

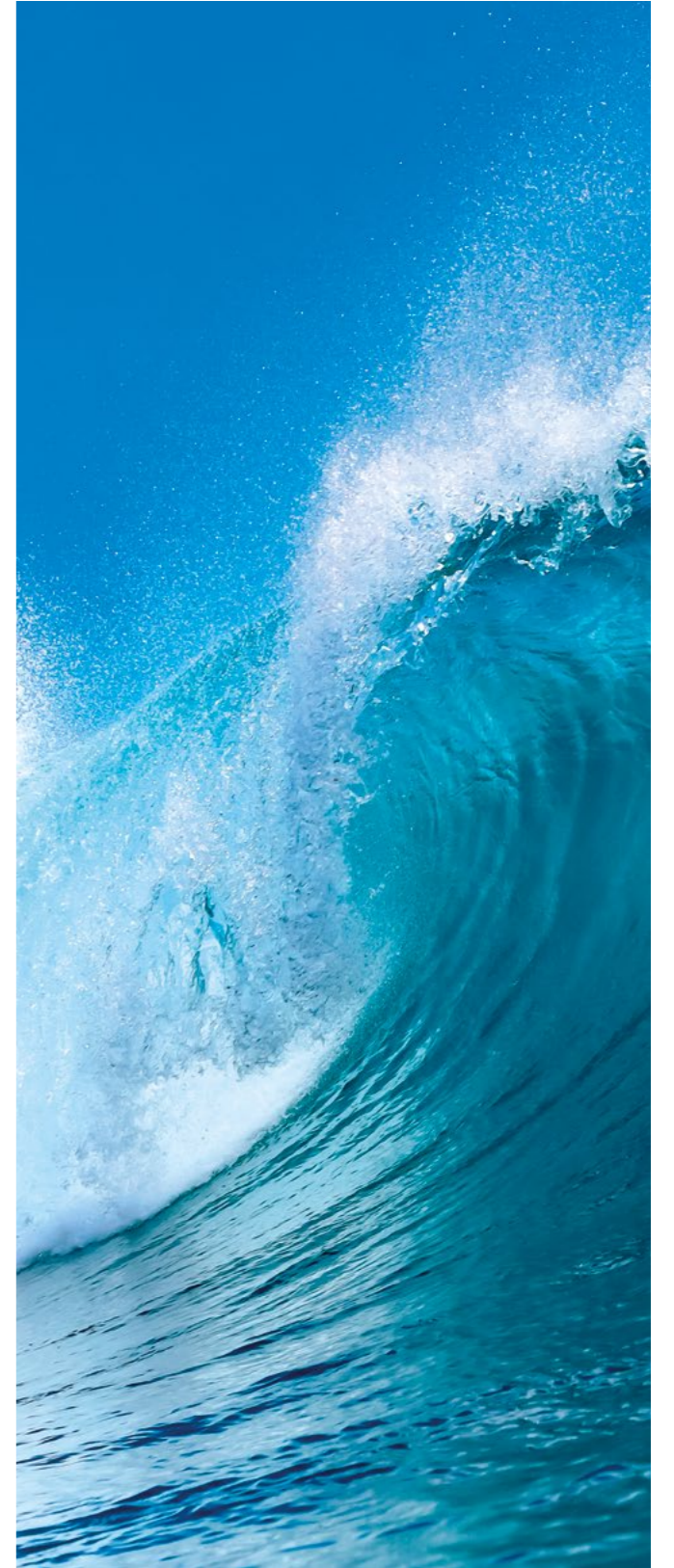


ESG REPORT 2022



CONTENTS

1 Message from the Chairman	4	7.3 Health & Safety	27
2 About the Report	6	7.4 Health & Safety Performance	32
3 About CONTSHIPS	6	7.5 Diversity, Equity and Inclusion	32
3.1 Our History	6	7.6 Labor Practices	33
3.2 CONTSHIPS Shipping Operations	7	7.7 Harassment and Bullying Policy	34
3.3 Organizational Structure	8	7.8 Community Contribution	35
4 ESG Highlights	10	8 Corporate Governance	36
5 Sustainable Development Strategy	12	8.1 Business Ethics	37
5.1 Our Stakeholders	13	8.2 Suppliers Performance	38
5.2 Materiality	13	8.3 Membership Associations	38
5.3 Risk Management	14	9 UN Sustainable Development Goals	40
5.4 Integration into Strategy and Action Plan	15	Environment: SDG 6, SDG 7, SDG 13, SDG 14	40
6 Environmental Stewardship	16	Social: SDG3, SDG 5, SDG 8, SDG 10	40
6.1 Emissions	17	Governance: SDG 8, SDG 16, SDG 17	40
6.1.1 GHG Scope 1 & Scope 2	18	10 SASB index	41
6.1.2 Other Emissions Performance	19	11 GRI index	42
6.2 Energy Efficiency	19	12 ESG index	43
6.3 Waste Management	21	13 Independent Practitioner's Assurance Report	44
6.4 Water Management	22		
6.5 Marine Protected Ecosystem	23		
7 Social Responsibility	24		
7.1 People Hire	25		
7.2 People Training & Development	25		



1. MESSAGE FROM THE CHAIRMAN



The overall performance of the Year 2022 is deemed satisfactory, considering the multitude of changes and global challenges that have characterized the shipping industry. The aftermath of the nearly three-year disruptions caused by the COVID-19 pandemic, compounded by the impact of the Russia-Ukraine war, presented unprecedented hurdles for the industry.

The consequences of the COVID-19 outbreak were particularly profound for seafarers, who navigated through a myriad of challenges in the era of COVID-19 aboard vessels. These challenges extended beyond health and safety concerns, encompassing a wide array of adjustments to working routines. Our personnel, both ashore and on-board vessels, underwent a critical

period of adaptation, marked by increased remote inspections and audits, the implementation of new rules and regulations and the integration of innovative technologies to meet evolving requirements.

In response to these challenges, Contships prioritized the augmentation of required trainings, both on board and ashore and established close and effective communication channels with seafarers to ensure their health, wellbeing and alignment with company targets. Despite the disruptive effects of the Russia-Ukraine war on global supply chains and shipping, we remained resilient, maintaining operational and commercial performance at a high standard.

Notably, we successfully averted the occurrence of any serious incidents or accidents, with no fatalities reported across our fleet vessels. This achievement underscores Contships unwavering commitment to safety and operational excellence, even amidst challenging external factors.

Overall, we have demonstrated resilience, adaptability and a steadfast dedication to maintaining operational integrity and ensuring the wellbeing of our personnel in the face of unprecedented challenges.

Amidst these challenges, however, lie opportunities for innovation and transformation. Times of crisis compel us to rethink traditional approaches and embrace new

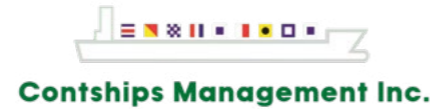
perspectives, fostering an environment conducive to pioneering solutions and alternative pathways. As we move forward, we remain poised to navigate through future uncertainties, leveraging lessons learned and continuing to uphold the highest standards of performance and safety across our operations. As we confront the complexities of today's world, collaboration and collective action are imperative.

