

30% Minimum target for women on our Board

25% Women on our Board as at 31 December 2024

44% Women on our Board as at 1 February 2025



In support of the UN Sustainable Development Goal 5, we support gender equality and empower women and all staff across our global office network, and we are making progress in developing female seafarers on our ships

Making Diversity at Sea Sustainable

We recognise the right every employee has to be treated fairly and respectfully, irrespective of their differences. We also recognise that diversity can come with certain challenges which we seek to address. We are committed to making diversity sustainable, with a priority to implement diversity the right way, not the fast way. Some of our measures for seafarers include:

- Buddy teams programme & larger female teams onboard our ships
- Shore-based female crewing assistants for female seafarers
- Enhanced training for all seafarers about the value of diversity and our zero tolerance to harassment, bullying and discrimination
- Enhanced pre-joining briefing to cover gender diversity, harassment and bullying topics
- Separate toilets for female seafarers
- Supply of female-fit boiler suits and female toiletries kits

↔ p.43 Crew Wellbeing

↔ p.47 Training Topics in 2024

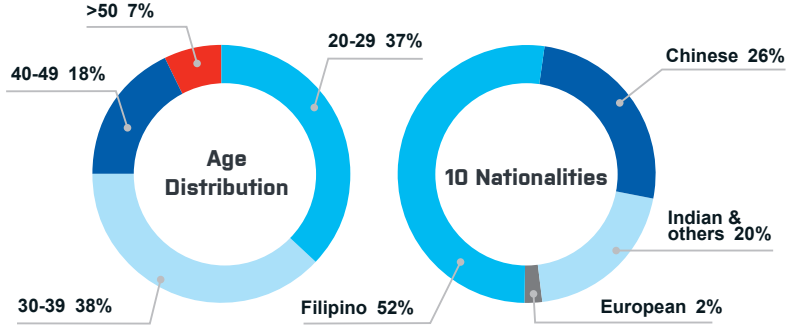
↔ p.55 Our Summary 2024 DEI Strategy Blueprint



4,600 Seafarers

94% officer retention (2023: 94%)

94% overall crew retention (2023: 95%)



Diversity, Equity & Inclusion (DEI) — Strategy Blueprint

In 2024, we conducted workshops to review and enhance our Diversity, Equity & Inclusion Strategy, which culminated in valuable output including this updated summary strategy blueprint.

Vision Where are we going?	We strive to create a culture of care, respect and non-discrimination and inclusion. Through this effort we aim to nurture a dynamic and high-performing organisation in which all staff feel safe, are welcomed for their differences, enjoy opportunities for career advancement, recognition and rewards based on their merit, and are supported in their individual efforts to contribute to our business' resilience and success		
Pillars How will we get there?	Responsibility to our People We embrace the diversity of our employees both at sea and across our global office network and ensure everyone is supported and given a chance to thrive	Responsible Inclusive Culture We nurture an empowered and inclusive organisation, and our leaders and managers confidently lead diverse teams and create an inclusive, safe and decent work environment where people from all backgrounds can thrive	Responsible Value Creation We serve, help and collaborate with customers, suppliers, the seafarer community and other stakeholders to support a responsible and resilient supply chain and PB community
Anchors Fundamentals to support our strategy	Robust data & performance metrics to make informed decisions and monitor progress		
	Confident communications and engagement activity		
	Governance, accountability & risk management framework in place to maintain momentum		
Ambition Level: Leadership	Responsible Teams: All business units with oversight and support from Fleet, HR & ESG teams	Owner: All business units leaders with oversight and support from Fleet, HR & ESG teams	

DEI Targets

- Set DEI ambitions and share them with all
- Implement inclusive leadership training for senior management and managers
- Integrate DEI messaging throughout learning & development where appropriate
- Ensure a regular drum beat of messaging – internally, in reporting, on social media, etc.
- Clarify the business relevance of DEI
- Clarify governance arrangements, consider how to better represent all business areas/regions
- Conduct engagement surveys – for sea & shore staff
- Look for performance gains through diversity, inclusion, engagement and collaboration
- Base recruiting/team-building decisions on merit, but also apply a diversity lens for diverse skills, experience and opinions across and at all levels of the organisation
- Measure diversity of existing employee base across and at all levels of the organisation, and across key career points
- Use DEI data to inform decisions
- Zero tolerance to harassment, bullying and discrimination
- Ensure no gender pay gap
- Target a minimum of 30% women on our Board by 2026 (achieved in Feb 2025)
- Gradually grow female seafarer buddy teams to four women on board
- Target 5% female seafarers by 2040
- Remember diversity is not just about gender – but gender is a main challenge
- Make diversity sustainable – at sea, priority is to implement diversity right, not fast
- Remind/invite colleagues to make use of company policies/benefits on offer
- Demonstrate PB commitment to DEI within the sector through collaboration

Ambitions

to ensure everyone is psychologically safe and supported in their unique efforts to contribute to our business

to create an inclusive and safe culture and a decent work environment where everybody is given a chance to thrive

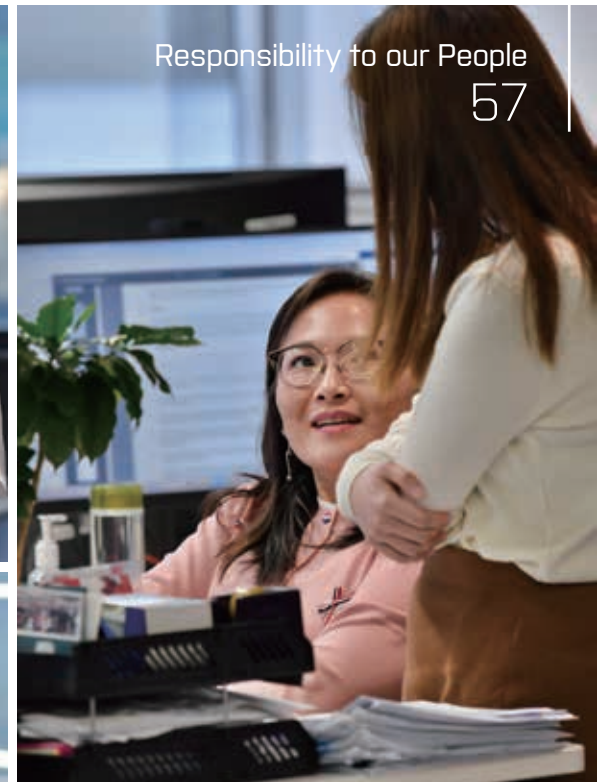
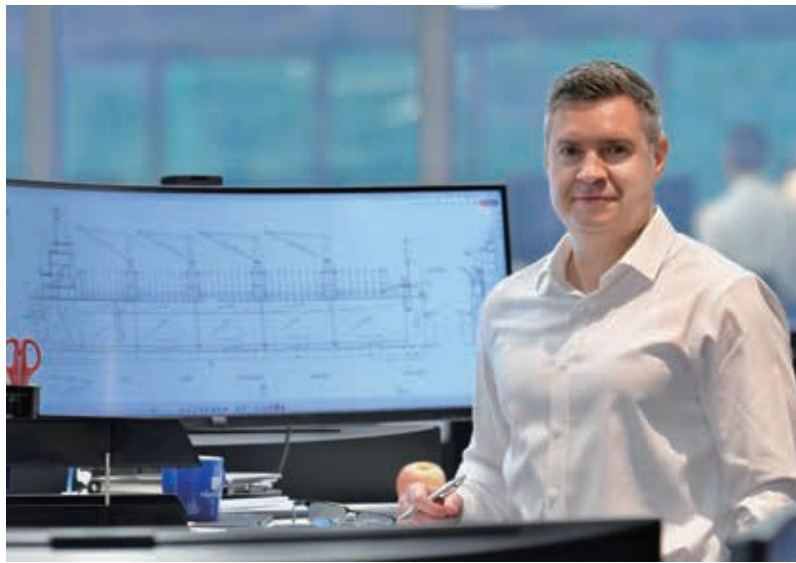
to serve, help and collaborate with stakeholders to support a responsible and resilient supply chain and PB community



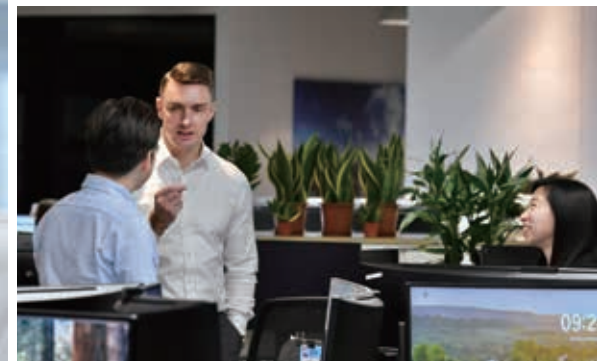
We salute all our loyal Pacific Basin colleagues at sea and ashore who work so diligently, collaboratively, caringly and with good humour for the success of our Company

#WithYouForTheLongHaul





Responsibility to our People
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Meet Miss Elsa Lau, Head of Operations, Singapore

In my role in the Commercial Operations, I take responsibility for ensuring that every fixture concluded is executed efficiently, economically and safely. My experience across our offices in Hong Kong, Vancouver and Singapore has given me a deep understanding of the complexity of dry bulk shipping. Each region has its unique challenges and opportunities, and this global exposure has enhanced my ability to collaborate seamlessly across desks and time zones to tackle them.

In Commercial Operations, every detail matters. Whether calculating cargo uplifts, planning bunkers, managing cargo hold cleaning, or handling claims, I am dedicated to optimising every aspect of the voyage. By working closely with our in-house support teams, we make informed, swift decisions that ensure smooth and efficient voyage operations and optimised results.

Dry bulk shipping operations are dynamic and fast-paced, so my focus is on anticipating potential issues before they arise and keeping lines of communication open. Adaptability and proactive problem-solving are key to overcoming unexpected challenges, such as weather disruptions or port delays, and I always look to find cost-effective solutions while keeping the voyage on track.

At the heart of my work is a commitment to ensuring each voyage is completed both efficiently, profitably and to our cargo customers' satisfaction. This drives me to seek continuous improvement and optimisation opportunities, delivering greater value while maintaining clear and open communication with customers and colleagues. As part of the Pacific Basin team, I take pride in upholding our values of teamwork, service and long-term success

Elsa Lau
Head of Operations, Singapore



RESPONSIBLE VALUE CREATION



Drawing on our Social and Relationship Capital

We recognise our obligations as a responsible member of the communities in which we operate, and we seek to ensure that the interests of these communities are represented within Pacific Basin and vice versa. Our engagement in and contributions to these communities takes a number of forms, in an effort to support their – and our – longer-term effectiveness, resilience and sustainability

Responsible Value Creation



Ambition

Pacific Basin is in it for the long haul – valuing long-term relationships over short-term gains with our customers, suppliers, investors, finance providers, regulators, local communities and other networks. Leveraging our scale and influence in the dry bulk industry, we seek to promote a responsible, ethical, inclusive and resilient global marketplace by working together with our stakeholders.



In support of the UN Sustainable Development Goal 17, we engage and collaborate with our peers, industry associations, NGOs and other stakeholders on matters that drive the sustainable development of our industry

As the world decarbonises, we will increasingly carry the non-fossil-fuel commodities that will be the mainstay of future global seaborne trade

Commitment to

Serving our customers

We strive to deliver to our customers a class-leading, personalised, flexible, responsive and reliable service. We wish to make sustainability an opportunity for differentiation, such as by engaging and collaborating with our customers to decarbonise their supply chains.

Serving society and sustainable trade

We move diverse and essential commodities that support the global economy and sustainable development. We are discerning with our suppliers, service providers, ports, cargoes and customers – managing our exposure to risky, controversial and destructive trades.

Serving our stakeholders

We recognise our obligations and respond to the interests of our stakeholder networks – our investors, shipping industry organisations, regulating bodies, jurisdictions in which we operate, the seafarer community and the wider global supply chain.

Related material issues

Carbon & GHG emissions reduction

Employee Health, Safety & Wellbeing

Responsible Cargo Carriage

Responsible Procurement & Supply Chain

Financial Sustainability

Seafarer Community Support

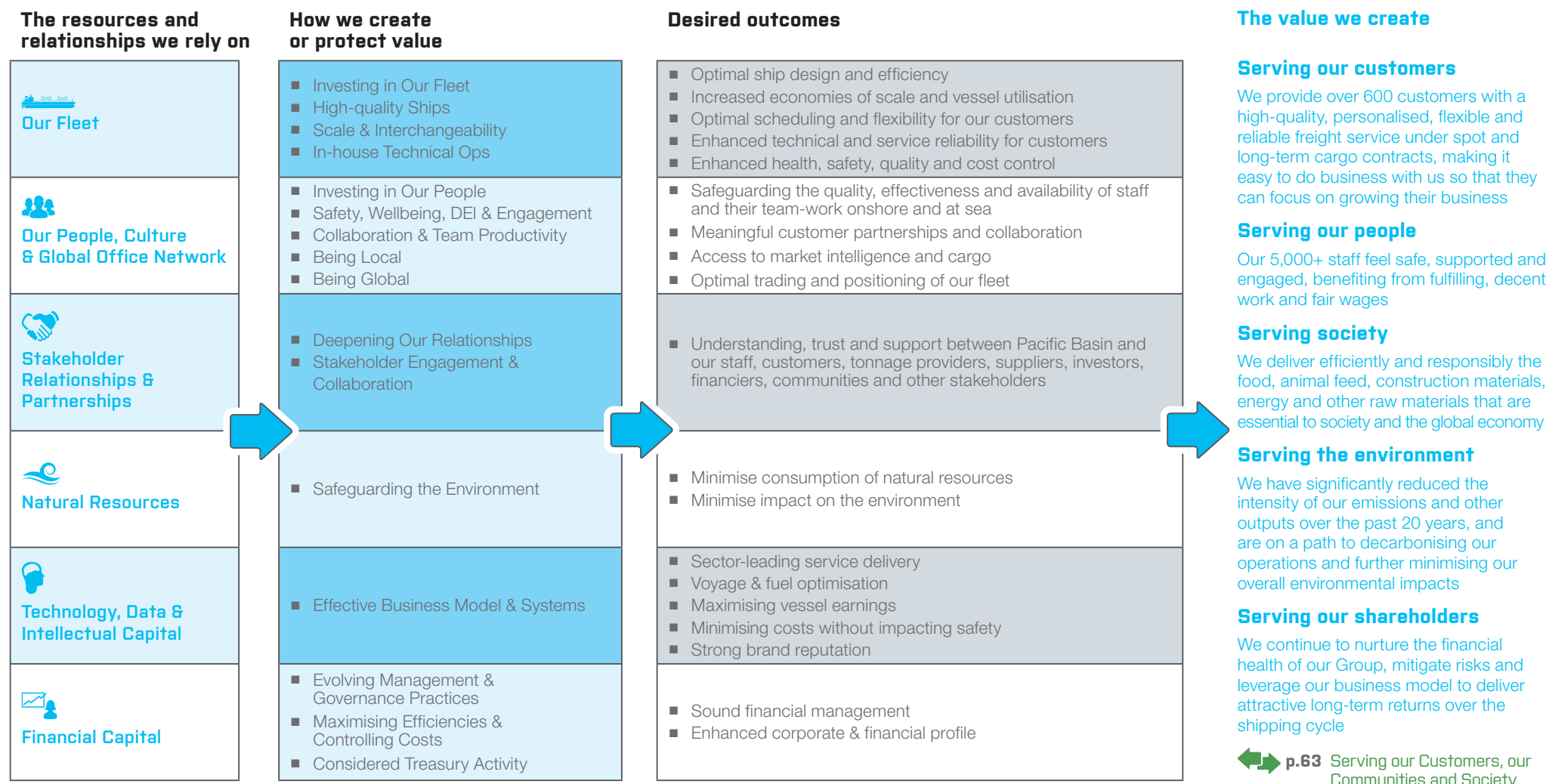
Industry & Legislative Engagement

Non-Seafarer Community Engagement




How We Create Value

We attach great importance to cultivating the relationships and resources that we need to propel us towards our vision and create better outcomes for our customers, our people, our shareholders, society and the environment










An expanded form of this summary table is available on our website

 www.pacificbasin.com
About Us > How We Create Value

STAKEHOLDER ENGAGEMENT

Stimulating transparency and collaboration through engagement

Pacific Basin listens to and engages in active two-way dialogue with our stakeholders. We believe that the transparency stimulated by active stakeholder engagement enables collaboration to tackle key challenges, builds recognition of our brand and ultimately enhances value to our stakeholders.