Sincerely,
Nikolas D. Pateras,

Chairman of the Board of Directors & CEO

2. ABOUT THE REPORT

This annual ESG report covers the period from January 1, 2022, to December 31, 2022 and pertains to Contships Logistics Corp. (hereinafter referred to as "Contships"). Contships owned vessels are managed by Contships Management Inc., which is responsible for certain data provided within this report. This is the first ESG report of Contships and it has been developed with reference to the Global Reporting Initiative (GRI) standards and in accordance with the Sustainability Accounting Standards Board (SASB) standards for Marine Transportation.



3. ABOUT CONTSHIPS

3.1 OUR HISTORY

The Pateras family boasts a rich maritime heritage that spans over a century and a half, originating from the picturesque island of Oinousses in the northeastern Aegean Sea. From its humble beginnings, the family has been synonymous with excellence and innovation in the shipping industry, with numerous members establishing independent shipping groups that have made significant contributions to maritime trade.

At the helm of the family legacy was Ioannis Pateras (1770-1840), whose vision and leadership laid the foundation for generations to come. Building upon his legacy, John Pateras (1931-2000) and Diamantis Pateras (1933-2009) emerged as pivotal figures in shaping the family's maritime endeavors. In 1957, they co-founded Pateras Brothers Ltd., which over the ensuing decades, rose to prominence in the shipping world.

Under their stewardship, Pateras Brothers Ltd. flourished, acquiring and managing a total of 30 dry cargo ships between 1957 and 1986. The company's commitment to excellence and innovation propelled it to become a respected name in the industry.

In 1986, the next generation of leadership emerged with the entry of Nikolas D. Pateras (born in 1963), the son of Diamantis, into Pateras Brothers Ltd.

With his passion for the maritime industry and a keen sense of business acumen, Nikolas assumed management responsibilities for the company and its fleet in 1992.

Under Nikolas' leadership, Pateras Brothers Ltd. witnessed unprecedented growth and expansion. Since 1994, the Pateras family, through various entities, has actively participated in the management of over 100 ocean-going vessels, further solidifying its position as a prominent player in the global shipping arena.

By 2007, Pateras Brothers Ltd. had ascended to become the third-largest ship-management company in Greece, boasting a formidable fleet of 50 ships. Employing 1,500 dedicated seafarers and 120 skilled office personnel, the company epitomized excellence in maritime operations and management.

The Pateras family's journey is a testament to the enduring spirit of entrepreneurship, resilience and dedication to excellence. As custodians of a proud maritime legacy, they continue to navigate the seas of the shipping industry, guided by the principles of integrity, innovation and a steadfast commitment to maritime excellence.

3.2 CONTSHIPS SHIPPING OPERATIONS

Number of Vessels in Fleet: As of December 31, 2022, Contships maintained a fleet consisting of 46 vessels.

Name of Vessels 2022:

CONTSHIP ACE	CONTSHIP FUN	CONTSHIP OAK	CONTSHIP TEN
CONTSHIP AIR	CONTSHIP GIN	CONTSHIP ONO	CONTSHIP TOP
CONTSHIP ANA	CONTSHIP ICE	CONTSHIP PAX	CONTSHIP UNO
CONTSHIP ART	CONTSHIP IVY	CONTSHIP PEP	CONTSHIP VIE
CONTSHIP BEE	CONTSHIP JET	CONTSHIP PRO	CONTSHIP VOW
CONTSHIP CUB	CONTSHIP JOY	CONTSHIP QUO	CONTSHIP WAY
CONTSHIP DAX	CONTSHIP KEY	CONTSHIP RAY	CONTSHIP WIN
CONTSHIP DON	CONTSHIP LEO	CONTSHIP REX	CONTSHIP YEN
CONTSHIP ECO	CONTSHIP LEX	CONTSHIP RUN	CONTSHIP ZEN
CONTSHIP ERA	CONTSHIP MAX	CONTSHIP SEA	CONTSHIP ZOE
CONTSHIP EVE	CONTSHIP MED	CONTSHIP SKY	
CONTSHIP FOX	CONTSHIP NEW	CONTSHIP SUN	

Number of Shipboard Employees: Approximately 2000 shipboard employees were engaged in Contships operations.

Total Distance Traveled by Vessels: Contships vessels covered a distance of 2,476,813 nautical miles during the reporting period.

Operating Days: The total operating days for Contships fleet amounted to 14,808 days.

Deadweight Tonnage: The combined deadweight tonnage of Contships vessels was 639,718.

Number of Vessel Port Calls: Contships vessels made a total of 4,254 port calls for cargo purposes and 4,349 port calls overall during the reporting period.

Twenty-foot Equivalent Unit (TEU) Capacity: The total TEU capacity of Contships fleet was reported as 50,514.