STAKEHOLDER GROUP	WHY WE ENGAGE	HOW WE ENGAGE	OUTCOMES AND ACTIONS IN 2024
Customers 	We strive to be the partner of choice for customers in our segment. Multi-faceted engagement helps us to better understand their business, their needs, and their views and expectations about our service and performance, while also facilitating dialogue and collaboration to tackle challenges that affect us both.	<ul style="list-style-type: none"> Day-to-day chartering enquiries and vessel/cargo fixing Customer meetings & events Service feedback Customer survey calls ESG materiality survey Website publications & circulars 	<p>Our 2024 customer survey (engaging with customers accounting for 45% of our cargo volumes) confirmed a high level of satisfaction. Interest in decarbonisation compliance is increasing, and we stand ready for increased collaboration with customers to tackle related challenges.</p> <p>Since 2023, we have been collaborating with our cargo customer Rio Tinto as part of their Designated Owners & Operators Standard initiative to enhance safety and crew welfare.</p>
Suppliers 	We are committed to managing our supply chain in a socially and environmentally responsible manner, sourcing from approved suppliers who meet our ESG requirements and make efforts towards sustainable development.	<ul style="list-style-type: none"> Supplier evaluations Code of Conduct forms ESG materiality survey Purchasing activity Website & publications 	Throughout the year, we continued our regular evaluation of the performance of our suppliers. We integrate ESG considerations in the broader evaluation process which requires execution of a Counterparty Form with our latest Code of Conduct including ESG requirements and expectations. We engaged with some suppliers to better understand our indirect Scope 3 emissions.
Employees 	We are a caring employer that promotes a culture and actions that ensure our staff at sea and ashore feel safe, respected, welcomed and supported so that, in return, we benefit from a productive, healthy and loyal workforce. We strive to be the employer of choice for our existing staff and for talented potential employees in our industry.	<ul style="list-style-type: none"> Training programmes Town hall meetings & intranet Open-door policy ESG materiality survey Performance feedback Social events 	In 2024, we enhanced our safety, security, health and wellbeing programmes and continued to look for ways to improve engagement. We conducted three wellness programmes for our Hong Kong colleagues, as well as internal workshops to tighten up our vision, ambitions, goals and targets for two ESG priorities - Safety & Wellbeing and DEI. Our fleet's safety KPIs were good by sector standards.
Investors and financiers 	<p>We strive to create long-term value for our shareholders over the shipping cycle, and we believe that transparency stimulated by active investor engagement enhances recognition of our brand, investor support and shareholder value.</p> <p>We maintain good dialogue and partnerships with our financiers to ensure access to competitive funding.</p>	<ul style="list-style-type: none"> Annual, Interim & Quarterly reporting Annual General Meetings Investor perception studies ESG materiality survey Vessel and cargo terminal tours Investor meetings and conferences Investor, analyst, bankers days Regular meetings with banks 	<p>We encourage active analyst coverage to help investors evaluate our Company. In 2024, we were covered by 8 analysts and 42 research reports.</p> <p>We continued to generate stable income and distribute value to shareholders through dividends and the completion of our first-ever share buyback programme of US\$40 million which was well communicated to the market and received robust shareholders' support.</p> 
Communities 	Engaging and collaborating with the communities we impact and belong to generates enhanced recognition, goodwill, support and opportunity for our Company.	<ul style="list-style-type: none"> Seafarer philanthropy Being respectful visitors Maintaining good relations 	We continued to sponsor and be involved in good causes, mostly relating to seafarer welfare, promoting maritime awareness in Hong Kong and other staff-driven initiatives which help and enrich society and also enhance our own brand.
Shipping Industry & Regulators/Authorities 	Collaborating within our industry and engaging with local and international regulators and authorities gives us a voice on regulatory and other matters, helps us to track and understand incoming rules so we can better prepare for compliance, and enhances goodwill, support and opportunity for our Company.	<ul style="list-style-type: none"> Industry organisations Partnerships & coalitions Formal & casual meetings Our website & publications Public forums Audits 	<p>Active engagement with ship-building partners, industry associations, peers and other working groups has helped us to enhance our networks and knowledge and prepare better for decarbonisation regulations and other challenges we face.</p> <p>We adhere to all applicable laws and regulations and, in 2024, we registered no cases of legal and regulatory non-compliance. However, a potential documentary non-compliance with VGP requirements has been identified, subject to an inquiry by the US EPA.</p> <p>We won the Silver Award in the ESG Leader category at the ESG Shipping Awards International 2024.</p>

Serving our Customers



We strive to be the partner of choice for customers in our segment. We try to deliver best-in-class service and performance, and our customer-focused business model has driven customer engagement and service at a local level, solid service reliability, enhanced customer satisfaction and an excellent reputation globally.

We consider diligently and respond quickly to our customers' enquiries, cargo contract tenders, operational queries, opinions requests and complaints. Our global office network positions us close to our customers, enabling direct and frequent engagement, a clear understanding of their needs and localised customer support. Having a large, modern, uniform fleet and comprehensive in-house technical operations enhances our ability to deliver high-quality and reliable service.

We regularly engage with our customers through surveys and telephone and face-to-face contact to gather their views and expectations about our performance. This enables us to understand where we do well, where we do less well, and how we can further improve our service quality and enhance our competitiveness.

In 2024, we conducted our 13th annual customer survey comprising online questionnaires and/or candid calls with a diverse sample of customers around the world.

In addition to our customer survey and ESG materiality assessment, we engaged an external consultant in 2022 to conduct focus group interviews with select customers (and other stakeholders) to obtain their views and expectations on our ESG efforts and ambition levels.

We wish to collaborate with our customers to help them on freight matters so they can focus on growing their business. We stand ready to share information with our customers and help them understand the challenges and implications on their trades of new decarbonisation rules, with ideas for short-term mitigation and long-term solutions for compliance and the health of the environment.

Collaborating with Customers for a Safer Dry Bulk Supply Chain

Since March 2023, we have been collaborating with our cargo customer Rio Tinto as part of their Designated Owners & Operators Standard initiative to enhance safety and crew welfare in the dry bulk industry. This initiative is an example of the growing level of engagement and collaboration with like-minded stakeholders that we consider necessary to better tackle our industry's main challenges.

In March 2024, we participated in a panel discussion at Rio Tinto's annual Designated Owners and Operators (DOO) Programme event.



Serving Society

Shipping facilitates world trade which helps to house and feed populations and drive prosperity

Largely hidden from view, the shipping industry transports more than 80% of global trade volume from which everyone in the world benefits. Countries are not entirely self-sufficient and therefore rely on maritime trade to sell what they have and buy what they need – commodities, raw materials, components or finished products. In that respect, shipping underpins modern life and helps ensure that the benefits of trade are more evenly spread. The livelihoods of billions of people in the developing world, and standards of living in the industrialised and developed world, depend on shipping. As the world's population continues to grow, particularly in developing countries, low-cost and efficient maritime transport has an essential role to play in growth and sustainable development.

At Pacific Basin, we strive to be an efficient and responsible leader in our shipping sector, so that we can be confident that our service contributes positively to the global economy and sustainable development.



Our Service



p.62 Stakeholder Engagement

What our customers said in 2024



- Communications and service are top notch. The PB team has a great understanding of our business and go out of their way to accommodate changing requirements
- Extremely good and reliable, flexible and always friendly. There is always a solution thanks to PB's knowledge and experience
- Our relationship with Pacific Basin has been great. We rely on the team at PB every month to help execute our sales plan



Serving our Communities

Serving The Seafarer Community

We are one of the largest foreign employers of Filipino and Chinese crew and a significant employer of Indian crew and Ukrainian officers. We invest in recruitment activities and training programmes in Dalian, Manila, Hong Kong and Mumbai. Our community initiatives and financial donations are mainly focused on seafarer welfare causes.

- Our Human Resources Director is an Asian Ambassador of the Sailors' Society, which we support because of our particular interest in the welfare of seafarers and their dependents globally. Through this role, we promote regionally the need to support the welfare of seafarers whose lives at sea are not easy and who give so much to the shipping industry.
- We are a platinum sponsor of the Mission to Seafarers' *Sustaining Crew Welfare Campaign*, allocating our contribution specifically to the Mission's *Family Support Network* which supports seafarers and their family members across the Philippines. This valuable service brings seafarers' families together to provide mutual support, and offers relevant training and guidance on managing every-day concerns relating to seafarers and their families.
- In collaboration with the Mission to Seafarers, we organised safeTALK workshops to equip 150 seafarers with the knowledge and tools to prevent suicide through compassionate and effective responses in critical situations.
- We organised Wives and Mothers Wellness Day in the Philippines for spouses and parents of our seafarers, featuring activities to promote physical and mental wellbeing, from Zumba dancing to seminars on women's health and hygiene.
- We advocated strongly for security, fair treatment and due process for our colleagues and for seafarers generally in a number of forums, including in conferences in which coast guard, law enforcement, drug enforcement and other security agencies sought to collaborate with the industry to tackle the issue.



↔ p.39 Concern over Criminalisation of Seafarers

- In 2024, we made charitable donations to various seafarer organisations amounting to US\$78,000.



US\$195,000 Charitable Donations & Sponsorships

In 2024, our charitable donations and committed sponsorship amounted to US\$195,000.

40% of this we directed to aid the seafarer community, including donations via the International Chamber of Shipping, the Sailors Home & Missions to Seafarers and the International Sailors' Society Canada.

Other shipping-related causes we supported include the Captain's Table maritime innovation competition, and the Hong Kong Maritime Museum (see pages 68 and 66).

The balance of our donations and sponsorship was directed towards various social causes, education and community sports and engagement events.

↔ p.43 Crew Wellbeing



Aspect B8 (Community Investment)
General Disclosure



KPI B8.1
Focus areas of contribution



KPI B8.2
Resources contributed

Ports Where our Ships Trade

Our ships trade globally and our crew and ships are considered ambassadors for Pacific Basin wherever they sail, so we inspire them to:

- strictly abide by requirements under applicable environmental law so as to minimise our impact on the cities, towns, ports and shorelines we visit;
- show skilful seamanship and act professionally in the way they conduct their ships' business;
- be respectful law-abiding visitors, to show warm hospitality towards visitors on board, and to be in every way becoming of Pacific Basin personnel; and
- establish and maintain good relations with port authorities, agents and other stakeholders in the places we visit.

882 ports & **100** countries
visited by our ships in 2024

SASB TR-MT-000.F

One measure of our success in this area is the feedback we get from customers, stevedores, port operators and other stakeholders in the ports where we call.



Some of the commendations our crews received in 2024

- *The cargo loading process was managed with professionalism and efficiency, with excellent communication and coordination between stevedores and the ship's crew*
- *The crew performed well, ensuring a smooth discharge. We look forward to working with them again*
- *Thanks to your timely communication with our operations team and swift action, the issue was resolved, allowing the vessel to depart on schedule*
- *The logs were loaded onto the ship efficiently and smoothly with the highest level of safety and attention to detail, especially during the hog/centre lashing*



Our Hong Kong Community

We take an active role in Hong Kong where we are headquartered, listed and where our owned fleet of ships is flagged. We are members of the Hong Kong Shipowners Association executive committee and Hong Kong Fleet Operations Advisory Committee. We also support various maritime and other related causes in Hong Kong.

■ Hong Kong Maritime Museum (HKMM)



We have been supporters of HKMM since its establishment in 2003, our Head of Sustainability is on the board of HKMM and we regularly support the museum's programmes and initiatives that complement our shipping and Hong Kong community-focused social responsibility priorities. HKMM continues to generate community value through the educational contents of its galleries, its social enterprise managed café, marine environment agenda and outreach programmes involving local schools and minority groups.

As has become our tradition, Pacific Basin sponsored free admission to the Hong Kong Maritime Museum for the general public to mark the International Day of the Seafarer in late June. Over 3,600 visitors enjoyed the many activities on offer, including guided tours, film screenings, and knot-tying and navigation workshops led by Pacific Basin ship officers, cadets, shore-based managers and former ship captains. Ten of our seafarers and office colleagues participated in moderated information sessions to share their seafaring stories and their experience working in the shipping industry.

In May, we linked up with the HKMM marine science team to host an eco-programme for PB families and friends, starting with a presentation about Hong Kong's marine environmental history, including the impact of the city's development on marine ecosystems and the importance of sustainable practices. Our group then ventured to the mouth of Lantau Island's Tung Chung River for a hands-on field trip to see marine life and fragile habitats up close.

■ Maritime Education

We regularly recruit interns from Hong Kong's Maritime Services Training Institute, which is part of the Vocational Training Centre, some of whom transition into full-time PB employees.

Our Fleet Personnel General Manager serves as vice chairman of the Maritime Education and Training Sub-committee of the Hong Kong Shipowners Association, helping to work with government and academia to raise the profile of maritime education in Hong Kong and promote shipping careers to young Hongkongers.

■ Student Scholarships

We continue to fund scholarships at Hong Kong Polytechnic University where three students are currently pursuing a bachelor's degree in International Shipping and Transport Logistics under our sponsorship. Six recipients of our scholarships now work at Pacific Basin in Hong Kong, Singapore, London and Vancouver, and in our fleet.



■ Supporting Local Employment

We employ on some of our ships a number of senior officers from Hong Kong, and we have run an officer cadet recruitment and training scheme in Hong Kong since 2013.

■ Developing Future Talent and Supporting Minorities in Hong Kong

Non-shipping causes that we support include education, mental health and public welfare initiatives. In 2024, we welcomed a diverse group of 17 interns to our offices, mostly in Hong Kong and coming to us via our scholarship programme with Hong Kong Polytechnic University, our commitment to Hong Kong's Racial Diversity Charter (signed with the Equal Opportunities Commission) and our relationship with the Zubin Foundation whose Emerging Talent Internship Programme provides internship opportunities to ethnic minorities in Hong Kong.

These collaborations are indicative of our dedication to promoting a diverse and inclusive workplace.

■ Pacific Basin Soccer Sixes

In November 2024, we hosted the annual Pacific Basin Soccer Sixes intercompany football tournament in which Hong Kong's shipping and related services companies fielded 20 teams and more than 300 players in this popular Hong Kong shipping community event.

■ Hong Kong Maritime Week

We frequently support Hong Kong Maritime Week to generate enthusiasm among young Hongkongers for shipping as a worthwhile career.

■ Supporting the Hong Kong Shipping Register

All our owned ships fly the Hong Kong flag and our crews typically include 1-2 Hong Kong officer cadets.

■ Supporting Local Marine Conservation Efforts

In 2024, Pacific Basin donated to WWF Hong Kong's marine conservation and education programme and, as a thank-you, we were invited for two eco-tours at the WWF Hoi Ha Marine Life Centre and its surrounding protected marine park in Sai Kung in November and December. More than 60 staff and family members attended, gaining insights into the importance of coral, the role of sandy shore ecosystems and the conservation efforts for coral communities in Hoi Ha. A glass-bottom boat trip was organised to allow our colleagues a close up view of some of Hong Kong's more than 60 coral and 120 fish species.



The Shipping Industry

We are active contributors within the shipping community and have a voice in the international dialogue with legislators and other parties on topical issues and future legislation in our industry. Pacific Basin and its senior management ensure our regular engagement with the shipping industry and relevant governmental and regulatory bodies through membership of organisations such as:

- International Association of Dry Cargo Shipowners (Intercargo)
- Documentary Committee of the Baltic and International Maritime Council (BIMCO)
- The Baltic Exchange
- Executive Committee of the Hong Kong Shipowners Association (an influential organisation within the International Chamber of Shipping and, in turn, the International Maritime Organization)
- Sub-committees of the Hong Kong Shipowners Association, including the Marine Sub-committee and the Maritime Personnel, Education and Training Sub-committee
- Hong Kong Fleet Operation Advisory Committee of the Hong Kong Marine Department
- Institute of Chartered Shipbrokers
- ClassNK Hong Kong Owners Committee
- ClassNK Technical Committee
- American Bureau of Shipping Marine Technical Committee and Greater China Committee
- DNV Hong Kong Machinery Group and Greater China Committee
- Maritime Anti-Corruption Network
- Getting to Zero Coalition
- Women's International Shipping & Trading Association (WISTA) Hong Kong
- Diversity Study Group (DSG is dedicated to DEI in the maritime sector)



17 PARTNERSHIPS FOR THE GOALS



In support of the UN Sustainable Development Goal 17, we engage and collaborate with our peers, industry associations, NGOs and other stakeholders on matters that drive the sustainable development of our industry

Pacific Basin Sponsors The Captain's Table

Pacific Basin is a Platinum Sponsor of The Captain's Table, a global maritime innovation competition connecting innovators and startup entrepreneurs with the maritime and logistics industry. Founded in Hong Kong and organised by the Young Professionals in Shipping Network (YPSN), the competition's objective is to build a sustainable future for the maritime industry by connecting innovators to corporates to develop solutions to the current and future industry-specific challenges.

In 2024, The Captain's Table showcased several decarbonisation compliance, training, data and digitalisation, and robotics and other solutions. We have assessed these new projects and continue to explore innovative solutions for our own ESG, optimisation and decarbonisation programmes.

Our Director of Fleet Harshavardhan Bhawe was on the judging panel at the event's final round, and our Director of Human Resources & Administration P.B. Subbiah is a member of the Captain's Table Advisory Committee.



Meet our first Hong Kong Captain

“Hello, this is Andy Lau from Hong Kong. I was honoured to be among Pacific Basin’s first batch of Hong Kong Cadets back in 2013, and now I am proud to have achieved the rank of PB Master in 2024.