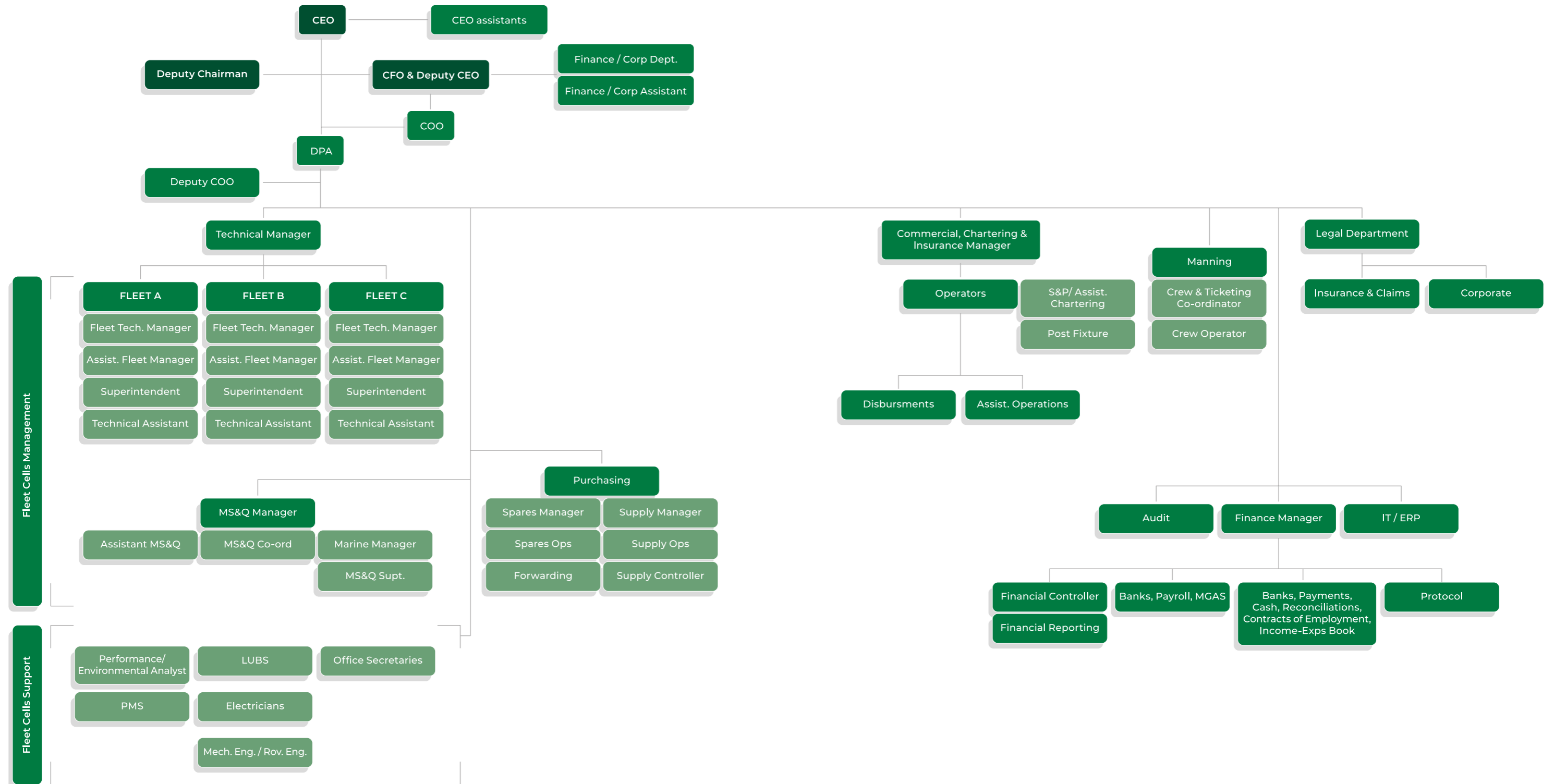


The N. D. Pateras family has a history in shipowning dating back to the 1870's. It has played an active and eminent role in the Greek and global shipping industry.

3.3 GOVERNANCE STRUCTURE

Contships is overseen by a Board of Directors consisting of three members, with two female members and one male member. This board plays a crucial role in guiding the strategic direction and governance of the company.

The organizational diagram below illustrates the structure of the management company responsible for overseeing the operation and management of the vessels owned by Contships.



4. ESG HIGHLIGHTS

69,57%

of our fleet has Ballast Water Treatment Systems (BWTS) installed

31%

increase in new hires

zero

cyber security incidents

zero

whistleblowing incidents

zero

incidents of corruption and bribery

zero

Pollution incidents



SUSTAINABLE DEVELOPMENT STRATEGY

5. SUSTAINABLE DEVELOPMENT STRATEGY

5.1 OUR STAKEHOLDERS

Effective stakeholder engagement, collaboration and dialogue are critical for our company to address common challenges and achieve shared goals.

Our stakeholders encompass a diverse range of individuals, organizations and entities that are directly, or indirectly, affected by our activities and operations and include:

- Customers (charterers, freight forwarder, traders).
- Port Authorities and Terminal Operators
- Suppliers and Services providers
- Government and Regulatory Authorities
- Financial Institutions
- Employees (Crew on board & Office employees)
- Industry Associations
- Local Communities

5.2 MATERIALITY

At Contships, sustainability is at the core of our business strategy and operations. Through our materiality assessment exercise, we have gained valuable insights into the most significant ESG issues facing our business and stakeholders.

Materiality Assessment Process:

Our materiality assessment process involved engaging a wide range of stakeholders, including customers, employees, industry partners, regulators and local communities. Through stakeholder discussion, we gathered valuable insights into the most significant ESG topics affecting our business and the maritime sector.

Key findings

Based on the input received from stakeholders and a comprehensive analysis of ESG trends and risks in the shipping industry, several key material issues were identified:

Environmental Impact: Stakeholders highlighted our environmental footprint, including emissions, energy, waste, water and biodiversity conservation. Climate change mitigation, fuel efficiency and emissions reduction emerged as top priorities for our stakeholders and the industry.

highlighted as critical issues. Stakeholders emphasized the importance of robust safety management systems, training programs and emergency response capabilities to mitigate risks and ensure compliance with international standards.

Safety and Health: Safety of our crew members, vessel operations and cargo handling processes were

People Development: In the shipping industry, people development stands out as a critical material issue, acknowledged through insights gathered from our



stakeholders. This issue encompasses various aspects including Seafarer Well-being, Skills development and Talent retention.

Labor Practices and Human Rights: Stakeholders emphasized the importance of fair labor practices, crew welfare and human rights protection in the maritime industry. Issues such as seafarers' rights, working conditions and diversity and inclusion were identified as areas for improvement and focus.

Ethical Conduct and Governance: Transparency, integrity and ethical conduct in business operations and governance were key concerns raised by stakeholders. Ensuring compliance with regulations,

preventing corruption and promoting accountability and responsible business practices were identified as fundamental principles for building trust and credibility.

Community Engagement and Impact: Engaging with local communities, addressing social needs and minimizing the impact of our operations on coastal areas and marine ecosystems were important considerations for stakeholders. Building positive relationships with communities, supporting local development projects and promoting sustainable practices were identified as priorities for corporate responsibility.

5.3 RISK MANAGEMENT

Our corporate strategy, along with our risk strategy that is in alignment with the medium and long-term targets outlined in the corporate strategy, serves as the foundation for sustained corporate success. Risks are identified through the company's risk management and management of change procedure, for assessing and mitigating the company's potential ESG related risks that could impact the business's operations and financial stability.

Our risk management system involves the following key components:

1. Risk Identification: The first step in the risk management process is to identify potential risks that could affect the company's operations, such as supply chain disruptions, port strikes, equipment failures, regulatory changes and geopolitical risks. This involves conducting risk assessments and scenario planning to identify various risk factors.
2. Risk Assessment: Once risks are identified, the next step is to assess the likelihood and impact of each risk on the company's operations and financial performance. This involves evaluating the severity of the risk, the probability of occurrence and the potential consequences if the risk materializes.
3. Risk Mitigation: After assessing the risks, our company develops risk mitigation strategies to address and reduce the impact of identified risks. This includes implementing contingency plans, diversifying suppliers, improving operational resilience and investing in risk management tools and technologies.
4. Risk Monitoring and Review: The risk management system includes ongoing monitoring and review of identified risks to ensure that mitigation strategies are effective and up-to-date. Regular internal and external risk assessments and performance reviews help the company adapt to changing market conditions and emerging risks.
5. Communication and Reporting: Effective communication to the top management through our Management Reporting system provides transparency and accountability in managing risks.