Reflecting on my journey, I recall sharing my thoughts during my promotions to 3/O and C/O. However, this time feels remarkably special as I assume command as a Master on an oceangoing vessel – it is a “dream come true” for all young individuals venturing into the maritime industry.

I am very lucky to have crossed paths with numerous maritime professionals both at sea and ashore who have generously offered guidance and mentorship throughout my career. I am especially grateful to the Late Capt. Bill Medcalf and Gary Lee, who graciously enlightened me, a newly graduated Cadet, about career prospects and future plans 11 years ago. I am dedicated to becoming a well-rounded Captain, aiming to make meaningful contributions to the shipping industry and PB in new and impactful ways.

Over the past decade at sea, I have observed PB’s remarkable growth, remaining resilient through market

downturns and the challenges of the Covid-19 pandemic. Our owned fleet has expanded to 115 bulk carriers, a significant increase since I first joined. This achievement is the result of the collective efforts of my colleagues at PB, laying a strong foundation that has propelled us to become one of the industry’s leading owners and operators. Our commitment to ensuring safe voyages and uninterrupted ship operations is a testament to the strategic decisions made by our senior management. I am profoundly grateful for their visionary leadership, which has guided us in the right direction.

I take immense pride in witnessing the elevated standards at PB, where we prioritise not only the wellbeing and unity of our crew but also onboard training and safety culture. We are fortunate to have a stable pool of exceptional seafarers who possess a deep understanding of the market. By embracing the notion of sharing best practices, I firmly believe that we can learn valuable lessons from all experiences, whether they are positive or challenging. One crucial lesson I have learned from a seasoned Captain is that a skilled navigator foresees potential dangers well in advance. “Always stay ahead of the vessel” – this reminder keeps me vigilant and prepared for any navigational challenges that may arise.

”

Captain Andy Lau

currently serving on m/v Albatross Island



In support of the UN Sustainable Development Goal 8, we are a caring employer and seek to provide full and productive employment and decent work for all our seafarers and shore-based staff

RESPONSIBLE BUSINESS FUNDAMENTALS

Drawing on our Intellectual and Human Capital

We are committed to conducting our business in adherence to high ethical standards, and we recognise the importance of good corporate stewardship in driving sustainability and enhancing our brand and shareholder value. Through responsible, experienced staff and an effective business model and organisational systems, we are able to maximise efficiencies and create intangibles associated with a strong reputation.

Responsible Business Fundamentals



Ambition

Pacific Basin aims to evolve and enhance management and governance practices for best-in-class risk management, reporting, transparency, stakeholder confidence and corporate stewardship. We adopt responsible observance of stakeholder interests as an integral part of our commitment to sustainability and good corporate governance.



In support of the UN Sustainable Development Goal 16, we strive for effective, accountable and inclusive management and corporate governance, and responsible business practice where there is no place for corruption and bribery

Commitment to

Governing with efficiency and discretion

We continue to bolster and streamline management decision-making, risk mitigation, due diligence and board governance procedures and systems, ensuring alignment between ship and shore operations.

Strengthening resilience and business continuity

We mitigate accidents which pose material risks not only to the business but to our people and the environment. We futureproof the business by assessing and managing disruptions from climate risks, global pandemics and cyber security.

Building trust through integrity and transparency

We increase stakeholder confidence by tackling corruption with ethical practices, transparent reporting and regular multi-level engagement.

Maintaining financial health and access to capital

We continue to manage our financial resources and funding, work within our financial gearing targets, maintain the financial health of the Group drawing on our access to capital, and strive for best-in-class reporting, transparency and corporate stewardship.

Related material issues

Good Management & Corporate Governance

Innovation & Digitalisation

Responsible Procurement & Supply Chain

Crisis Response

Accident & Oil Pollution Prevention

Regulatory & Sanctions Compliance

Climate Change Risks

Cyber Security

Ethical & Responsible Business Practices
(including Anti-Corruption)

Transparency & Disclosure

Public Image

Financial Sustainability

Sustainability Governance

Sustainability is a Board Responsibility

The Board is responsible for, among other things, the development of the Group's long-term corporate strategies and broad policies. In setting its standards, it considers the needs and requirements of the business, its stakeholders, the Corporate Governance Code and ESG Reporting Code encompassed in the Stock Exchange's Rules governing the listing of securities (the "Listing Rules").

As such, the Board also has overall responsibility for, and is engaged in, the Group's sustainability strategy and reporting, including identifying, evaluating and managing ESG-related risks, and ensuring appropriate and effective ESG risk management and internal control systems are in place. Management provides confirmation to the Board of the effectiveness of these systems. The Board also regularly reviews progress made against ESG-related goals and targets.

The Board delegates to the Sustainability Committee more regular oversight of the Group's sustainability programme and the work of the Sustainability Management Committee (SMC).

 **Annual Report p.43**
Board Responsibilities

Elevated Board-level Oversight

In 2024, we elevated board-level oversight of sustainability from our Audit Committee to a newly established Sustainability Committee, comprising three Independent Non-executive Directors (INEDs) and one Non-executive Director (NED). The Sustainability Committee is appointed by the Board to assist the Board in overseeing the management team and advising the Board on matters that are material to the long-term sustainability of the Company, including ensuring effective management of the Company's sustainability risks and opportunities, overseeing the Company's sustainability approach, priorities and implementation, monitoring progress towards sustainability targets, and overseeing sustainability reporting.

 **p.54** Board Diversity

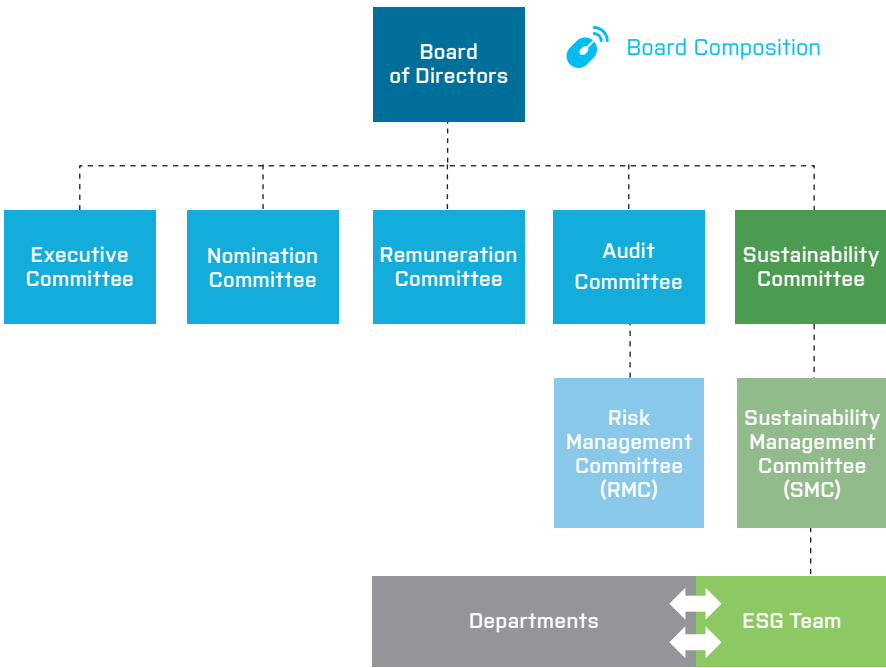
Functions of SMC

The Group's SMC comprises the CEO, CFO, Head of Sustainability and five more senior executives from different functions. It reports to the Sustainability Committee at least twice a year, and is responsible for reviewing, assessing and enhancing the Group's sustainability policies, strategies and performance, and ensuring the Group is in full compliance with ESG requirements. This approach affirms and enables the Group's commitment to sustainability, and ensures that members with different backgrounds and expertise are represented to deliver meaningful outcomes.

Day-to-day Implementation


We have a dedicated sustainability team to enhance and help to coordinate our approach to sustainable business practices and investments in sustainable assets. Supported by the sustainability team, day-to-day execution of sustainability initiatives and sustainable business practice lies with managers across the business, most notably the Fleet Director (supported by his technical, personnel, marine & safety and decarbonisation & optimisation managers), the Commercial Operations Director and the Human Resources and Administration Director.

 **Meet our Leadership Team**



Corporate Governance Reporting

While we summarise our sustainability governance here, we address the wider subject of corporate governance separately and in detail in the Governance section of our Annual Report and website.

 www.pacificbasin.com/Sustainability > Corporate Governance

 **Annual Report p.43** Corporate Governance



Our Sustainability team is lean and centralised, and serves to shape ESG strategy and oversee execution, measure and report performance, act as ambassadors to engage, inspire, transform ESG into a differentiator, and embed sustainability in our culture.

Relevant departments own our ESG issues and execute the detailed planning and implementation of initiatives to meet our sustainability goals

The Sustainability Committee

Membership

Chairman: Kirsi K. Tikka (INED)

Members: Mats H. Berglund (NED, appointed in January 2024), Kalpana Desai (INED, appointed in January 2025), Wang, Xiaojun Heather (INED, appointed in January 2025), Stanley H. Ryan (stepped down in February 2025)

Main Responsibilities

1. Monitor and review emerging ESG responsibility trends and issues, with a focus on those most relevant to the dry bulk shipping industry.
2. Oversee the Company's ESG management approach, strategy and the process used to identify, evaluate and manage material ESG-related issues including the risks and opportunities they represent for the Company and to recommend any improvements.
3. Oversee the development and execution of the Company's ESG policies and practices, provide direction to Management on the Company's ESG vision and objectives/priorities, ensure alignment with the Company strategy and make recommendations to the Board.
4. Review the internal procedures and system for the generation and maintenance of appropriate and accurate sustainability data.
5. Review Management's ESG performance reports, including progress made against material ESG-related goals and targets, steps taken to achieve these targets, and covering any other relevant ESG issues; such ESG reports to be submitted to the Board at least two times a year.
6. Consider ESG investments proposed by Management and make appropriate recommendations to the Board.
7. Review the annual "Sustainability Report" to ensure the balance, transparency and integrity of published information as well as proper disclosure and compliance with the ESG Code, and make appropriate recommendations to the Board.
8. Review the ESG-related performance of and work done by Management and the SMC.
9. Ensure that a sustainability culture is promoted across the Company, with sufficient resources and training provided to manage the Company's material ESG issues and the risks and opportunities they represent.
10. Conduct an annual review to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget to manage the Company's ESG performance and reporting.

Work Done in 2024

The Sustainability Committee held three meetings in 2024 and, together with e-mail communication, the work undertaken included:

- review and approval of the Sustainability Report 2023 for recommendation to the Board;
- review and ratification of the terms of references of the Sustainability Committee;
- review of key ESG programmes, performance metrics and targets;
- review of compliance with recent and upcoming decarbonisation regulations and other ESG challenges;
- endorsement of the proposed strategies for managing some of our most material ESG priorities; and
- review of investment case for LEV (green ship) newbuilding contract.

The Sustainability Management Committee

Membership

Chairman: Chief Executive Officer

Members: Chief Financial Officer (stepped down in October 2024), Head of Sustainability, Director of Chartering, Director of Operations, Director of Fleet Management, Director of Group HR & Admin, Director of Risk, Group Company Secretary

Main Responsibilities

1. Oversee and execute the Company's sustainability strategy;
2. Review and ensure proper disclosure and compliance with the ESG Code;
3. Review the assessment of the Company's material ESG issues;
4. Ensure appropriate ESG KPI targets and steps taken to achieve them;
5. Review the internal procedures and system for the generation and maintenance of appropriate and accurate ESG KPI data;
6. Foster cross-functional collaboration and coordination on ESG issues;
7. Ensure strong ESG engagement and commitment, and ensure that ESG is treated as a strategic business issue, promoting a culture of sustainability across the Company;
8. Make recommendations to enhance sustainability strategies, practices and investment; and
9. Present and regularly report to the Sustainability Committee and the Board on the Group's sustainability performance.

Work Done in 2024

In 2024, the SMC met two times and reported to the Sustainability Committee on the Group's Sustainability programme, performance and work done. The work undertaken included:

- review of the materiality of ESG topics and risks with reference to the Company's strategy and industry relevance;
- review of the progress of activating ESG awareness within the Company and the proposed strategies for managing some of our most material ESG priorities;
- review of key ESG performance metrics, corporate ESG ratings, competitor ESG benchmarking and proposed ESG targets with a recommendation to the Sustainability Committee for approval;
- review of noteworthy ESG initiatives and projects;
- review of the incoming energy-efficiency and decarbonisation regulations and measures in the shipping industry; and
- review of the terms of reference of the SMC.



Climate Training for Board

In May 2024, we invited Dr. Tristan Smith (Professor at University College London (UCL) Energy Institute and a regular IMO MEPC delegate) to speak to our Board and senior management team on the subject of "Climate Change & Decarbonising Shipping", including climate targets industry goal's, and an assessment of the main alternative fuels for shipping for the next couple of decades.



Meet Miss Yoyo Chu, General Manager, Risk & Governance



My professional journey with Pacific Basin has been an adventure, filled with diverse experiences and opportunities for growth. It all began in London in September 2005, where I joined the Company as a trainee. In early 2006, a fantastic chance arose to join the Company's China Investment division. Relocating to Hong Kong was quite the change, but it turned into an extraordinary learning opportunity, allowing me to observe China's astonishing growth first hand. I later moved to the Hong Kong chartering desk and, about a year and a half into the chartering role, I was presented with a chance to relocate to Auckland to focus on the freight needs of our New Zealand cargo customers. After completing my MBA at Imperial College, London, I was offered the role of Auckland GM in 2017.

I recently moved back in Hong Kong, taking on the role of General Manager of Risk and Governance, which represents a significant shift and a steep learning curve for me.

Risk and governance are crucial for an ambitious, publicly-listed shipping company like ours with a culture of doing the right things, as they promote identifying, understanding and mitigating risks effectively, and ensuring transparency and accountability for enhanced sustainability and stakeholder confidence. By integrating risk management principles with corporate governance, shipping companies can adopt a comprehensive holistic approach to risk control and strategic decision-making to protect against losses and enhance sustainability, and safeguard our reputation.

My journey with Pacific Basin has been incredibly rewarding, and I am grateful for the opportunities to grow and make a meaningful impact in the Company.



Yoyo Chu

General Manager, Risk and Governance,
Hong Kong



Responsible Business Practices

Strong corporate ethics and sensible business values

In the pursuit of our vision and objectives, we always seek to apply sound and internationally accepted business ethics and principles. Our business principles cover a range of tenets and traits designed to maximise the trust, respect and friendship between the Company and its stakeholders, highlighting the fairness and responsibility with which we approach our business.



Anti-Corruption

Our Code of Conduct prohibits our staff from offering or accepting bribes or engaging in fraud, forgery, collusion, anti-competitive behaviour or other forms of corruption. To bolster the Company's anti-corruption culture and maintain a zero corruption record, we continually review our anti-corruption policies and practices which we convey to our staff via regular training.

We require our staff to abide fully by local anti-corruption laws such as the Prevention of Bribery Ordinance under Hong Kong law for staff in our Hong Kong headquarters. Similar anti-corruption laws (such as the UK Bribery Act 2010) and expectations apply to all our staff around the world.

We provide anti-corruption training for our directors and shore-based and seafaring staff by means of an online e-learning portal and in-house workshops. Every new joiner receives training in anti-corruption, whistleblowing and our Code of Conduct in our orientation programme. Anti-corruption refresher training is arranged for all staff every three years to ensure they are updated on the subject.

In 2024, 100% of our new joiners completed anti-corruption training. All of our directors (other than our new 2025 appointees) received anti-corruption training in the past three years.

0 Cases of corrupt practice

During the reporting period, we were not, are not and have never been involved in any legal cases regarding corrupt practices.



KPI B7 (Anti-Corruption)
General Disclosure

SASB TR-MT-510a.2



KPI B7.1
Number of legal cases regarding corrupt practices



KPI B7.3
Description of anti-corruption training provided

Pacific Basin has been certified by globally recognised anti-bribery organisation TRACE since 2017, signifying that our Company has been thoroughly vetted and certified by TRACE in anti-bribery matters.

Pacific Basin has been an active member of the Maritime Anti-Corruption Network (MACN) which strives through collective action to eliminate all forms of corruption in ports and elsewhere in the maritime industry. MACN does this by:

- raising awareness of the challenges faced
- implementing the MACN anti-corruption principles and co-developing and sharing best practices
- collaborating with governments, NGOs and civil society to identify and mitigate the root causes of corruption
- creating a culture of integrity within the maritime community



In support of the UN Sustainable Development Goal 16, we strive for effective, accountable and inclusive management and corporate governance, and responsible business practice where there is no place for corruption and bribery

Through adopting the MACN anti-corruption principles and MACN's toolkits, we are better able to avoid, respond to and report incidents of bribery, facilitation payments and other forms of corruption through appropriate monitoring, comprehensive risk assessment and training.

Our ships' officers occasionally encounter the need to make facilitations payments under duress – essentially extortion in which local officials threaten harm to our crews and/or improper fines and delays to our vessels. Our ships' captains will always refuse such extortion attempts, but payments are not always avoidable when our crews' safety is at real risk. All incidents of attempted or successful extortion are reported to our head office and recorded in MACN's Incident Reporting System.

In 2024, we registered 6 incidents of facilitation payments under duress on our owned vessels involving total payments of about US\$12,560 in cash or in kind.



Anti-Collusive Behaviour

We operate in highly competitive and fragmented markets and we do not collude with competitors or otherwise cooperate in a covert manner to gain unfair pricing advantage. The size and market share of our dry bulk fleet and the nature of our dry bulk freight activity are deemed not to breach competition regulations in any markets in which we are engaged.

Sanctions

Our ships operate globally and we engage in trades that comply with international laws and do not contravene international trade sanctions or relevant local or national laws.

Our customers are required not to ship illegal goods on our vessels, and our global chartering organisation follows the key rule of “knowing your customer and their business” which enhances our understanding of their cargo.

Our customers are reputable organisations, including many blue-chip companies, who we know well. Nevertheless, our customers are required to commit to the expectations and requirements of our Counterparty Code of Conduct (including no contravention of sanctions) and for newer potential customers in particular, we may seek advice on their background, verbal and written references, formal counterparty risk appraisals, and we check if they appear on US, UK, EU and UN sanction lists.

We also consider where voyages are from and to, and monitor the layers of sanctions prevailing around the world so as not to risk exposure to criminal penalties.

We implemented automated sanctions screening to further enhance our sanctions checking programme that we previously upgraded two years ago. Our company conducts thorough due diligence and background checks of all chartering counterparties through a specialised team, utilising third-party due diligence reports and a comprehensive sanctions screening platform provided by a reputable risk intelligence provider.

In addition to our own sanctions due diligence, banks that our customers transact through also conduct checks and do not provide letters of credit or finance to, or otherwise transact with, customers if the cargo or trade breach sanctions, thus preventing the customer from executing a freight contract with us. A second check arises when the cargo and/or freight invoice is payable, at which point banking systems automatically vet the countries and counterparts involved in the transaction.

Responsible Cargo Carriage

Our commitment to responsible cargo carriage and sustainable trade is reflected in our Trading Restrictions Policy which sets out restricted trading activities and areas, and related procedures and approval requirements. We plan to develop a more thorough responsible cargo carriage policy to define more comprehensively our positive contribution to sustainable shipping.

We know our customers and their business and adhere to trading practices that follow the letter of local, regional and international maritime law and do not contravene sanctions

Whistleblowing

We are committed to providing a workplace free of dishonest, illegal or discriminatory activities. As part of our efforts in this area, we have whistle blowing procedures in place for seafarers, shore-based staff and external stakeholders to raise serious and genuine concerns, in confidence, following procedures that are published on our intranet (for our shore-based staff) and on our website (for our ship's crews and external stakeholders).

Whistleblowers can raise their concerns without fear of victimisation, discrimination or disadvantage to the Chairman of the Audit Committee, who is an independent non-executive director of the Company.

Attention: John Williamson, Audit Committee Chairman

Email: whistleblowing@pacificbasin.com

Tel: +852 2233 7296



KPI B7.2

Preventive measures & whistle-blowing procedures



Kitty Mok is our Director of Risk and Group Company Secretary who, among other responsibilities, ensures that our standards of risk management and corporate governance are best in class

Financial Sustainability

We are dedicated to maintaining the financial wellbeing of our Group, managing risks and utilising our business model to deliver favourable long-term returns throughout the shipping cycle.

Financial viability is a crucial priority for any business, as it underpins all other initiatives. Without it, the company's ability to endure, succeed and contribute to the economy and sustainable development would be compromised.

To achieve this, we prioritise maintaining a robust cash position and balance sheet, striving to lead the industry in daily earnings, exercising diligent cost control, and leveraging our business model and strategy to provide lasting value to our shareholders. Through prudent gearing and access to capital from operations, debt, convertible bonds and equity, we aim to strengthen our position as a dependable and sustainable business for the long term.



Investors

Transparency and Disclosure

We believe that transparency stimulated by active stakeholder engagement builds recognition of our brand and ultimately enhances shareholder value. At Pacific Basin, we are committed to disclosing relevant risks practices and performance data to help stakeholders better understand our challenges and how we are performing.

Regarding ESG, we recognise the importance of clear messaging on our sustainability agenda and ambitions. We seek to improve our key messaging and narrative to ensure that stakeholders understand our commitment and approach to sustainability.

We aim to streamline our data collection systems through automation and training, enhancing our reporting efficiency. We will regularly review our alignment with reporting frameworks to ensure that we are providing the relevant information required.

To communicate our sustainability strategy and ambitions more clearly, we developed a new sustainability framework in 2022, and we aim to share a sustainability roadmap with long-term targets, milestones, and progress indicators to drive continuous improvement.



p.76 Tax Transparency

ESG-linked and Sustainable Finance

There has been a significant increase in the volume of green, social and sustainability-linked loans in the past two years. Industry groups, such as the Loan Market Association and the Green Loan Principles, have updated and strengthened market loan principles, enhancing the credibility and momentum of sustainable finance instruments. This includes the requirement for banks and borrowers to disclose the sustainability aspects of loans for public scrutiny. As investment in the energy transition and the adoption of sustainable finance continue to rise, there is a growing focus on classification frameworks and taxonomies for sustainable finance activities.

ESG investment through direct financing is evaluated based on various factors, including the alignment of ethical standards between borrowers and lenders, the risk-return profile, the generation of environmental and socio-economic outcomes, and the measurement and reporting of these outcomes. Banks and financial institutions play a crucial role in scaling up finance and investment to address sustainability challenges, requiring a holistic approach to support corporates and investors in their transition.

Public Image

We consider ourselves to be a reliable freight service provider and a proactive and responsible corporate citizen within the shipping industry and, as such, we seek to enhance the public perception and overall profile and reputation of Pacific Basin to attract talent, build support and goodwill, drive positive change and enhance our position as a preferred partner for all stakeholders.

To achieve this, we:

- regularly assess feedback and perceptions of Pacific Basin to identify areas for improvement
- publish press releases, social media posts and corporate reports to highlight initiatives and successes that we have achieved (while being transparent about bad news too)
- maintain regular communication with stakeholders beyond routine reporting and media releases
- provide information on our longer-term plans and progress, enhancing transparency about our strategy

Sustainability-Linked Finance

In December 2023, we concluded our first sustainability-linked unsecured revolving credit facility of US\$150 million, with interest margin adjustments linked to our carbon intensity (EEOI) and crew safety (LTIF) performance, which are among our top ESG priorities. To assure the relevance and robustness of our sustainability performance targets, Moody's Investors Service were engaged to provide a Second Party Opinion. Moody's assessment concluded with a "very good" Sustainability Quality Score (SQS2), reflecting "alignment with best practices" and a "significant contribution to sustainability".

Introducing Policy on Political Contributions

In 2024, we introduced a new policy regarding political contributions to meet the expectations of our stakeholders, ESG rating agencies and ESG reporting standards, and to align with industry best practices.

This Policy clearly prohibits political contributions of any kind by the Company and by its employees on behalf of the Company. It does not prohibit employees from participating in political activities in their private capacity including making personal political contributions.

In 2024, we did not make any political contributions.



Tax Transparency

Tax Approach

Our high standard of corporate governance demands a focus on tax compliance. We recognise that reliable tax systems are essential to finance investments in human capital, infrastructure and the provision of services for citizens and businesses that support sustainable development, society and local communities.

Our tax strategy is updated annually and published on our company website. The overall aim of our tax strategy is to ensure that the company's affairs are carried out in the most tax efficient manner whilst complying with the rules and regulations in all the jurisdictions in which the Group operates. Tax is a factor that is always considered in all investments and significant business transactions.

Tax Governance, Control and Risk Management

Pacific Basin is committed to compliance with all applicable laws, rules, regulations, and reporting and disclosure requirements to relevant tax authorities. The Group meets its tax compliance obligations in relevant tax jurisdictions. This includes endeavouring to keep abreast of tax rules and regulations, delivering relevant tax returns and making tax payments on time.

The Group's tax affairs are managed centrally and in a manner which takes into account the Group's corporate reputation in line with its overall high standards of governance. The Risk Management Committee, chaired by the Chief Financial Officer (CFO) and reporting to the Audit Committee, monitors the integrity of the Group's internal controls and risk management systems including financial reporting and taxation planning and compliance and the supporting governance framework. Day to day management of the tax affairs of the Group is delegated to designated personnel with appropriate qualifications and experience (the "Tax Function") who report to the CFO. The

Tax Function is kept fully informed of commercial decisions and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

The Group utilises relevant tax incentives, reliefs, allowances and exemptions available in line with the intention of legislation. If deemed necessary, the Group will seek confirmation from professional advisers to confirm entitlement to such incentives, reliefs, allowances and exemptions.

An element of tax uncertainty is inevitable in the current global tax environment. Tax rules change from time to time. The Tax Function ensures the Group is kept up to date with relevant changes to tax rules and the related financial and legal implications to the Group. Where there is significant uncertainty or complexity in the matter, external advice may be sought.

Relationships with Tax Authorities

Pacific Basin is committed to the principles of openness and transparency with tax authorities. We make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely manner.

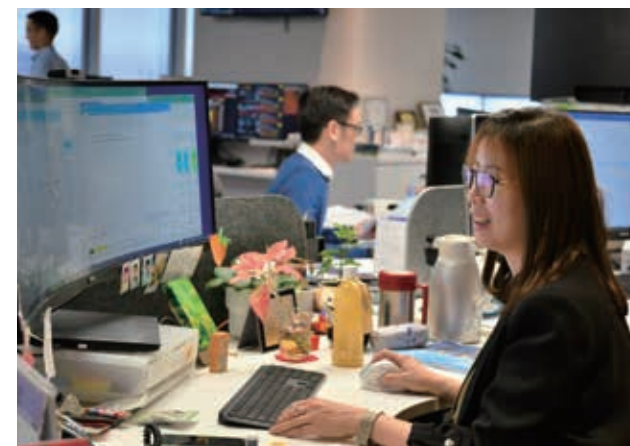
The Group engages with tax authorities with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. The Group does not take positions on tax matters that may create reputational risk or jeopardise its good standing with the tax authorities. We aim to resolve any disputed matters through honest, active and transparent discussion.

If deemed necessary, we will discuss with tax authorities significant tax issues or interpretation of the law in relation to relevant taxes to achieve certainty wherever possible either by ourselves or via our tax representatives.

In the event that inadvertent errors in submissions are made, such errors are fully disclosed to tax authorities as soon as reasonably practicable after they are discovered, and put right the tax position in an open and efficient manner.

Preparing for Global Tax Reform and BEPS

Driven by global tax reform, OECD's Inclusive Framework on Base Erosion Profit Shifting (BEPS) has continued to evolve, now taking a two-pillar approach, to help tackle tax avoidance, ensure coherence of international tax rules, and facilitate a more transparent tax environment. OECD BEPS Pillar Two is applicable to Pacific Basin as the revenue of the Group exceeded EUR750 million in two of the last four years. As Pacific Basin Shipping Limited, the ultimate parent entity, is located in Hong Kong, all the entities within the Group are subject to Pillar Two starting in 2025. A top-up tax to achieve a minimum effective tax rate of 15% is required for those jurisdictions that the Group's entities operate in. Income from international shipping is excluded for the top-up tax requirement. For income from non-shipping activities, we have engaged external tax advisors to assess the liability of the top-up tax for the Group and considered the impact to be not significant.



Utilising Technology and our Data for Better Decision-making Processes and Interactions

In the last several years, we have invested in upgraded software that has resulted in efficiencies across our global operations in a period of significant expansion of our in-house managed fleet of owned ships.

These solutions – including latest cloud-based applications that support remote access, advanced data sharing, robust systems integration and offer better IT security – have benefitted key departments including chartering, commercial ship operations, bunker management, claims, technical management, marine, crewing, as well as finance and accounting and HR. They help us to streamline our operations processes, standardise our training and enhance internal support capabilities.

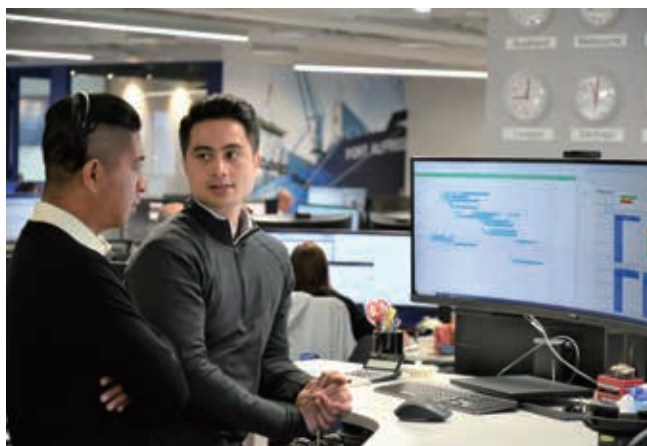
As a large player in our market segment with a comprehensive network of commercial offices around the world, we see more of what's going on in the market compared to most of our peers. This means we have historically had access to more data, thus giving us a competitive advantage. With certain data now more widely available, we are committed to investments that allow us to maintain this advantage.

We harness various demand and supply data, including Automatic Identification System (AIS) signals from the global fleet of bulk carriers, for analysis that enhances our commercial and operational decision-making. Similarly, more frequent data transmissions from our vessels enables our technical management team and voyage optimisation team to respond quickly to vessels' systems and performance abnormalities. We can also leverage this information to help us better study and action on fuel economy, carbon intensity and other efficiencies.

Furthermore, our data feeds into an automated management reporting dashboard which presents information that helps managers at all levels (including the CEO) to make quicker and better commercial decisions.

We have a dedicated Digitalisation Team to further evolve and expand our digitalisation programme with investments in new digital solutions across our organisation. This helps to leverage our large amount of data to optimise our business processes and interactions, and improve our decision-making.

Through our dedicated digitalisation function, we keep close relationships with the main technology vendors, partners and innovators in the maritime industry. By having close ties with new technology, we are able to adopt the best-fit solutions and partnerships available in the market, thereby generating value for our business, and improving the experience of our customers and stakeholders.



Information Technology Security

Information Technology (IT) security has become increasingly important in shipping as maritime cyber-attacks, phishing emails, malicious websites and other fraudulent activities across electronic channels become more commonplace. Our business processes rely heavily on IT systems (including cloud-based applications and data storage) and daily communications ashore and at sea. Failure of a key IT system or successful attacks on our systems could result in communications breakdowns and business disruption.

Our IT Steering Committee, chaired by our CEO, oversees the Group's IT policies and procedures and ensures that our IT strategies meet our business needs. We have developed an internal Information Security Policy to protect the interests of our staff, our business and our information assets from threats. Our IT team works closely with all business departments to tailor appropriate and effective IT solutions, support and preventive and contingency measures. Tips and reminders on anti-spoofing and phishing emails are circulated to our employees regularly to enhance their cyber security awareness.

In response to the IMO's Maritime Cyber Risk Management Resolution, we updated our Pacific Basin Safety Management System to enhance our cyber security risk management and better safeguard our on-board operations from existing and emerging cyber threats and vulnerabilities. Vessel hardware and systems are reviewed periodically to maximise system efficiency and security.

We have a formal Business Continuity Plan (BCP) in place that sets out fallback arrangements in the event of a communications or IT systems blackout. Company-wide BCP drills are carried out regularly to ensure that our teams are familiar with the relevant procedures and to seek improvements in our contingency plans and processes. We also carry commercial crime insurance to cover financial losses from cyber-crimes. We select reputable IT service providers with ISO 27001 certification and regularly evaluate cloud-service providers' internal controls and independent assurance reports.

Our IT team has been actively identifying and remediating security risks and loopholes for internal and public internet access of our business critical applications and systems. We have successfully implemented identities, applications, and endpoints to our Extended Detection and Response platform, enhancing our visibility into activities and events.

In 2024, we launched several AI initiatives to further enhance our IT capabilities. One key initiative was the implementation of Microsoft Copilot which offers intelligent and adaptable assistance to help users with a wide range of tasks, from gathering and analysing information and generating valuable insights, to completing productivity-related activities and providing other kinds of support.

We have not experienced any breaches of information security or other cyber-security incidents in the past three years or previously.



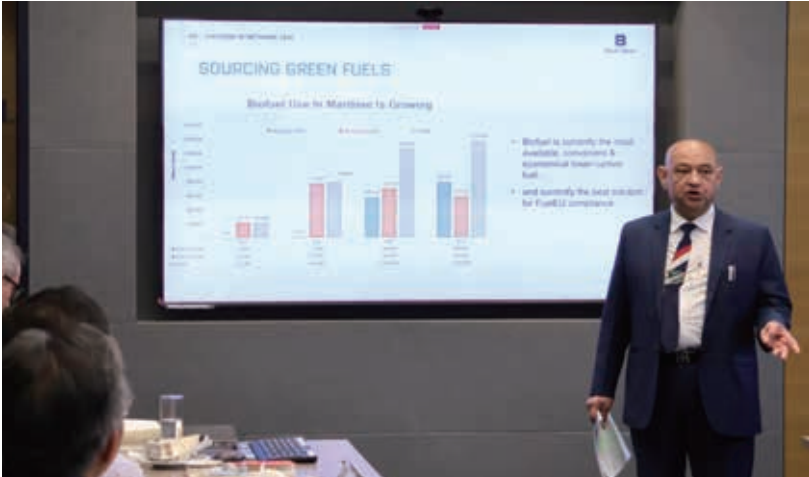
Climate-change Resilience

We try to understand and prepare ourselves for tomorrow’s potential challenges, including the physical and transition risks of climate change on our operations. Understanding these risks enables us to formulate strategic actions to manage them.