We have identified the following ESG risks:

Environment

- Physical and transitional risks associated with climate change, including, but not limited to, extreme weather events, sea level rise, changes in ocean currents and regulatory developments

- Risks associated with air, water and waste pollution.

Social

- Risks related to labor practices, including, but not limited to, fair wages, working conditions, human rights and crew welfare.

- Health and safety risks including, but not limited to, accidents, hazards, fire, mental health, fatigue, piracy and security.

- Diversity, Equity and Inclusion including, but not limited to, discrimination, harassment and lack of representation of women and minority groups in the workforce.

Governance

- Ethical supply chain risks including, but not limited to, including corruption, bribery and involvement in illegal activities such as smuggling and illicit trade.

- Risks related to regulatory compliance, reputational damage and financial performance

- Supply chain risks including, but not limited to, congestion at ports, fuel price volatility, compliance cost, disruption in the upstream supply chain, supplier failures, labor disputes, or geopolitical instability.

5.4 INTEGRATION INTO STRATEGY AND ACTION PLAN

The findings of our materiality assessment are in the process of being integrated into our system through the establishment of applicable policies with the scope of developing a concrete strategy and action plans to drive positive change and enhance long term value creation. Furthermore, we have developed targeted initiatives and commitments to address each material issue identified, including:

- Implementing energy-efficient technologies and alternative fuels to reduce emissions and minimize environmental impact.

- Enhancing safety protocols, training programs and emergency preparedness to ensure the well-being of our crew members and the safety of our vessels and cargo.

- Strengthening labor practices, promoting diversity and inclusion and upholding human rights throughout our operations and supply chain.

- Enhancing transparency, accountability and ethical conduct through robust governance structures, compliance programs and stakeholder engagement initiatives.

- Engaging with local communities, supporting sustainable development projects and mitigating the social and environmental impact of our operations.



ENVIRONMENTAL STEWARDSHIP

6. ENVIRONMENTAL STEWARDSHIP

At Contships, we value the critical importance of environmental sustainability in shaping the future of the maritime industry. Our environmental management approach is guided by a commitment to minimizing our ecological footprint, reducing emissions and promoting stewardship of marine ecosystems.

Preventing and controlling pollution is a fundamental aspect of our environmental management approach. We have implemented strict protocols and procedures for waste management, ballast water management and hazardous substance handling to minimize the risk of pollution incidents and protect marine ecosystems. Our commitment to pollution prevention extends beyond regulatory compliance to encompass proactive measures innovative technologies and industry-leading practices, as we aim to minimize our environmental footprint, comply with regulations and contribute to a cleaner, greener shipping future.

6.1 EMISSIONS

Contships remains dedicated to reducing emissions and minimizing its environmental footprint, striving to implement sustainable practices and technologies across its operations.

We have implemented a short-term and long-term emissions reduction strategy aimed at minimizing air pollutants and greenhouse gas emissions from our vessel operations. This includes investing in optimizing voyage planning and routing to reduce fuel consumption and exploring alternative fuels and propulsion technologies to transition to cleaner energy sources. By adopting best practices and adhering to regulatory requirements, such as the International Maritime Organization's (IMO) regulations on sulfur emissions (IMO 2020) and the IMO ambitious greenhouse gas (GHG) reduction targets, we are committed to achieving significant reductions in our carbon footprint.

Contships has always integrated Environmental, Social and Governance (ESG) policies into its organizational framework; we recognize the significance of laying a solid foundation for sustainable practices. In this inaugural year of ESG reporting, we remain committed to further developing relevant procedures and strategies that align with our values of responsibility, transparency and stewardship.

Current Initiatives and Measures

In our pursuit of sustainable operations, we have already initiated several measures aimed at minimizing our environmental impact and enhancing operational efficiency. These include:

Port Power Management Plan: Implementing strategies to optimize power usage at port facilities, reducing energy consumption and emissions during vessel idle periods.

Decommission of Incinerators: Ceasing the use of incinerators to manage waste onboard vessels, transitioning to more environmentally friendly waste management practices.

Use of Low Friction Paints: Utilizing low-friction paints for hull coatings to reduce drag and improve fuel efficiency, thereby lowering carbon emissions.

Full Blasting Hulls: Implementing regular hull maintenance, including full blasting, to reduce surface roughness, to prevent biofouling and enhance vessel performance.

Regular Propeller Polishing: Conducting routine propeller polishing to maintain optimal hydrodynamic performance and minimize fuel consumption.

Carbon Intensity Indicator (CII) Targets: Setting targets in accordance with the Ship Energy Efficiency Management Plan (SEEMP) Part 3 to monitor and reduce carbon intensity, promoting energy efficiency across our fleet.

Looking ahead to 2023 and beyond, we are committed to consolidating these existing measures and developing a comprehensive strategy for sustainable operations. Our dedicated plan will focus on:

Integration of Established Measures: Streamlining and integrating the already established measures into a cohesive framework, ensuring alignment with our overarching sustainability goals.

Development of Concrete Strategies: Formulating concrete strategies and action plans to further enhance

environmental stewardship, promote social responsibility and strengthen governance practices.

Continuous Improvement: Embracing a culture of continuous improvement, innovation and collaboration to drive sustainable practices throughout our organization and across the maritime industry.

Stakeholder Engagement: Engaging with stakeholders, including customers, employees, investors and regulators, to gather feedback, foster partnerships and enhance transparency in our sustainability efforts.

6.1.1 GHG SCOPE 1 & SCOPE 2

In our commitment to transparency and accountability regarding our carbon emissions, we have adopted an operational control approach for consolidation. By adopting an operational control approach, we ensure that our reporting accurately reflects the emissions associated with our day-to-day operations, enabling us to take targeted action to reduce our carbon footprint.

GHG Scope 1 emissions

GHG Scope 1: 733,520 metric tons of CO₂ equivalent (CO₂eq). These emissions encompass the direct greenhouse gas emissions resulting from sources that are owned, or controlled by, the company, including fuel combustion from vessels. In our calculations, we have included emissions of CO₂, N₂O and CH₄ to provide a comprehensive assessment of our Scope 1 carbon footprint. This ensures that all significant greenhouse gases emitted directly from our operations are accounted for.

Our emission calculations for Scope 1 emissions are based the aggregation of data from all vessels through their verified Fuel Oil Consumption Reports (FOCR) for the year 2022 and we have used emission factors as described by the International Maritime Organization (IMO)

GHG Scope 2 emissions

GHG Scope 2: 106.23 metric tons of CO₂ equivalent (CO₂eq). These emissions represent indirect greenhouse gas emissions associated with the consumption of purchased electricity used in our operations.

Our emission calculations for GHG Scope 2 emissions are based on the aggregation of all electricity bills for the year 2022. We calculate the total energy consumption in kilowatt-hours (kWh) and then convert it to metric tons of CO₂ using the emission factor provided by NEEFE for Greece.