Our climate risk assessment and scenario analysis (in conjunction with American Bureau of Shipping in 2021) considers the impacts of +2°C and +4°C scenarios over timescales ranging from the medium term (2030) to the long term (2050)¹. The exercise helped us to refine our understanding of the most material physical and transition risks, vulnerabilities and opportunities to our business, stemming from shifts in climate patterns (such as extreme weather events) and climate-related changes in policy, technology and markets (such as decarbonisation rules, market-based measures, new fuels and propulsion systems, and changing commodity trade patterns).


The index on page 105 provides a guide on where (in this Sustainability Report and our Annual Report) to find information relating to each of the key recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework ².

➡ p.105 TCFD Index



➡ p.92 Independent Assurance Statement 

 Aspect A4 (Climate Change)
General Disclosure

 KPI A4.1
Description of significant climate-related issues and actions to manage them

¹ The climate scenarios used came from reputable sources, including the Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA), OECD, World Bank and other recently published journal papers.
² TCFD was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks and investors to support informed capital allocation. Following the publication of the inaugural ISSB Standards in 2024, the Financial Stability Board has asked the IFRS Foundation to take over the monitoring of the progress on companies’ climate-related disclosures from the TCFD.

Climate-related risks and opportunities drivers

In our 2021 climate risk assessment, ABS and we identified the following climate-related risk and opportunity drivers that may lead to negative and positive financial impacts on our business.



Physical Risks

Acute or chronic shifts in climate patterns, e.g.:

- more frequent and intense tropical cyclones & floods (extreme events)
- rising sea levels & shifting agriculture patterns (longer-term events)

If not well managed, extreme climate events can disrupt business activities, resulting in lost revenue, and can increase the damage and wear and tear to vessels resulting in higher repair and maintenance costs

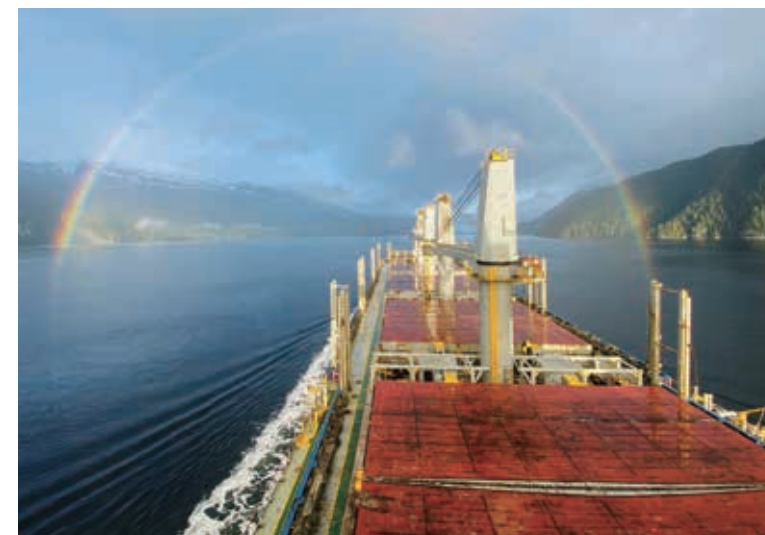


Transition Risks

Climate-related changes in policy, regulation, technology, innovation, markets and reputation, e.g.:

- decarbonisation rules, carbon pricing
- enhanced public emissions disclosure requirements
- new fuels and propulsion systems
- growing consumer preference for near-sourcing
- increasing customer demand for carbon-efficient or carbon-neutral shipping
- decreasing demand of fossil fuel products
- changing commodity trade patterns
- increasing exposure to reputation and litigation risks

How well a company can respond to and comply with new regulations, how readily it can fund and adopt changing technology and assets, and how nimbly it can respond to changing market conditions can significantly impact its operations, reputation, profitability and financial strength



Mitigants

Shipping has over many decades developed resilience and mitigation measures (e.g. weather routing tech, enhanced ship design & maintenance) that prepare us well for extreme weather events



Mitigants

We have the scale and sophisticated, experienced team that enable us to navigate challenging regulatory, technological, commodity demand and other transition-related changes



Opportunities

We focus on diverse minor bulks and grain with an agile tramp business model which allows us to change our ships' trading patterns at short notice if necessary to avoid physical risks. Our versatile, craned ships and their "handy" proportions allow them access to locations restricted by shallow water and inadequate cargo loading and discharging equipment



Opportunities

Our business and decarbonisation strategies will allow us to effectively manage these identified transition risks and capture the opportunities from our industry's transition to a net-zero future



p.17 Our Decarbonisation Strategy



p.24 Preparation for Decarbonisation Regulations



Financial implications of climate-related risks and opportunities

Below are potential financial impacts of climate-related risks and opportunities we have previously identified. In 2025, we will conduct an enhanced climate risk assessment that quantifies the current and anticipated financial impacts of these climate risks and opportunities as required by the new climate requirements of the Hong Kong Stock Exchange's ESG Code. We will also develop this further into a "Net Zero Transition Plan" which will outline our decarbonisation roadmap, strategies, financial implications, and metrics and targets.

Risk Type	Risk and Opportunity Drivers	Potential Financial Impacts
Acute Physical Risk (extreme events)	More frequent and intense tropical cyclones, flooding and other extreme weather events	<ul style="list-style-type: none"> Increased operating expenses from increased fuel consumption, delayed operations, repair and maintenance, and increased insurance premiums
Chronic Physical Risk (longer-term events)	Rising sea levels and increased drought events due to changes in precipitation patterns	<ul style="list-style-type: none"> Increased OPEX from surcharges imposed by port or canal authorities and increased fuel consumption Less efficient alternative routing drives reduced supply and stronger market freight rates
Policy and Regulation	Decarbonisation rules, including tightening energy-efficiency and carbon intensity requirements	<ul style="list-style-type: none"> Poor management could require greater investment or result in reduced revenue to meet requirements Costs may reduce due to improved energy efficiency
	Introduction of carbon pricing or "market-based measures" such as implementation of an emissions trading system or a carbon levy on fuel	<ul style="list-style-type: none"> Increased expenditure for compliance Early movers may develop a new revenue source by selling ETS allowances from operating zero-emission ships
Policy and Regulation	More stringent public emissions disclosure requirements	<ul style="list-style-type: none"> Increased expenditure for compliance
Market	Growing consumer preference for local agricultural and other products (near-sourcing)	<ul style="list-style-type: none"> Reduced revenue from increasingly near-sourced products A shift to near-sourcing reduces effective demand for shipping, affecting the freight market overall
	Decreasing demand of fossil fuel products	<ul style="list-style-type: none"> Weaker supply-and-demand balance could result in weaker market rates Decreased revenue from coal and petcoke Fossil fuel cargoes likely to be replaced by increased "green economy" raw materials and equipment
	Increasing customer demand for carbon-efficient or carbon-neutral shipping	<ul style="list-style-type: none"> Increased support and revenue from a growing number of sustainability-minded customers
	Shifts in agricultural production leading to changing commodity trade patterns	<ul style="list-style-type: none"> Less efficient trade patterns would increase tonne-mile demand for shipping and support stronger freight rates
Reputation	Increasing exposure to reputation and litigation risks	<ul style="list-style-type: none"> Decreased revenue if weaker reputation results in reduced support from customers Positive reputation results in stronger customer support and higher profits
Technology & Innovation	Increased adoption of new fuels and propulsion systems	<ul style="list-style-type: none"> Increased capital investment in these new technologies and systems Increased support and/or revenue from a growing number of sustainability-minded customers

Responsible Supply Chain

As a global shipping business that relies on many suppliers, we are committed to managing our supply chain in a socially and environmentally responsible manner, sourcing from approved suppliers who meet our sustainability requirements

Strategies and Procedures

We have established policies for responsible supply chain management to identify environmental and social risks along our supply chain, and to ensure suppliers align with our procurement standards and sustainability performance requirements.

- Our Pacific Basin Management System manual requires that, in all but some exceptional circumstances, stores and spares for our fleet are purchased from approved suppliers who are vetted before approval and reviewed at regular intervals thereafter
- Our Counterparty Code of Conduct sets out minimum standards and practices for our suppliers and other counterparties relating to legal and regulatory compliance, human rights, labour standards, working conditions, health & safety, business ethics, sanctions & trading restrictions and environmental protection
- Our Counterparty Form requires our suppliers and other counterparties to declare that they agree to abide by the principles contained in our Counterparty Code of Conduct and strictly adhere to:
 - all applicable laws, including global anti-corruption laws
 - relevant labour practice requirements
 - all environmental protection laws and regulations relevant to their operations and industry

All new suppliers are required to complete this form prior to the procurement process.

↔ p.76 Sanction Compliance

Responsible Procurement and Monitoring

Our selection and continued support of suppliers is heavily influenced by the outcome of our supplier vetting process, the quality of our suppliers' products and their performance affecting occupational health, safety, quality and the environment.

Examples of vetting criteria we require of our suppliers and subcontractors include, as appropriate:

- Certification to a recognised international standard
- Approval by regulatory authorities
- Authorised agents or original equipment manufacturers, and/or
- Membership of a reputable organisation such as International Ship Suppliers Association (ISSA) or the International Marine Purchasing Association (IMPA)

Redressal Procedures

When suppliers fall below our required standards, we initiate an investigation, involving the collection and analysis of related supply or service data from our fleet to identify the problem, and we survey internal users for additional comments. If the complaint is justified, we issue a formal warning to the supplier and set up a meeting to discuss improvements. Progress is monitored over a 2-4 month performance review period. If no satisfactory improvement is observed, we terminate the service or contract with the supplier.



Our Vendors

In 2024, our list of approved vendors numbered 1,364, of which we vetted about 104 during the year, including all new suppliers and existing suppliers re-evaluated on a rotational basis.

In 2024, our number of suppliers slightly decreased as we deactivated suppliers with whom we had no business or transactions in the past two years. Our supplier pool has remained largely stable so as to continue supporting our global operations.

Key Suppliers by Region in 2024	Bunker Suppliers	Other Suppliers	Total*
Africa	3	60	63
Asia	11	709	720
Central America	3	31	34
Europe	4	237	241
Middle East	3	29	32
North America	5	121	126
Oceania	3	48	51
South America	6	125	131
The Caribbean	2	4	6
	40	1,364	1,404

* excluding 670 providers of ships we charter

SEHK ESG	Aspect B5 (Supply Chain Management) General Disclosure
SEHK ESG	KPI B5.1 Number of suppliers by geographical region
SEHK ESG	KPI B5.3 Description of practices used to identity environmental and social risks along the supply chain

Bunker Suppliers

Similarly, we purchase bunker fuel only from reputable and reliable suppliers, most of whom we have long-term relationships with. We vet our bunker suppliers at least annually, checking their financial position through website searches and through our network of contacts and other resources in the bunker and shipping industry.

We source no more than 20% of our annual fuel needs from any single supplier. We sourced 94% of our fuel from 15 major bunker suppliers in 2024. The remainder was sourced from smaller suppliers for spot bunkering in remote ports.

Tonnage Providers

Our large fleet includes chartered ships over which we do not have control over management of technical, environmental, crewing and other compliance matters, and so these ships represent greater reputational and ESG risk for us. We therefore charter from reputable tonnage providers who we know well and who understand our expectations as responsible ship charterers/ operators. We especially prioritise first-class modern vessels when chartering in ships for longer periods.

Our charter contracts contain Fair Crew Employment Practice clauses and other clauses and warranties that bind tonnage providers to ensure that they and their ship, certificates and practices comply with all relevant labour, health & safety and environmental laws and regulations.

We regularly evaluate the performance of our tonnage providers, bunker suppliers and other counterparties, and we integrate ESG considerations in the evaluation process through our Counterparty Form and Counterparty Code of Conduct.

SEHK ESG	KPI B5.2 Description of practices related to engaging suppliers
SEHK ESG	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers

Understanding our Major Scope 3 Value-chain Emissions

In addition to their own direct and indirect greenhouse gas emissions, companies are expected to understand and develop an inventory of the most material indirect emissions in their value chain. This is also known as Scope 3 emissions as per the Greenhouse Gas Protocol (GHG Protocol).

The GHG Protocol defines 15 categories of Scope 3 emissions to provide companies with a framework to measure, manage and reduce emissions across corporate value chains. We have conducted Scope 3 mapping to identify our material sources of Scope 3 emissions along our value chain which we summarise as follows together with estimates of our 2024 Scope 3 emissions, where we have been able to ascertain them.

Category	MT CO ₂ e in 2024
1 – Purchased goods and services (currently only purchased paints and lubricating oil)	15,271
2 – Capital goods (construction of newbuilding & other purchased vessels)	0
3 – Fuel-and energy-related activities (well-to-tank emissions of purchased fuel)	709,200
6 – Business travel	7,344
7 – Employee commuting	162
8 – Upstream leased assets (third-party ships chartered in and out)	276,000
13 – Downstream leased assets (owned ships on outward period and trip time-charter)	527,000



For Category 1, we are now tracking our Scope 3 emissions from purchased paints and lubricating oil only. In 2025, we will review the sources of our Category 1 emissions and may expand our inventory subject to materiality.

Our Category 2 emissions are given as zero as we did not take delivery of any newbuilding vessels during the year, and construction-related emissions data is unavailable for the second-hand vessels that we purchased in the period.

Our Category 3 well-to-tank (WTT) emissions from purchased fuel is estimated based on our actual fuel consumption, to which we apply a WTT conversion factor from the 2024 UK Government GHG Conversion Factors for Company Reporting. These calculated WTT emissions amount to about 18% of our fuel's total value chain emissions after our ships consume it. This aligns closely with specific WTT data provided to us by some of our fuel suppliers in respect of fuel they have sold to Pacific Basin.

All our other reported Scope 3 value-chain emission data is based on data obtained directly from our suppliers and service providers, adjusted pro-rata where necessary.

GHG Protocol Scope 3 categories 4, 5, 9, 10, 11, 12, 14 and 15 are excluded from our summary as (1) they are not applicable to Pacific Basin's business activities, (2) they are expected to be insignificant within our GHG emissions inventory, (3) we have limited potential to influence GHG reductions for these categories, or (4) we have limited ability to collect complete, accurate, and consistent data at this stage. Our value chain emissions inventory is subject to regular review and updates.

For our full GHG Scope 1, 2 & 3 emissions inventory, please refer to the Performance Data Summary section.

PERFORMANCE DATA & ASSURANCE

Providing transparency for fair assessment of our ESG performance

Our Sustainability KPIs and the disclosures in this Sustainability Report have been subject to an independent external assurance audit by American Bureau of Shipping (ABS).



Performance Data Summary

The following environmental and social metrics quantify material emissions, discharges and workplace impacts from our operations. We have tracked these for several years and they mainly represent normal, efficient operations.