The base year for our GHG Scope 1 & 2 emissions reporting is 2022, as this marks the first complete ESG report of the company.

Contships is currently in the process of evaluating specific actions and metrics for implementation in line with GHG Scope 3 emissions and developing strategies for GHG reductions across our value chain.

We are also pleased to announce a significant milestone in our sustainability journey. Our efforts have resulted in an annual carbon dioxide (CO₂) savings of 41.4 metric tons.

6.1.2 OTHER EMISSIONS PERFORMANCE

We provide a comprehensive overview of our emissions across various pollutants, including NO_x, SO_x, CH₄, N₂O and PM₁₀.

NO_x emissions

NO_x: 15,306 metric tons

Sulfur Oxides (SO_x)

SO_x: 2,043 metric tons

Methane (CH₄) emissions

CH₄: 11.5 metric tons

Particulate matter (PM₁₀) emissions

PM₁₀: 846 metric tons

Nitrous Oxide (N₂O) emissions

N₂O: 41.4 metric tons

6.2 ENERGY EFFICIENCY

Improving energy efficiency is a key priority for Contships. From 1 January 2023, it will become mandatory for all ships to calculate their attained Energy Efficiency Existing Ship Index (EEXI) to measure their energy efficiency and to continue the collection of data from 2018 for the reporting of their annual operational carbon intensity indicator (CII) and CII rating.

We have been working on evaluating our vessels' performance and examining measures to improve energy efficiency and Carbon Intensity Indicator (CII) rating. The CII is a measure of how efficiently a ship transports goods or passengers and is given in grams of CO₂ emitted per cargo-carrying capacity and nautical mile. The ship is then given an annual rating ranging from A to E, whereby the rating thresholds will become increasingly more stringent towards 2030.

At Contships, we monitor our vessels' CII ratings through a comprehensive and continuous process:

We collect and analyze data on key performance indicators, including maintenance records, fuel consumption, voyage reports and inspection reports. This helps us identify trends and areas needing improvement.

We perform regular evaluations of our vessel operations and performance, including safety

inspections, risk assessments and operational audits. These assessments help us spot potential problems early and address them before they escalate.

We involve our crew, management and charterers in the evaluation process. Gathering their perspectives and experiences helps us pinpoint areas for improvement and ensures a holistic approach to performance enhancement. For example, we empower the crew and personnel to reduce consumption and emissions by educating them about best practices for efficient operation and maintenance of equipment, as well as raising awareness about the environmental impact of their actions. This training may include sessions on fuel-efficient navigation techniques, proper use of onboard machinery, waste management procedures and adherence to emission control regulations.

In addition, we have been in discussions with our charterers exploring the potential implementation of energy-saving measures onboard our vessels. This includes optimizing engine performance and the installation of energy-efficient equipment and systems.

We track the results of our efforts to improve our vessels' CII ratings. Regular monitoring helps us assess the effectiveness of actions taken and identify areas where additional efforts are necessary.

We systematically gather and analyze data from our ship operations and share it on a regular basis with our charterers.

We regularly review and update our vessel operations, processes and procedures. Integrating new technology and best practices as they become available ensures ongoing improvement in safety and performance. For example, our investment in software solutions, such as the Port Power Management System, plays a pivotal role in sustainability. This involves monitoring and controlling the flow of electricity to various ship operations, such as the consumption at berth, cargo handling and domestic power demand. By optimizing power usage and reducing wastage, the port power management systems help enhance energy efficiency, reduce emissions and minimize operational costs.

It is in the company's best interest to contribute to the formation and revision of upcoming and existing legislation by providing data and information to renowned international regulatory bodies. Contships Management Inc. is actively raising awareness around the Carbon Intensity Indicator and its applicability on short-sea shipping. The company is planning to work alongside the International Chamber of Shipping to highlight the shortfalls of the CII on feeders' nature of business and is planning to submit a study for consideration in the upcoming Marine Environment Protection Committee (MEPC) committee of IMO for consideration.

Energy Performance

Offices: Our total energy consumption amounts to 1,014,480 MJ, encompassing a combination of non-renewable and renewable energy sources utilized throughout our operations. Although renewable energy usage within the fleet is not currently feasible, Contships reports a weighted average of 39% renewable energy consumption within the organization.

The total energy consumed from non-renewable sources is reported to be 618,832 MJ.

Contships has reported a total fuel consumption from renewable sources amounting to 395,647 MJ. Additionally, electricity consumption accounts for 281,800 kWh, with a significant portion of this of renewable energy usage.

Fleet: A significant percentage (53.67%) of the total fleet energy consumed is attributed to heavy fuel oil. The total fuel consumed by the fleet amounts to 55.22%.

The average Energy Efficiency Design Index (EEDI) for new ships within the fleet is reported to be 19.43, indicating a commitment to enhancing energy efficiency and sustainability in vessel operations.

The Annual Efficiency Ratio (AER) value for 2022, expressed as 20.62gr/DWT miles, serves as a critical metric in assessing the environmental performance

and efficiency of our shipping operations. This value represents the amount of fuel consumed per mile traveled per deadweight ton (DWT) of ship.

Achieving a favorable AER value requires a multifaceted approach, including investments in fuel-efficient

technologies, operational optimizations and ongoing performance monitoring. By continuously striving to improve our AER value, we demonstrate our dedication to environmental stewardship and sustainable shipping practices.

6.3 WASTE MANAGEMENT

At Contships, we are committed to upholding the highest standards of environmental stewardship and regulatory compliance in our waste management practices. Through ongoing evaluation, improvement and collaboration with stakeholders, we strive to minimize our environmental impact and contribute to a sustainable future for marine ecosystems.

Our waste management activities are closely aligned with key regulations such as Marpol 73/78 – regulation 17 and Marpol Annex V as per MEPC 277(70) Part 1. These regulations govern the proper handling and disposal of various types of waste generated during vessel operations.

The types of waste typically generated include:

Garbage: This includes plastic, food wastes, domestic wastes, cooking oil, operational wastes, electrical wastes, medical, pyrotechnic waste and other.

Discharge of Sewage: Proper disposal of sewage is crucial to prevent environmental pollution and ensure compliance with regulatory requirements.

Discharge of Sludge and Bilge Water: Proper handling and disposal of sludge and bilge water are essential to prevent pollution of marine ecosystems.

While there is currently no dedicated process for maintaining records of solid waste management

activities, we are committed to improving our environmental footprint through proactive measures.

To this end, we have established the following best practices:

Minimize Discharge of Oil: We always minimize the discharge of oil into the sea by adhering to the 15 PPM standard and discharge bilge water to shore facilities where feasible.

Minimize Use of Incinerators: We seek to minimize the use of incinerators for garbage and sludge disposal and instead opt for shore facilities for more environmentally friendly disposal while all incinerators have been decommissioned.