	UNIT	2020	2021	2022	2023	2024	
GENERAL							
Owned ships operated (2024 average) ¹	# ships	116	116	118	118	111	SASB TR-MT-000.E
Chartered ships operated (2024 average) ¹	# ships	112	143	130	155	166	
Cargo volume carried	million tonnes	70	79	68	85	90	
Revenue	US\$ million	1,471	2,972	3,282	2,297	2,582	
ENVIRONMENT							
Fuel Consumed by Owned Fleet	metric tonnes	462,500	505,800	487,000	468,100	457,500	SASB TR-MT-110a.3
Heavy fuel oil (in conjunction with scrubbers since 2020)	metric tonnes	125,200	140,100	135,200	132,100	120,200	
Low sulphur fuel oil	metric tonnes	281,000	305,900	293,500	284,300	286,700	
Low sulphur marine gas oil	metric tonnes	56,300	59,800	58,300	51,700	50,600	
Fuel Intensity	000' mt/ship	3.79	4.18	4.16	3.96	4.01	
Fuel Intensity	kg/dwt	98.1	104.6	97.3	89.8	88.3	
Emissions from Owned Fleet							
EEOI CO ₂ index ² 	grams CO ₂ per tonne-mile	9.79	10.10	9.66	8.49	8.11	 p.25
AER CO ₂ index	grams CO ₂ per DWT-mile	5.78	6.28	6.07	5.37	5.31	
AER average rating	–	A	B	C	B	B	SASB TR-MT-120a.1
Direct CO ₂ emissions from our owned fleet	metric tonnes	1,430,000	1,592,000	1,530,000	1,466,000	1,432,000	
Sulphur Oxides (SO _x)	grams SO _x per tonne-mile	0.026	0.026	0.026	0.022	0.022	
Nitrogen Oxides (NO _x)	grams NO _x per tonne-mile	0.23	0.24	0.23	0.21	0.20	
Particulate Matter (PM)	grams PM per tonne-mile	0.013	0.013	0.012	0.011	0.010	
Fuel Consumed by Chartered Fleet	metric tonnes	450,200	719,100	629,600	687,100	782,700	SASB TR-MT-120a.1
Heavy fuel oil	metric tonnes	23,300	67,500	52,300	59,600	82,700	
Low sulphur fuel oil	metric tonnes	383,100	584,400	517,200	570,400	634,200	
Low sulphur marine gas oil	metric tonnes	43,800	67,200	60,100	57,100	65,800	
Emissions from Chartered Fleet							
EEOI CO ₂ index	grams CO ₂ per tonne-mile	–	–	8.88	8.27	8.30	SASB TR-MT-120a.1
AER CO ₂ index	grams CO ₂ per DWT-mile	–	–	5.56	5.28	5.44	
AER average rating	–	–	–	C	C	C	
Direct CO _x emissions from chartered fleet	metric tonnes	–	2,267,000	1,983,000	2,169,000	2,467,000	

	UNIT	2020	2021	2022	2023	2024	
Greenhouse Gas Emissions (GHG)³							SASB TR-MT-110a.1
Scope 1 direct emissions from owned fleet	metric tonnes CO ₂ e	1,477,000	1,615,000	1,026,000	1,020,000	932,000	
Scope 1 direct emissions from chartered fleet ⁴	metric tonnes CO ₂ e	–	1,791,000	1,566,000	1,850,000	2,224,000	
Scope 2 emissions from purchased electricity ⁵	metric tonnes CO ₂ e	382	371	343	346	351	
Scope 3 indirect emissions from owned fleet TC out	metric tonnes CO ₂ e	–	–	528,000	473,000	527,000	
Scope 3 indirect emissions from chartered in/out fleet	metric tonnes CO ₂ e	–	481,000	446,000	345,000	276,000	
Scope 3 indirect emissions from purchased fuel, paint & lube oil ⁶	metric tonnes CO ₂ e	–	764,000	581,682	651,065	724,471	
Scope 3 indirect emissions from onshore activities ⁵	metric tonnes CO ₂ e	1,559	408	1,201	2,728	2,280	
Scope 3 indirect emissions from PB crew travel	metric tonnes CO ₂ e	4,774	6,801	9,001	5,605	5,231	
Total GHG emissions	metric tonnes CO ₂ e	1,483,715	4,658,580	4,158,227	4,347,744	4,691,333	
Waste from our Owned Fleet							
Sludge incinerated	m ³ /month/ship	1.71	1.33	1.27	1.33	1.26	
Garbage landed	m ³ /month/ship	1.78	1.91	2.02	1.86	2.01	SASB TR-MT-160a.3
Oil Pollution Incidents KPI	#	0	0	1	1	2 ⁷	
Resources Consumption from our Owned Fleet							↔ p.30
Marine Lubricant Oil	litre	–	5,676,600	5,816,870	5,777,617	5,571,706	
Grease	kg	–	64,671	40,386	39,438	37,833	
Marine Paint	litre	–	–	1,014,021	1,038,592	897,526	
Refilled Refrigerant – R134a	kg	–	–	4	10	–	
Refilled Refrigerant – R404a	kg	–	–	1,597	1,632	1,466	
Refilled Refrigerant – R407c	kg	–	–	156	352	153	
Water Consumption, Reuse and Discharge							
Fresh water consumption	tonnes/month/ship	46.9	51.8	50.2	46.4	47.0	
Seawater for ballast exchange	million m ³	–	–	–	–	12.1	
Recycling – Hong Kong office							
Recycling – Paper	kg	–	–	742	1,348	578	
Recycling – Print Cartridge/Toner	#	–	–	46	32	54	

¹ Our annual average fleet numbers are calculated from our total vessel days, and exclude one owned Capesize ship which is chartered out under a long-term bareboat charter and which we do not control either commercially or technically.

² In addition to the Carbon Intensity Index AER reporting requirement, we continue to track and disclose our ship Energy Efficiency Operational Indicator (EEOI) which is a more accurate indication of CO₂ emissions per actual transport work done.

³ Our Ships' GHG emissions data is calculated by using the appropriate carbon emission factors and related Global Warming Potential (GWP) values obtained from The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). The applicable GWP values are: 1 for CO₂, 29.8 for CH₄, and 273 for N₂O respectively.

⁴ We started to track GHG emissions from our chartered fleet from 2021.

⁵ Emissions from our onshore activities include emissions from staff commuting and business air travel, air conditioning, lighting, computer and office equipment, and paper and fresh water consumption. We also disclose emissions from PB crew travel to and from our owned ships.

⁶ We are now tracking well-to-tank (WTT) Scope 3 indirect value chain emissions from our purchased fuel, paints and lube oil.

⁷ We recorded two oil pollution incidents in 2024, in which small volumes of fuel oil and hydraulic oil spilled into the sea during bunkering and cargo loading operations. Our crews responded well to contain the spillage.



KPI A1.1
Type of emissions and data



KPI A1.2
GHG emissions in tonnes



KPI A2.1
Direct/indirect energy consumption



Our EEOI, AER and other environmental and safety KPI data in this report has been measured or calculated in accordance with industry standards, and are subject to annual audit by DNV for ISO 9001, ISO 14001 and ISO 45001 certifications.

Our Sustainability KPIs and the disclosures in this Sustainability Report have been subject to an independent external assurance audit by American Bureau of Shipping (ABS).



↔ p.92 Independent Assurance Statement

	UNIT	2020	2021	2022	2023	2024
SOCIAL						
Health & Safety						
Total recordable injury case frequency (TRCF) KPI	per mil man hrs	1.11	0.55	0.58	1.05	1.02
Lost time injury frequency (LTIF) KPI	per mil man hrs	0.60	0.25	0.29	0.67	0.54
Crew fatalities	#	2	0	2	2	1⁸
Cases of harassment and bullying	#	—	—	2	2	4⁹
Deficiencies per PSC inspection KPI	#	0.69	0.6	0.93	0.79	0.72
Zero deficiency rate in PSC inspections	%	81	77	74	72	72
Near-miss, unsafe acts and unsafe condition reports	#	422	1,264	1,700	1,722	2,183
Navigational & machinery incidents	#	2	2	3	2	3¹⁰
Security incidents	#	5	6	4	4	3¹¹
Development & Training						
Shore staff receiving external training	%	50	47	57	40	65
Shore staff trained by gender						
Men	%	58	60	55	66	56
Women	%	42	40	45	34	44
Shore staff trained by function						
Strategic, HR, Admin, IT, Insurance, Legal, etc	%	12	9	12	15	10
Chartering & Operations	%	45	34	37	53	48
Communications, Finance & Governance	%	20	12	11	12	11
Technical & Crewing	%	23	45	40	20	32
Shore staff trained by employee category						
Senior management	%	—	—	69	69	70
Middle management	%	—	—	55	49	67
General staff	%	—	—	59	25	63
Average training hours per onshore employee	hours	7	12	10	9	10
Shore staff average training hours by gender						
Men	hours	10	18	11	25	15
Women	hours	4	4	8	14	14
Shore staff average training hours by function						
Strategic, HR, Admin, IT, Insurance, Legal, etc	hours	6	9	9	10	6
Chartering & Operations	hours	12	8	11	13	15
Communications, Finance & Governance	hours	7	9	12	9	7
Technical & Crewing	hours	3	18	8	3	6
Shore staff average training hours by employee category						
Senior management	hours	—	—	15	20	14
Middle management	hours	—	—	12	12	10
General staff	hours	—	—	7	2	8
Seafarer/officer training webinars and seminars	#	7	11	49		
Ships per safety/training manager	#	11	11	11	9	9
Officer cadets per ship	#	1	1.3	1.9	2	2

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SASB TR-MT-320a.1

SASB TR-MT-540a.1

SASB TR-MT-540a.3

	UNIT	2020	2021	2022	2023	2024
Seafarers Demographics						
Seafarers headcount	#	4,100	4,600	3,900	5,100	4,600
Women on our ships	#	—	—	—	52	58
Seafarers by age						
<20 years old	%	2	1	1	0	0
20-29 years old	%	38	37	34	26	37
30-39 years old	%	32	36	38	38	38
40-49 years old	%	21	20	21	24	18
>50 years old	%	7	6	6	12	7
Seafarers by nationality						
Chinese	%	48	39	25	22	26
Filipino	%	45	49	51	57	52
Indian & others	%	0	6	18	18	20
Europe	%	7	6	6	3	2
Shore Staff Demographics						
Shore-based staff headcount	#	343	365	373	389	403
Women on our board	%	20	18	22	33	25
Women in senior management	%	—	19	17	19	17
Women in middle management	%	—	25	24	24	26
Women in general staff	%	—	66	65	65	66
Women in workforce	%	43	45	43	42	44
Shore staff nationalities	#	28	30	31	33	36
Full-time	%	—	99	99	99	99
Non-full-time	%	—	1	1	1	1
Shore staff by age						
20-29 years old	%	13	14	13	15	16
30-39 years old	%	31	29	29	28	28
40-49 years old	%	30	29	30	28	26
50-59 years old	%	20	22	22	24	25
>60 years old	%	6	6	6	5	5
Shore staff by region						
Asia	%	74	76	76	74	72
Europe	%	10	10	10	11	12
N. America	%	7	6	6	6	6
Australasia	%	5	4	3	4	3
S. America	%	3	3	4	4	3
Middle East & Africa	%	1	1	1	1	3
Shore staff by function						
Strategic, HR, Admin, IT, Insurance, Legal, etc	%	13	12	16	15	15
Chartering & Operations	%	39	42	39	39	40
Communications, Finance & Governance	%	14	10	9	12	12
Technical & Crewing	%	34	36	36	34	33
Seafarer Turnover/Retention						
Officer retention	%	96	91	91	94	94
Overall crew retention	%	88	87	86	95	94

SASB TR-MT-000.A

	UNIT	2020	2021	2022	2023	2024
Shore Staff Turnover/Retention						
Shore staff retention	%	94	88	88	89	90
Shore staff under share award scheme	%	28	26	26	24	20
Shore staff turnover by gender						
Men	%	6	12	13	8	11
Women	%	6	14	12	13	8
Shore staff turnover by age						
20-29 years old	%	12	23	34	13	18
30-39 years old	%	7	17	9	11	11
40-49 years old	%	3	8	10	6	7
50-59 years old	%	1	6	7	8	6
>60 years old	%	18	19	10	35	14
Shore staff turnover by region						
Asia	%	6	12	13	12	11
Europe	%	9	5	14	5	0
N. America	%	4	23	9	13	13
Australasia	%	7	33	13	13	21
S. America	%	9	30	0	0	0
Middle East & Africa	%	0	0	0	0	17
Supply Chain Management						
Approved suppliers	#	985	1,249	1,411	1,389	1,404
Bunker suppliers	#	15	25	28	28	40
Governance						
Cases of corruption	#	0	0	0	0	0
Breach of sanction cases	#	0	0	0	0	0
Number of facilitation payments incidents	#	—	23	10	7	6
Total value of incidents of facilitation payments under duress	US\$	—	34,000	20,000	7,340	12,560
Corporate political contributions made	US\$	0	0	0	0	0
Whistleblowing cases received	#	0	0	0	0	1 ⁹
Sustainability Commitment meetings	#	—	—	—	—	3
Sustainability Management Committee meetings	#	3	3	2	2	2
Board meetings	#	—	—	—	—	3
Board training	#	4	4	4	4	4
Community Investment						
Sponsorship & donations	US\$'000	39	365	312	204	195

SASB TR-MT-510a.2

⁸ Regretfully one crew member passed away on a ship in port in 2024. It was a non-work-related fatality, following which we circulated wellness bulletins and advice, including reminding staff of our two remote medical service providers available to support our crews' physical and mental wellbeing

↔ p.43 1 Non-Work-Related Fatality

⁹ We recorded three cases of harassment in our fleet and one case in one of our offices, the latter being the subject of a whistleblowing case. Following our investigations, all perpetrators were discussed

↔ p.44 Zero Tolerance of Harassment

¹⁰ We recorded three navigational and/or machinery incidents in 2024, none resulting in any injuries or environmental pollution. Lessons learned were shared with our ships' crews

¹¹ We recorded three security incidents (two robberies and one involving stowaways), none resulting in any injuries. Lessons learned were shared and discussed with our ships' crews

Independent Assurance Statement



Independent Verification and Limited Assurance Report of American Bureau of Shipping to Pacific Basin Shipping Limited

We were engaged by Pacific Basin Shipping Limited ("the Company") to report on the ESG data, key performance indicators (KPIs) and other ESG-related metrics ("the Metrics") and disclosures of the Company's Sustainability Report 2024 ("the Report") relating to the year ended 31 December 2024 in the form of a limited assurance conclusion about the proper preparation of the Metrics, in all material respects, in accordance with the Company's own methodology for sustainability report development ("the Methodology").

This independent limited assurance report is issued solely to the Company in accordance with the terms of our engagement. Our work has been undertaken so that we might provide limited assurance to the Company on those matters that we have been engaged to consider in this report only and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

Responsibilities of the directors of the company

The directors of the Company are responsible for the proper preparation of the Report, and the Metrics, information and statements contained therein, in accordance with the Methodology.

It is the directors' responsibility to develop, operate and maintain internal systems and processes relevant to the proper preparation of a Report that is free from material misstatement, whether due to fraud or error.

Responsibilities of American Bureau of Shipping

Our responsibility is to independently express a limited assurance conclusion to the Company, based on the procedures performed and evidence obtained, as to the proper preparation of the Report, in all material respects, in accordance with the Methodology. We conducted our work over the course of several months in 2024 and in early 2025, in accordance with the *International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("Standard"), issued by the International Auditing and Assurance Standards Board. The Standard requires that we obtain sufficient and appropriate evidence related to the Metrics that is free of material misstatement on which to base our conclusion.

Scope of work

A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to obtain a meaningful level of assurance over the Metrics as a basis for our limited assurance conclusion. The procedures selected depend on our judgment, on our understanding of the Report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:

- Investigating, observing, inspecting, and reporting on the processes and documents reviewed, and agreeing or reconciling with the underlying records to check errors or omissions in data analysis, consistency, and reasonableness of reporting.
- Reviewing the Company's Sustainability Report for 2024 and identifying key Metrics and other ESG-related disclosures for review.
- Inquiries to the Company's management and personnel involved in the sustainability report's preparation process, the internal control system governing this process, and selected disclosures in the sustainability report.
- Data collection, including limited substantive testing, on a selective basis of Company's owned fleet (excluding vessels chartered by the Company) to verify the Metrics stated in the report. Calculations were re-checked for limited data sets to verify the data accuracy.
- Evaluating if the sustainability performance disclosures have been presented with reference to the criteria set out in the GRI Standards and HKEX Environmental, Social and Governance Reporting Code ("ESG Code")

The procedures performed in a limited assurance engagement vary in nature and timing and are not as extensive as a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

In providing our limited assurance conclusion, we relied on the information and documents provided to us by the Company. To the best of our knowledge, there are no circumstances which would render such information or documents unreliable. Because of such reliance, there may be errors or irregularities which may not have been detected.

Conclusion

Based on the procedures performed and evidence obtained, and subject to the key assumptions and inherent limitations set out above, the calculation methodology for the emission data of the Company's owned and chartered fleets has been reviewed, checked and validated. During the assurance process, we identified a non-conformity involving data consistency with a key performance indicator (KPI) related to garbage collection volumes. Apart from this, nothing has come to our attention that causes us to believe that the Metrics and other key disclosures presented in the Report for the year ended 31 December 2024 have not been properly prepared, in any material respects, in accordance with the Methodology.

American Bureau of Shipping

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Singapore 119316
sustainability@eagle.org

28 February 2025

SEHK ESG Reporting Code Index

We have measured and tracked key aspects of our sustainability performance for several years and we meet the Stock Exchange ESG Code's latest disclosure requirements.

Mandatory Disclosure Requirements

Index Ref.	Description	Page
Governance Structure	A statement from the board containing the following elements:	
	(i) a disclosure of the board's oversight of ESG issues;	72-73
	(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	72-73
	(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses	72-73
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles (Materiality, Quantitative and Consistency) in the preparation of the ESG report	106
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report	106

A. Environmental

Index Ref.	Description	Page
A1	Emissions	
	General disclosure statement	15
1.1	Types of emissions and data	87-88
1.2	GHG emissions in tonnes	87-88
1.3	Total hazardous waste produced	88
1.4	Total non-hazardous waste produced	88
1.5	Description of emission targets set and steps taken to achieve them	17, 25, 28
1.6	Description of handling of waste and reduction targets set and steps taken to achieve them	30
A2	Use of Resources	
	General disclosure statement	15
2.1	Direct/Indirect energy consumption	87
2.2	Water consumption	30, 88
2.3	Description of energy efficiency targets set and steps taken to achieve them	17-18
2.4	Issues in sourcing water and water efficiency targets set	30
2.5	Total packaging material used	NA*
A3	Environment and Natural Resources	
	General disclosure statement	15
3.1	Description of significant impacts of activities	29
A4	Climate Change	
	General disclosure statement	15, 80
4.1	Description of significant climate-related issues and actions taken to manage them	17, 80-82

B. Social

Index Ref.	Description	Page
B1	Employment	
	General disclosure statement	34
1.1	Total workforce by employment type	89-91
1.2	Employee turnover rate	89-91
B2	Health and Safety	
	General disclosure statement	37-46
2.1	Number and rate of work-related fatalities	89-91
2.2	Lost days due to work injury	89-91
2.3	Description of occupational health and safety measures adopted	37-46
B3	Development and Training	
	General disclosure statement	47-50
3.1	Percentage of employees trained by category	89-91
3.2	Average training hours per employee	89-91
B4	Labour Standards	
	General disclosure statement	51-52
4.1	Description of measures to review employment practices to avoid child and forced labour	51-52
4.2	Description of steps taken to eliminate child and forced labour when discovered	51-52, 75-76
B5	Supply Chain Management	
	General disclosure statement	83-85
5.1	Number of suppliers by geographical region	84
5.2	Description of practices related to engaging suppliers	83-85
5.3	Description of practices used to identify environmental and social risks along the supply chain	83-85
5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers	83-85
B6	Product Responsibility	NA*
B7	Anti-Corruption	
	General disclosure statement	75
7.1	Number of legal cases regarding corrupt practices	75
7.2	Description of preventive measures and whistle-blowing procedures	75-76
7.3	Description of anti-corruption training provided	75
B8	Community Investment	
	General disclosure statement	64
8.1	Focus areas of contribution	64-68
8.2	Resources contributed	64-68

Remarks:

* We do not address SEHK ESG subject areas A2.5 and B6 because we are a freight service business that does not require packaging material and does not manufacture and/or sell products.

C. Climate-related disclosures

Index Ref.	Description	Page
Governance		
Governance	Disclose the issuer's governance process, controls and procedures used to monitor and manage climate-related risks and opportunities	72-73
Strategy		
Climate-related risks and opportunities	Disclose climate-related risks and, where applicable, opportunities faced by the issuer and their impact on the issuer's business operations, business model and strategy	80-82
Transition plans	Disclose issuer's response to the climate-related risks and, where applicable, opportunities identified above, including: <ul style="list-style-type: none"> (i) any changes to the issuer's business model and strategy, and any adaptation and mitigation efforts undertaken to address such risks and opportunities; and (ii) any climate-related targets the issuer has set for transition plans, and any GHG emission targets the issuer is required to meet by local legislation 	16-27
Climate resilience	Disclose the resilience of the issuer's strategy (including its business model) and operations to climate-related changes, developments or uncertainties, which shall be assessed using a method of climate-related scenario analysis that is commensurate with the issuer's circumstances	16-27, 80-82
Financial effects of climate-related risks and opportunities	Disclose the current (quantitative where material) and anticipated (qualitative) financial effects of climate-related risks and, where applicable, opportunities on the issuer's financial position, financial performance and cash flows	In progress
Risk Management		
Risk management	Disclose the process the issuer used to identify, assess and manage climate-related risks and, where applicable, opportunities	refer to Risk Management section of our Annual Report 2024
Metrics and Targets		
Greenhouse gas (GHG) emissions	Disclose scope 1, scope 2 and scope 3 emissions	88
Other cross-industry metrics	Disclose cross-industry metrics such as the percentage of assets or business activities (i) vulnerable to transition/physical risks or (ii) aligned with climate-related opportunities, and the amount of capital expenditure deployed towards climate-related risks and opportunities	87-88
Internal carbon prices	For issuers who maintain an internal carbon price, disclose the internal carbon price and explain how it is applied in the issuer's decision-making	NA
Remuneration	Disclose how climate-related considerations are factored into remuneration policy	In progress
Industry-based metrics	Consider industry-based disclosure requirements prescribed under international ESG reporting frameworks and make disclosures as the issuer sees fit	96-105

ISSB IFRS S2 Climate-related Disclosures Content Index

INDEX REF.	DISCLOSURE DESCRIPTION	SECTION REFERENCES AND COMMENTS*
Governance		
(5)	The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reporting to understand the governance processes, controls and procedures used to monitor and manage climate-related risks and opportunities.	Sustainability Governance
6(a)	To achieve this objective, an entity shall disclose information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:	Sustainability Governance
	(i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	Sustainability Governance
	(ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Sustainability Governance
	(iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Sustainability Governance; refer to Risk Management section of our Annual Report 2024
	(iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	Sustainability Governance; Materiality; Energy Efficiency & Decarbonisation
	(v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitor progress towards targets, including whether and how related performance metrics are included in remuneration policies.	Refer to Governance section of our Annual Report 2024; further details to be disclosed in our Sustainability Report 2025
6(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	Sustainability Governance
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Sustainability Governance
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Sustainability Governance
Strategy		
(8)	The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reporting to understand an entity's strategy for managing climate-related risks and opportunities.	Our Decarbonisation Strategy; Climate-change Resilience
9(a)	the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Refer to Our Principal Risks section of our Annual Report 2024
9(b)	the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain;	Continuous Preparation for Decarbonisation Rules
9(c)	the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan;	Our Decarbonisation Strategy
9(d)	the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning; and	Climate-change Resilience; refer to Principal Risks section on our Annual Report 2024
9(e)	the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	Our Decarbonisation Strategy; Climate-change Resilience

*Unless otherwise specified, references are made to sections of this Sustainability Report 2024

INDEX REF.	DISCLOSURE DESCRIPTION	SECTION REFERENCES AND COMMENTS*
Climate-related risks and opportunities		
(10)	An entity shall disclose information that enables users of general purpose financial reporting to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:	Climate-change Resilience
10(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Refer to Our Principal Risks section of our Annual Report 2024
10(b)	explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	Climate-change Resilience
10(c)	specify, for each climate-related risk and opportunity the entity has identified, over which time horizons - short, medium or long term - the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Energy Efficiency & Decarbonisation; refer to Our Principal Risks section of our Annual Report 2024
10(d)	explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Tracking a Course to Net Zero by 2025
Business model and value chain		
(13)	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:	How We Create Value; Climate-change Resilience
13(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and	Climate-change Resilience; refer to Our Principal Risks section of our Annual Report 2024
13(b)	a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated.	Details to be disclosed in our Sustainability Report 2025
Strategy and decision-making		
(14)	An entity shall disclose information that enables users of general purpose financial reporting to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:	Climate-change Resilience
14(a)	information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:	Climate-change Resilience
	(i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities;	Climate-change Resilience; Our Main Decarbonisation Measures
	(ii) current and anticipated direct mitigation and adaptation efforts;	Our Decarbonisation Strategy; Our Main Decarbonisation Measures
	(iii) current and anticipated indirect mitigation and adaptation efforts;	Our Decarbonisation Strategy; Our Main Decarbonisation Measures
	(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and	Energy Efficiency & Decarbonisation; Our Decarbonisation Strategy
	(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36.	Tracking a Course to Net Zero by 2050
14(b)	information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	Details to be disclosed in our Sustainability Report 2025
14(c)	quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	Environmental Responsibility; Performance Data Summary
Financial position, financial performance and cash flows		
(15)	An entity shall disclose information that enables users of general purpose financial reporting to understand:	
15(a)	the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects);	Climate-change Resilience; further details to be disclosed in our Sustainability Report 2025
15(b)	the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Climate-change Resilience; further details to be disclosed in our Sustainability Report 2025
(16)	Specifically, an entity shall disclose quantitative and qualitative information about:	
16(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Details to be disclosed in our Sustainability Report 2025

INDEX REF.	DISCLOSURE DESCRIPTION	SECTION REFERENCES AND COMMENTS*
16(b)	the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	Climate-change Resilience; further details to be disclosed in our Sustainability Report 2025
16(c)	how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: <ul style="list-style-type: none"> (i) its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and (ii) its planned sources of funding to implement its strategy; and 	Our Main Decarbonisation Measures; further details to be disclosed in our Sustainability Report 2025 Our Main Decarbonisation Measures; further details to be disclosed in our Sustainability Report 2025
16(d)	how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Details to be disclosed in our Sustainability Report 2025
Climate resilience		
(22)	An entity shall disclose information that enables users of general purpose financial reporting to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:	Climate-change Resilience
22(a)	the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand: <ul style="list-style-type: none"> (i) the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the analysis of climate resilience; (iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: <ul style="list-style-type: none"> (1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities; (2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and (3) the effect of the entity's current or planned investments in climate-related mitigation, adaptation or opportunities for climate resilience; and 	Our Decarbonisation Strategy; Climate-change Resilience Details to be disclosed in our Sustainability Report 2025 Details to be disclosed in our Sustainability Report 2025 Our Main Decarbonisation Measures Details to be disclosed in our Sustainability Report 2025
22(b)	how and when the climate-related scenario analysis was carried out, including: <ul style="list-style-type: none"> (i) information about the inputs the entity used, including: <ul style="list-style-type: none"> (1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the entity has used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) the time horizons the entity used in the analysis; and (7) what scope of operations the entity used in the analysis; 	Climate-change Resilience Climate-change Resilience Climate-change Resilience Energy Efficiency & Decarbonisation Climate-change Resilience About our Sustainability Report Climate-change Resilience; About our Sustainability Report

INDEX REF.	DISCLOSURE DESCRIPTION	SECTION REFERENCES AND COMMENTS*
	(ii) the key assumptions the entity made in the analysis, including assumptions about: <ul style="list-style-type: none"> (1) climate-related policies in the jurisdictions in which the entity operates; (2) macroeconomic trends; (3) national- or regional-level variables; (4) energy usage and mix; and (5) developments in technology; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	GHG Regulatory Snowball Continuous Preparation for Decarbonisation Rules Continuous Preparation for Decarbonisation Rules Performance Data Summary Our Main Decarbonisation Measures Climate-change Resilience
Risk management		
(24)	The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.	Details to be disclosed in our Sustainability Report 2025
(25)	To achieve this objective, an entity shall disclose information about:	
25(a)	the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: <ul style="list-style-type: none"> (i) the inputs and parameters the entity uses; (ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks; (iv) whether and how the entity prioritises climate-related risks relative to other types of risk; (v) how the entity monitors climate-related risks; and (vi) whether and how the entity has changed the processes it uses compared with the previous reporting period; 	Details to be disclosed in our Sustainability Report 2025 Climate-change Resilience Sustainability Governance; Climate-change Resilience Materiality; Sustainability Governance Materiality Climate-change Resilience; refer to Governance section of our Annual Report 2024
25(b)	the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	Details to be disclosed in our Sustainability Report 2025
25(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Climate-change Resilience; refer to Governance section of our Annual Report 2024
Metrics and targets		
(27)	The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.	GHG Regulatory Snowball
28(a)	information relevant to the cross-industry metric categories;	Performance Data Summary
28(b)	industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry (see paragraph 32); and	See the reference for paragraph 32
28(c)	targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	Our Decarbonisation Strategy

INDEX REF.	DISCLOSURE DESCRIPTION	SECTION REFERENCES AND COMMENTS*
Climate-related metrics		
(29)	An entity shall disclose information relevant to the cross-industry metric categories of:	
29(a)	greenhouse gas emissions - the entity shall disclose:	
	(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent, classified as:	Performance Data Summary
	(1) Scope 1 greenhouse gas emissions;	Performance Data Summary
	(2) Scope 2 greenhouse gas emissions; and	Performance Data Summary
	(3) Scope 3 greenhouse gas emissions;	Performance Data Summary
	(iii) disclose the approach it uses to measure its greenhouse gas emissions including:	Performance Data Summary
	(1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	Responsible Supply Chain; Performance Data Summary
	(2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Responsible Supply Chain; Performance Data Summary
	(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Responsible Supply Chain; Performance Data Summary
	(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)-(2), disaggregate emissions between:	Performance Data Summary
	(1) the consolidated accounting group; and	
	(2) other investees excluded from paragraph 29(a)(iv)(1);	
	(v) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions; and	Green Efforts Ashore; Performance Data Summary
	(vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), disclose:	
	(1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and	Responsible Supply Chain, Performance Data Summary
	(2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions);	Not applicable
29(b)	climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	Details to be disclosed in our Sustainability Report 2025
29(c)	climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	Details to be disclosed in our Sustainability Report 2025
29(d)	climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;	Details to be disclosed in our Sustainability Report 2025
29(e)	capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	Details to be disclosed in our Sustainability Report 2025
29(f)	internal carbon prices – the entity shall disclose:	
	(i) an explanation of whether and how the entity is applying a carbon price in decision-making; and	Details to be disclosed in our Sustainability Report 2025
	(ii) the price for each metric tonne of greenhouse gas emissions that the entity uses to assess the costs of its greenhouse gas emissions;	Details to be disclosed in our Sustainability Report 2025
29(g)	remuneration – the entity shall disclose:	
	(i) a description of whether and how climate-related considerations are factored into executive remuneration; and	Details to be disclosed in our Sustainability Report 2025
	(ii) the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	Details to be disclosed in our Sustainability Report 2025
(32)	An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	SASB Marine Transportation Sustainability Accounting Standard

INDEX REF.	DISCLOSURE DESCRIPTION	SECTION REFERENCES AND COMMENTS*
Climate-related targets		
(33)	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:	
33(a)	the metric used to set the target;	Tracking a Course to Net Zero by 2050
33(b)	the objective of the target;	Tracking a Course to Net Zero by 2050
33(c)	the part of the entity to which the target applies;	Our Decarbonisation Strategy
33(d)	the period over which the target applies;	Our Decarbonisation Strategy
33(e)	the base period from which progress is measured;	Our Decarbonisation Strategy
33(f)	any milestones and interim targets;	Our Decarbonisation Strategy
33(g)	if the target is quantitative, whether it is an absolute target or an intensity target; and	Tracking a Course to Net Zero by 2050
33(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	Energy Efficiency & Decarbonisation
(34)	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Energy Efficiency & Decarbonisation
34(a)	whether the target and the methodology for setting the target has been validated by a third party;	Independent Assurance Statement
34(b)	the entity's processes for reviewing the target;	Sustainability Governance
34(c)	the metrics used to monitor progress towards reaching the target; and	Tracking a Course to Net Zero by 2050
34(d)	any revisions to the target and an explanation for those revisions.	Tracking a Course to Net Zero by 2050
(35)	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Performance Data Summary
(36)	For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose:	
36(a)	which greenhouse gases are covered by the target.	Details to be disclosed in our Sustainability Report 2025
36(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Our Decarbonisation Strategy; Performance Data Summary
36(c)	whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	Our Decarbonisation Strategy
36(d)	whether the target was derived using a sectoral decarbonisation approach.	SASB Marine Transportation Sustainability Accounting Standard
36(e)	the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Details to be disclosed in our Sustainability Report 2025
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	Environmental Responsibility; Green Efforts Ashore
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	Environmental Responsibility; Green Efforts Ashore
	(iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use.	Environmental Responsibility; Green Efforts Ashore

*Unless otherwise specified, references are made to sections of this Sustainability Report 2024

GRI Content Index

Pacific Basin has reported on matters cited in this GRI content index (with reference to the GRI Standards) for the period 1 January to 31 December 2024.