In addition, we are implementing a procedure in 2023 to evaluate our progress in enhancing environmental sustainability. This involves maintaining and assessing data collected over time to measure each vessel's environmental footprint. Dedicated forms have been developed to measure each vessel's footprint statistically, enabling further evaluation and action.

Furthermore, we acknowledge the importance of proper waste handling by approved shore facilities and offshore professionals. Segregation of waste on board is conducted as per the Garbage Management Plan (GMP) and recycling initiatives are enhanced through collaboration with offshore professionals.

We value responsible waste management practices in both our fleet and office operations and in 2023 we will conduct an internal assessment to determine the appropriate methodology for measurement and reporting of waste generated both from office operations and fleet activities.



By continuously striving to improve our AER value, we demonstrate our dedication to environmental stewardship and sustainable shipping practices.

6.4 WATER MANAGEMENT

At Contships, our interaction with water primarily involves two categories: fresh potable for domestic use and seawater used for ballast and central cooling. We are committed to responsible water management practices both on board our vessels and in our office facilities.

On-Board Vessels

Seawater for Ballast and Cooling: Seawater is used for ballast operations to maintain the stability of our vessels during loading and unloading of cargo and during her voyage. Additionally, seawater is utilized for central cooling systems to regulate temperature onboard. We adhere to relevant regulations and best practices to minimize the environmental impact of seawater usage.

Produced Fresh Water: Produced fresh water is generated by the fresh water generator onboard our vessels. This system converts seawater into fresh water for internal use by the vessel, machinery cooling and sanitation purposes.

Office Facilities

Bottled/Potable Water: In our office facilities, we utilize bottled/potable water for human consumption. This water is sourced from municipal suppliers and meets all quality and safety standards for drinking purposes.

Third-Party Water

We also monitor fresh water for human consumption & cooking, the use of third-party water, including bottled water supplied on board our fleet vessels and fresh water supplied by third-party offshore facilities.

Water-Related Impacts

As our vessels primarily operate at sea, our water-related impacts are limited to onboard activities such as ballast operations and freshwater generation. We prioritize compliance with regulations and industry best practices to minimize any potential adverse impacts on marine ecosystems.

At Contships, we are committed to responsible water management practices and continuously strive to reduce our environmental footprint. Through ongoing evaluation and improvement of our water usage processes, we aim to contribute to the conservation and sustainable use of water resources.

6.5 MARINE PROTECTED ECOSYSTEM

We recognize the significance of minimizing the impact of shipping activities on marine protected areas and areas of protected conservation status. While we currently do not have a dedicated procedure for documenting and calculating the specific metric related to shipping duration in these areas, we are committed to incorporating it into our procedures in 2023 as follows:

Procedure Development: We have developed a dedicated procedure for documenting and calculating the duration our vessels are in marine protected areas and areas of protected conservation status. This procedure outlines the methodology for collecting relevant data and measuring the duration of shipping activities in these areas.

Assessment and Methodology: An assessment will be conducted to determine the applicable methodology for calculating the shipping duration in protected areas. This assessment will consider factors such as vessel tracking data, GPS coordinates and established boundaries of protected areas. We will collaborate with industry experts and stakeholders to ensure the methodology aligns with best practices and regulatory requirements.

Implementation: Once the methodology is determined, we will implement the procedure for

documenting and calculating the shipping duration in protected areas. This will involve training our staff and crew members on the new procedures and ensuring compliance with the established guidelines.

Continuous Improvement: We are committed to continuously reviewing and improving our procedures for monitoring and minimizing the impact of shipping activities on protected areas. Feedback from stakeholders, ongoing assessments and advancements in technology will inform our efforts to refine our approach and enhance environmental stewardship.

By incorporating the shipping duration metric into our procedures and implementing a robust methodology, we aim to demonstrate our commitment to responsible shipping practices and environmental conservation.

Ballast Water Treatment (BWT) systems

As part of our commitment to environmental protection, we are proactively installing Ballast Water Treatment (BWT) systems on all our vessels so as to be compliant on the due date. These systems are designed to treat ballast water and ensure compliance with international regulations regarding ballast water discharge.

Thorough Evaluation and Assessment: Before installation, each Ballast Water Treatment System undergoes thorough evaluation and assessment conducted by reputable organizations such as the IMO, the US Environmental Protection Agency (EPA) and the European Union (EU). These assessments ensure that the systems meet stringent regulatory standards and effectively mitigate the risk of invasive species transfer.

2022 Ballast Water Exchange Volume: In 2022, our fleet exchanged a total volume of 761,958 m³ and treated volume of 574,129 m³ of ballast water. This exchange process is an essential component of our ballast water management strategy, helping to minimize the introduction of invasive species.

By implementing robust ballast water management practices and investing in advanced treatment systems, we demonstrate our commitment to environmental sustainability and responsible maritime operations.





SOCIAL RESPONSIBILITY

7. SOCIAL RESPONSIBILITY

7.1 PEOPLE HIRE

During 2022, Contships experienced a total of 40 new employee hires, representing a 31% increase in our workforce. These new hires were distributed across different age groups and genders. Among the new employees, 37.5% were under the age of 30, with 12 males and 3 females. In the age group of 30-50, comprising 60% of new hires, there were 19 males and 5 females. Only 2.5% of new hires were over the age of 50, with one male employee only.

Additionally, employee turnover during the same period amounted to 31 individuals, constituting a turnover rate of 24%. Similar to new hires, turnover was also stratified by age group and gender. Notably, turnover was highest among employees aged 30-50, with 58% being male and 16% female of the total. In contrast, turnover rates for employees under 30 and over 50 were relatively lower, at 10% and 16% of the total, respectively, with the majority being male. These statistics provide insight into the demographic composition of our workforce and turnover trends, which inform our human resources strategies and recruitment efforts.

It is significant to make a reference to our Company's scheduled annual attendances at our crew manning agencies in the Philippines in line with the Company's commitment towards continuous operational improvement and focus on the human element being recognised as a key priority for the safety of life on board ships.

The company's top management attended 'Vega Manila' offices at Iloilo on 01/11/2022 and at Manila on 02/11/2022, 'Marlow Navigation' offices on 05/11/2022, 'Marine Partners' offices and 'Uniteam' offices on 06/11/2022. Additionally the company representatives visited other manning agencies with the aim to explore the possibilities of future collaborations.

During the subject visits, thorough and fruitful discussions took place based on a structured agenda and presentation analysis including, but not limited to, past year's performance results of seafarers, any challenges/ issues faced, performance improvements and suggestions. The company always takes this opportunity to exchange and share views on future visions and goals.