GRI INDICATOR	DESCRIPTION	SECTION REFERENCES AND COMMENTS
GRI 2: GENERAL DISCLOSURES 2021		
The organisation and its reporting practices		
2-1	Organisational details	About Pacific Basin
2-2	Entities included in the organisation's sustainability reporting	About Our Sustainability Report
2-3	Reporting period, frequency and contact point	About Our Sustainability Report
2-4	Restatements of information	Not applicable
2-5	External assurance	Independent Assurance Statement
Activities and workers		
2-6	Activities, value chain and other business relationships	About Pacific Basin; How We Create Value
2-7	Employees	Performance Data Summary
2-8	Workers who are not employees	Performance Data Summary
Governance		
2-9	Governance structure and composition	Sustainability Governance; refer to Governance section of our Annual Report 2024
2-10	Nomination and selection of the highest governance body	Refer to Governance section of our Annual Report 2024
2-11	Chair of the highest governance body	Refer to Governance section of our Annual Report 2024
2-12	Role of the highest governance body in overseeing the management of impacts	Refer to Governance section of our Annual Report 2024
2-13	Delegation of responsibility for managing impacts	Sustainability Governance; refer to Governance section of our Annual Report 2024
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance; refer to Governance section of our Annual Report 2024
2-15	Conflicts of interest	Refer to Governance section of our Annual Report 2024
2-16	Communication of critical concerns	Refer to Governance section of our Annual Report 2024
2-17	Collective knowledge of the highest governance body	Refer to Governance section of our Annual Report 2024
2-18	Evaluation of the performance of the highest governance body	Refer to Governance section of our Annual Report 2024
2-19	Remuneration policies	Refer to Governance section of our Annual Report 2024
2-20	Process to determine remuneration	Refer to Governance section of our Annual Report 2024
2-21	Annual total compensation ratio	Refer to Governance section of our Annual Report 2024
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainability Strategy
2-23	Policy commitments	About our Sustainability Report
2-24	Embedding policy commitments	About our Sustainability Report
2-25	Processes to remediate negative impacts	Sustainability Governance
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Governance
2-27	Compliance with laws and regulations	Refer to each section for details
2-28	Membership associations	Our Community Engagement
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	Labour Standards & Workplace Conditions

GRI INDICATOR	DESCRIPTION	SECTION REFERENCES AND COMMENTS
GRI 3: MATERIAL TOPICS 2021		
3-1	Process to determine material topics	Materiality; Stakeholder Engagement
3-2	List of material topics	Materiality
3-3	Management of material topics	Refer to each section for details
GRI 205: ANTI-CORRUPTION 2016		
205-2	Communication and training about anti-corruption policies and procedures	Responsible Business Practices
205-3	Confirmed incidents of corruption and actions taken	Responsible Business Practices
GRI 207: TAX 2019		
207-1	Approach to tax	Tax Transparency
207-2	Tax governance, control, and risk management	Tax Transparency
207-3	Stakeholder engagement and management of concerns related to tax	Tax Transparency
GRI 302: ENERGY 2016		
302-1	Energy consumption within the organisation	Performance Data Summary
302-3	Energy intensity	Tracking a Course to Net Zero by 2050; Performance Data Summary
GRI 303: WATER AND EFFLUENTS 2018		
303-4	Water discharge	Conserving Marine Biodiversity; Performance Data Summary
303-5	Water consumption	Performance Data Summary
GRI 304: BIODIVERSITY 2016		
304-2	Significant impacts of activities, products and services on biodiversity	Conserving Marine Biodiversity
GRI 305: EMISSION 2016		
305-1	Direct (Scope 1) GHG emissions	Performance Data Summary
305-2	Energy indirect (Scope 2) GHG emissions	Performance Data Summary
305-3	Other indirect (Scope 3) GHG emissions	Responsible Supply Chain Performance Data Summary
305-4	GHG emissions intensity	Tracking a Course to Net Zero by 2050; Performance Data Summary
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Our Progress on Other Key Emissions Performance Data Summary
GRI 306: WASTE 2020		
306-1	Waste generation and significant waste-related impacts	Oil Pollution, Resource Consumption & Waste Management
306-2	Management of significant waste-related impacts	Oil Pollution, Resource Consumption & Waste Management
306-3	Waste generated	Performance Data Summary
GRI 401: EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	Diversity, Equity & Inclusion; Performance Data Summary
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	In-House Fleet Management
403-5	Worker training on occupational health and safety	Safety, Security, Health & Wellbeing; Training & Development
403-8	Workers covered by an occupational health and safety management system	Safety, Security, Health & Wellbeing
403-9	Work-related injuries	Safety, Security, Health & Wellbeing; Performance Data Summary
GRI 404: TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	Training & Development Performance Data Summary
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
405-1	Diversity of governance bodies and employees	Diversity, Equality & Inclusion; refer to Governance section of our Annual Report 2024
GRI 406: NON-DISCRIMINATION 2016		
406-1	Incidents of discrimination and corrective actions taken	Diversity, Equality & Inclusion
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labour Standards & Workplace Conditions
GRI 415: PUBLIC POLICY 2016		
415-1	Political contributions	Performance Data Summary

UN Global Compact Content Index

Pacific Basin has reported with reference to the UN Global Compact for the period from 1 January to 31 December 2024.

THE TEN PRINCIPLES	SECTION REFERENCES AND COMMENTS
HUMAN RIGHTS	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Labour Standards & Workplace Conditions
Principle 2: make sure that they are not complicit in human rights abuses	Labour Standards & Workplace Conditions
LABOUR	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Labour Standards & Workplace Conditions
Principle 4: the elimination of all forms of forced and compulsory labour	Labour Standards & Workplace Conditions
Principle 5: the effective abolition of child labour	Labour Standards & Workplace Conditions
Principle 6: the elimination of discrimination in respect of employment and occupation	Labour Standards & Workplace Conditions
ENVIRONMENT	
Principle 7: Businesses should support a precautionary approach to environmental challenges	Environmental Responsibility
Principle 8: undertake initiatives to promote greater environmental responsibility	Environmental Responsibility
Principle 9: encourage the development and diffusion of environmentally friendly technologies	Environmental Responsibility, Our Main Decarbonisation Measures
ANTI-CORRUPTION	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Responsible Business Fundamentals, Responsible Business Practices

SUSTAINABLE DEVELOPMENT GOALS

We are committed to taking steps to tackle the environmental and social challenges we face in our industry. Our sustainability priorities, strategy and targets are aligned with the United Nation’s 2030 Agenda for Sustainable Development and consistent with several of the UN’s Sustainable Development Goals (SDGs) designed to achieve a better and more sustainable future for all.



Environmental Responsibility

Minimising emissions, energy consumption, waste and impact on biodiversity



Responsibility to our People

Enhancing safety, security, health & wellbeing, decent work, human rights, diversity & equal opportunity, training & development



Responsible Value Creation

Serving customers, suppliers, seafarers and other stakeholders for a more responsible and resilient supply chain



Responsible Business Fundamentals









Enhancing management and governance practices, controls, business resilience, ethics and trust



SASB Marine Transportation Sustainability Accounting Standard

TOPIC	METRIC	CODE	SECTION REFERENCES AND COMMENTS
GHG emissions	Gross global Scope 1 emissions	TR-MT-110a.1	Performance Data Summary
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-MT-110a.2	Our Main Decarbonisation Measures
	Total energy consumed, percentage heavy fuel oil and percentage renewable	TR-MT-110a.3	Performance Data Summary
	Average Energy Efficiency Design Index (EEDI) for new ships	TR-MT-110a.4	Tracking a Course to Net Zero by 2050
Air Quality	Air emissions for the following pollutants: NO _x , SO _x , and particulate matter (PM)	TR-MT-120a.1	Performance Data Summary
Ecological impacts	Shipping duration in marine protected areas or areas of protected conservation status	TR-MT-160a.1	To be introduced in due course
	Percentage of fleet implementing ballast water exchange and ballast water treatment	TR-MT-160a.2	Conserving Marine Biodiversity
	Number and aggregate volume of spills and releases to the environment	TR-MT-160a.3	Conserving Marine Biodiversity Performance Data Summary
Workplace health & safety	Lost time injury rate (LTIR)	TR-MT-320a.1	Performance Data Summary
	Number of calls in countries among the 20 lowest rankings in Transparency International's Corruption Perception Index	TR-MT-510a.1	Performance Data Summary Details to be disclosed in future
Business ethics	Amount of legal and regulatory fines and settlements associated with bribery or corruption	TR-MT-510a.2	Responsible Business Practices Performance Data Summary
Accident & safety management	Number of serious marine incidents	TR-MT-540a.1	Performance Data Summary
	Number of conditions of class or recommendations	TR-MT-540a.2	In-house Fleet Management
	Number of port state control deficiencies and detentions	TR-MT-540a.3	Performance Data Summary Performance Data Summary

Task Force on Climate-related Financial Disclosures Index

CORE ELEMENT	TCFD RECOMMENDATIONS	SECTION REFERENCE
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities Describe management's role in assessing and managing climate-related risks and opportunities	 Sustainability Governance  Governance, Our Principal Risks
Strategy 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.	Describe the climate-related risks and opportunities the organisation has identified over the short-, medium- and long-term Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	 Energy Efficiency & Decarbonisation  Climate-change Resilience  Our Decarbonisation Strategy
Risk Management Disclose how the organisation identifies, assesses and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks Describe the organisation's processes for managing climate-related risks Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	 Materiality  Climate-change Resilience  Risk Management
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	 Tracking a Course to Net Zero by 2050  Performance Data Summary  Responsible Supply Chain

About our Sustainability Report

This is our ninth standalone Sustainability Report, though we have reported on our sustainability programme within the pages of our annual reports since 2004, and in depth since 2011. In combination with the sustainability content on our website, this report serves as a record of our main sustainability initiatives and performance highlights, focusing on Environmental, Social and Governance (ESG) and other sustainability areas that are material to our business and stakeholders.

Through linkage in our Annual Report to information in this Sustainability Report and online (and vice versa), we create transparency about our operations so that stakeholders have a clear sense of our non-financial business practices and the linkage across our actions, policies and performance.

Our Sustainability Report discloses our ESG strategic approach and performance data for 2024, including environmental and social KPI targets against which we measure our achievements and which will help us to comply with regulatory requirements and meet our strategic goals.

Scope

The scope of this report covers the significant ESG initiatives of our business that reduce our environmental impact, reinforce our class-leading safety and wellbeing culture and mitigate ESG risks, enhance fulfilment at work and promote responsible engagement within the supply and value chains, networks and communities in which we operate.

Our sustainability reporting boundary focuses on the majority portion of our core fleet that comprises owned vessels that we control both commercially and technically. It also covers greenhouse gas emissions of our chartered-in vessels.

It is our owned vessels over which we have the authority to mandate and control Health, Safety, Environment and Quality (HSEQ) policies and actions. By contrast, we do not control HSEQ, crewing and other technical management aspects for chartered-in vessels, although we do hold our tonnage providers to ensure that they and their ships, certificates and practices comply with all relevant labour, health & safety, environmental, sanction and other laws and regulations and are consistent with our Counterparty Code of Conduct. We especially prioritise first-class modern vessels when chartering in ships for longer periods.

We also report on our company-wide staff engagement and our network and community initiatives.

Sustainability Reporting Frameworks

Our sustainability reporting follows the latest Environmental, Social and Governance Reporting Code (ESG Code) of as set out in Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited. It is also prepared with reference to standards and recommendations of the GRI, TCFD, IFRS S1 & S2, SASB and the Integrated Reporting <IR> frameworks. We also draw on the guidelines and principles of the United Nations Global Compact. We monitor developments and trends in areas of sustainability and sustainability reporting to better meet the expectations of our stakeholders in light of evolving societal expectations as well as business and regulatory requirements.

We do not currently work with the Science Based Targets initiative (SBTi) in part because SBTi Maritime Guidance advocates action to achieve net zero by 2040, while our current ambition is net zero by 2050 – consistent with IMO's new target – which is already very ambitious for hard to decarbonise industry sectors like our Handysize/Supramax dry bulk tramp shipping sector.

We have measured and tracked key aspects of our sustainability performance for several years and we meet the Stock Exchange's ESG Code's disclosure requirements.

➡ p.93 SEHK ESG Reporting Code Index

➡ p.96 Other Reporting Framework Indices

Reporting Principles

Our reporting preparation draws on principles of materiality, quantitative, balance and consistency.

Reporting Period

Our reporting period is 1 January to 31 December 2024.

Assurance

Our Sustainability KPIs and the disclosures in this Sustainability Report have been subject to an independent external assurance audit by American Bureau of Shipping (ABS).

➡ p.92 Independent Assurance Statement

Our carbon intensity and other environmental and safety KPI data have been measured or calculated in accordance with industry standards, and are subject to annual audit by DNV for ISO 9001, ISO 14001 and ISO 45001 certifications.

KPI denotes high-level KPIs (key performance indicators)



Policies and Guidelines

The Group has formulated a number of documents to guide our actions and improve our performance in areas of sustainability, such as:

- Anti-Bribery Policy
- Board Diversity Policy
- Business Continuity Plan
- Code of Conduct for Staff
- Commitment to a Healthy & Safe Workforce
- Company Policy on Political Contributions
- Counterparty Code of Conduct & Form
- Diversity, Equity and Inclusion (DEI) Policy
- Drug & Alcohol Policy
- Due Diligence Process Policy
- Environmental Policy Guide
- Health, Safety, Environment and Quality Policy
- Information Security Policy
- Policy on Harassment and Bullying
- Privacy Policy
- Remote Working Policy
- Seafarer's Rights Policy
- Security Policy for Shore-Based Locations
- Social Media Policy
- Trading Restrictions Policy
- Whistleblowing Policy
- Workplace Practices Policy Summary

Sustainable business practices are important for preserving and creating long-term value and fundamental to being a successful, professionally-managed and reputable company. They are encapsulated in two overarching corporate responsibility frameworks:

ESG Environmental Social Governance

CG Corporate Governance

This report looks broadly at all our material sustainability issues (all aspects of Environmental Social Governance), but we address the wider subject of corporate governance separately and in detail in the Governance section of our Annual Report.

AR Annual Report
p.43 Corporate Governance



Thank you to our several Pacific Basin colleagues from across our owned fleet and office network who produced almost all the photos in this report

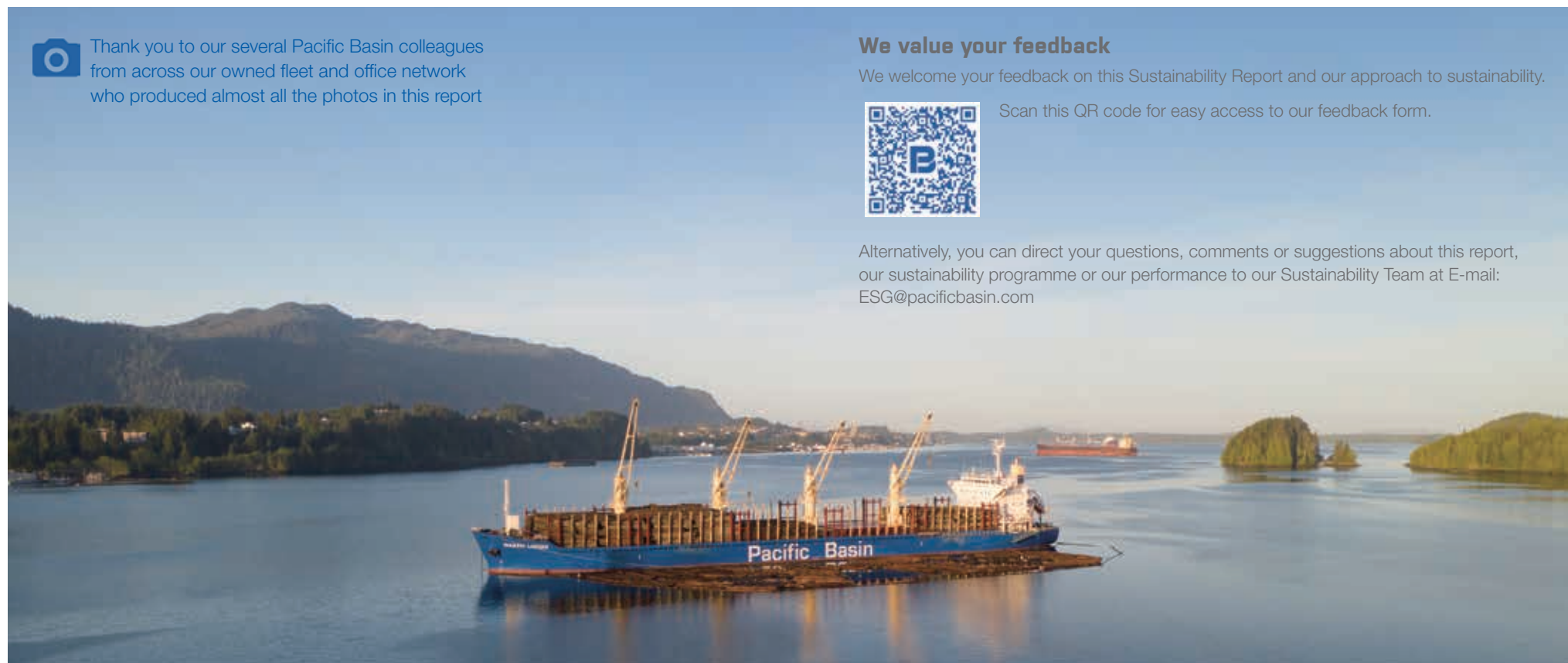
We value your feedback

We welcome your feedback on this Sustainability Report and our approach to sustainability.



Scan this QR code for easy access to our feedback form.

Alternatively, you can direct your questions, comments or suggestions about this report, our sustainability programme or our performance to our Sustainability Team at E-mail: ESG@pacificbasin.com



OUR GLOBAL REACH



14 office locations

- 11 commercial offices
- 4 technical & crewing offices

Our Hong Kong headquarters is home to executive management, commercial, technical, crewing and all central functions

Examples of key minor bulk trade routes

- fronthaul cargoes
- backhaul cargoes

“Fronthaul” refers to shipping routes where there is high demand for vessels to transport commodities to areas where those commodities are needed. Conversely, “backhaul” refers to shipping routes where vessels transport commodities from areas with low demand for shipping services back to areas with higher demand



We are caring, engaging and collaborative, and we seek to create value for our Company and all our stakeholders, including for communities in which we operate

#WithYouForTheLongHaul



OUR PACIFIC BASIN CREW ARE OUR HEROES AT SEA

SUSTAINABILITY REPORT 2024



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