7.2 PEOPLE TRAINING & DEVELOPMENT

Training on Board

The training of seafarers on board is a critical component of ensuring their competency and readiness to handle various operational scenarios. Under the guidance of the vessel's Master, the following training activities are conducted on board:

- A. Safety and Pollution Prevention Drills and Tests: Regular drills and tests are conducted in line with the Emergency Response Plan (ERP) to familiarize seafarers with safety protocols and pollution prevention measures, ensuring they are well-prepared to respond to emergencies effectively.
- B. Safety Meetings: Scheduled safety meetings and reporting provide a platform for seafarers to discuss safety concerns, share best practices and receive updates on safety-related matters, fostering a culture of continuous improvement in safety standards.
- C. Fleet Instructions: Seafarers receive on-the-job instructions and guidance during their work assignments, allowing them to apply theoretical knowledge to real-world situations and develop practical skills.
- D. Training Sessions and Presentations: Formal training sessions and presentations are organized to cover specific topics relevant to seafaring, including navigation, ship handling, firefighting and first aid. These sessions are conducted by company's superintendents.

Training Ashore:

In cases where certain training needs cannot be fulfilled on board, such requirements are documented in the seafarers' records. It is our company's policy to prioritize the employment of seafarers who have completed all necessary training. However, in exceptional circumstances, seafarers with deferred training needs are required to satisfy these requirements either before re-engagement or immediately upon joining the company. Seafarers are responsible for identifying relevant seminars or courses related to their training needs and providing evidence of their attendance to the company.

Key Objectives:

Ensure that seafarers receive comprehensive training, both on board and ashore, to enhance their knowledge, skills and competency.

Promote a culture of safety and pollution prevention through regular drills, meetings and training sessions.

Provide seafarers with the resources and support they need to fulfill their training requirements and advance their professional development.

People Development

In line with our commitment to nurturing talent and fostering professional growth, Contships is currently in the process of developing a structured procedure for performance and career development reviews. This initiative, slated to take effect from 2024, aims to provide seafarers with opportunities for advancement and continuous improvement throughout their careers with us.

Key Objectives:

Identifying Training Needs: The Crew Evaluation System (CES) enables us to pinpoint areas where seafarers may require additional training or development, ensuring that they possess the necessary skills and knowledge to excel in their roles.

Promoting Continuous Learning: The introduction of performance and career development reviews will facilitate ongoing feedback and coaching, empowering seafarers to continually enhance their skills and competencies.

Supporting Career Progression: By establishing a formalized review process, we aim to create clear pathways for career advancement within the company, allowing seafarers to pursue rewarding and fulfilling careers at sea.



7.3 HEALTH & SAFETY

The Company's objectives regarding Health, Safety & Environmental Management are as follows:

Safe Practices in Ship Operations and Working Environment:

Our primary objective is to ensure safe practices in all ship operations and provide a safe working environment for our personnel. This includes adhering to industry best practices, implementing robust safety protocols and fostering a culture of safety consciousness among our crew members.

Prevention of Damage to Ship, Cargo and Environment:

We are committed to preventing damage to our vessels, their cargo and the marine environment. This involves implementing rigorous maintenance procedures, conducting regular inspections and adhering to strict environmental regulations to minimize the risk of pollution incidents.

Risk Assessment and Safeguards:

We continuously assess all identified risks to our ships, personnel and the environment and establish appropriate safeguards to mitigate these risks. This proactive approach allows us to identify potential hazards and implement preventive measures to prevent accidents and incidents.

Prevention of Loss of Human Life and Personal Injury:

Our paramount concern is the safety and well-being of our crew members. We strive to prevent loss of human life and personal injury by implementing comprehensive safety training programs, providing necessary safety equipment and promoting a safety-first culture onboard our vessels.

Promotion of Occupational Safety and Health:

We are committed to ensuring that the work environment onboard our ships promotes occupational safety and health. This includes providing adequate resources and support to address safety concerns, conducting regular safety audits and fostering open communication channels between management and crew members.

Continuous Improvement of Safety Management Skills:

We are dedicated to continuously improving the safety management skills of personnel ashore and aboard ships. This involves providing ongoing training and development opportunities, conducting regular drills and exercises to prepare for emergencies and staying abreast of the latest industry trends and best practices in safety, health and environmental protection.

Occupational Health & Safety Management System

At Contships, we prioritize the safety and well-being of our employees, contractors and all individuals working on behalf of the company. We have implemented an occupational health and safety management system based on recognized standards and guidelines, including the ISO standards, the International Safety Management (ISM) Code, the Maritime Labour Convention (MLC) Convention, the International Labour Organization (ILO) and the Flag State laws. These standards provide a framework for identifying hazards, assessing risks and implementing controls to mitigate workplace hazards effectively.

This system applies to all personnel, both on board our vessels and at our premises and outlines their responsibility and accountability for safe performance while at work and promoting safe behavior outside of work. We acknowledge the importance of creating a culture of safety consciousness and ensuring that all employees understand their role in maintaining a safe and healthy workplace.

By implementing a robust occupational health and safety management system, we demonstrate our commitment to safeguarding the well-being of our employees, contractors and all individuals associated with our operations. We continuously strive to identify and address potential hazards, promote a culture of safety and ensure compliance with all relevant regulations and standards in the maritime industry.

Mechanisms for Identifying Work-related Hazards & Assessing Risks

Mechanisms for identifying work-related hazards and assessing risks are crucial components of a comprehensive occupational health and safety management system:

Near Miss Reporting: Both onboard and ashore, near miss incidents are reported to identify potential hazards and assess risks before they result in accidents or injuries. This reporting mechanism allows us to capture incidents that may have otherwise gone unnoticed and implement corrective actions to prevent future occurrences.

Non-conformances, Accidents, Hazardous Occurrences and Occupational Injuries and Diseases Reporting: Our procedures include reporting mechanisms for non-conformances, accidents, hazardous occurrences and occupational injuries and diseases. These reports provide valuable insights into areas where safety measures may be lacking or where improvements can be made to prevent incidents.

Planned Maintenance System: The Planned Maintenance System is utilized to ensure that maintenance tasks are conducted at specified intervals to mitigate the risk of equipment failures and associated hazards. This systematic approach helps in identifying potential risks associated with equipment malfunction or breakdowns.

DOC Audit and Internal Audits: ROs conduct DOC audits on behalf of Flag States and internal audits are carried out by qualified internal auditors to ensure compliance with company and other regulatory requirements and industry standards.

Superintendent Attendance: Company superintendents attendances onboard fleet vessels to assess safety performance and identify potential hazards including, but not limited to, verify that all activities and procedures required by the SMS are properly carried out, organize supply and distribution of adequate resources, identify jobs on board and evaluate their proper handling and follow up.

Protection Against Reprisals: Near miss reporting, report of non-conformances, accidents, hazardous occurrences and occupational injuries and diseases, as well as the Planned Maintenance System, are implemented with a clear policy that protects crew members against reprisals. The focus is on collecting evidence to identify root causes and improve safety and health conditions rather than attaching blame to employees.

Risk Assessment Policy: Crew members are required to comply with the Risk Assessment policy onboard vessels to ensure that adequate risk control procedures are implemented. Risk assessments are used to identify and manage hazards onboard and crew members are expected to complete onboard risk assessment forms to document agreed control actions.

Investigation and Follow-up Procedures: Upon being advised of the issue, designated company personnel conduct thorough investigations in line with company procedures. This includes:

- Identifying root causes of the problem.
- Determining actions needed to correct the problem and eliminate root causes.
- Implementing corrective and preventive actions in a timely manner.
- Applying verification controls to ensure effectiveness of corrective and preventive actions.

Findings from investigations are documented and analyzed at a Top Management level to assess and determine necessary improvements to the Safety Management System (SMS).

Health & Safety Crew Participation

Crew participation and consultation in the development, implementation and evaluation of the occupational health and safety management system are essential components of a robust safety culture. The following outlines the processes for crew participation and consultation, as well as the responsibilities of committees for managing health and safety onboard vessels:

Management of Change Request: This system allows the crew to propose justified changes, improvements, or amendments to the company's health and safety system and equipment. It provides a structured process for evaluating proposed changes and ensuring that they align with safety standards and regulations.

Onboard Familiarization Checklist: This checklist ensures that every newly joining seafarer receives comprehensive familiarization and training regarding safety and environmental procedures. It ensures that new crew members are briefed on their safety responsibilities and their specific duties onboard, promoting a culture of safety awareness from the outset.

Seafarers Training Programme

Our Seafarers Training Programme encompasses both on-board and ashore training to ensure that seafarers are adequately equipped with the necessary skills and knowledge for safe and efficient operations. Below are the components of the training programme:

Training on Board: Safety and Pollution Prevention Drills and Tests: Regular drills and tests are conducted on board to familiarize seafarers with emergency procedures, safety protocols and pollution prevention measures. These drills include, but not limited to, fire drills, abandon ship drills and oil spill response drills.

Training Sessions and Presentations: Formal training sessions and presentations are organized on board to cover specific topics such as machinery operation, use of safety equipment, navigation procedures and compliance with regulatory requirements.

Field Instructions: Practical instructions are provided during work activities to ensure that seafarers understand and adhere to safe operating procedures and best practices.

Evidence of Attendance: Seafarers are required to provide evidence of their attendance at the training sessions or courses to the company, ensuring that they have acquired the necessary skills and knowledge before re-engagement or joining the vessel.



Health and well-being of our seafarers

Ensuring the health and well-being of our seafarers is a top priority for our company. As such, all seafarers are provided with standard medical and healthcare services in accordance with the terms outlined in their contracts. These services include:

Pre-Employment Medical Examinations: Before joining a vessel, seafarers undergo thorough medical examinations to ensure they meet the required health standards for seafaring. These examinations assess various aspects of their health, including physical fitness, vision, hearing and overall well-being.

Onboard Medical Facilities: Our vessels are equipped with adequate medical facilities and supplies to address minor illnesses, injuries, or medical emergencies that may arise during voyages. Trained medical personnel is available to provide immediate medical assistance to seafarers.

Emergency Medical Evacuation: In cases of serious illness or injury requiring advanced medical care beyond the capabilities of onboard facilities, arrangements are made for emergency medical evacuation. The vessel may deviate to the nearest port, the seafarers may be airlifted to the nearest medical facility or transferred to another vessel with better

medical facilities, depending on the severity of the situation and the vessel's location.

Access to Healthcare Professionals: Seafarers have access to healthcare professionals either onboard or through telemedicine services. They can consult with medical professionals for medical advice, treatment recommendations, or medication management as needed.

Medical Insurance Coverage: Our company provides comprehensive medical insurance coverage for seafarers, which includes coverage for medical expenses, hospitalization, emergency evacuation and repatriation in case of illness, injury, or death during their employment.

Health Promotion and Education: We promote health and wellness among our seafarers through various initiatives, including health promotion campaigns, educational materials and access to resources for maintaining physical and mental well-being while at sea.

Overall, our commitment to providing standard medical and healthcare services ensures that our seafarers receive the necessary support to maintain their health and safety while carrying out their duties onboard our vessels.

On board complaint procedure

Contships has implemented an on board complaint procedure aimed at preventing or mitigating significant negative occupational health and safety impacts directly linked to its operations and services by its business relationships. The purpose of this procedure is to ensure fair, effective and expeditious handling of seafarer complaints alleging breaches of the Maritime Labour Convention (MLC) 2006 onboard our vessels.

Key components of the on-board complaint procedure include:

Complaint Form: An on-board complaint form is available to seafarers, enabling them to document and report any complaints related to occupational health and safety issues or breaches of the MLC 2006. This form provides a structured format for capturing relevant information about the complaint, including details of the alleged breach, date, time, witnesses and any supporting evidence.

Record Keeping: All complaints received are recorded and documented using the on-board complaint form. This ensures that there is a clear record of each complaint, including the nature of the issue raised, actions taken in response and any follow-up measures implemented to address the complaint.

Investigation and Resolution: Upon receiving a complaint, the designated person ashore (DPA)

initiates an investigation to assess the validity and severity of the alleged breach. This may involve gathering additional information, interviewing relevant parties and conducting a thorough review of the circumstances surrounding the complaint. Based on the findings of the investigation, appropriate corrective or preventive actions are determined and implemented to address the root cause of the issue and prevent recurrence.

Follow-Up and Monitoring: Following the resolution of a complaint, the company monitors the effectiveness of the implemented actions and conducts follow-up reviews to ensure that the issue has been adequately addressed. Any lessons learned from the complaint handling process are documented and used to inform improvements to the company's occupational health and safety management system.



7.4 HEALTH & SAFETY PERFORMANCE

Below we provide insights into the company's performance in accident and safety management, highlighting areas of improvement and the effectiveness of safety measures in place to ensure maritime safety and compliance with regulatory requirements.

Lost Time Injury Rate per 1mil hours worked (LTIR):

A very low rate of injuries (1.61) resulting in lost time from work. This metric reflects the effectiveness of the company's health and safety measures in preventing workplace injuries and ensuring employee well-being.

Number of Very Serious Marine Incidents: We have 3 marine incidents in total for the reporting year. From these 3 casualties, we can deduce that nil incidents fall under the very serious marine casualty category as per SASB standards.

Number of Conditions of Class or Recommendations:

There were 193 conditions of class or recommendations issued, indicating areas where improvements or corrective actions are required to maintain

compliance with classification society standards and recommendations for safe vessel operation.

Number of Port State Control (PSC) Deficiencies and Detentions:

184 deficiencies were identified during Port State Control inspections. These deficiencies may include non-compliance with international maritime regulations, safety equipment deficiencies, or operational shortcomings.

Three vessels were detained by Port State Control authorities due to safety related issues or non-compliance issues. Vessel detentions are rare occurrences and indicate significant regulatory or safety compliance issues that require immediate rectification.

7.5 DIVERSITY, EQUITY AND INCLUSION

We acknowledge that Diversity, Equity and Inclusion (DEI) are essential pillars of our corporate ethos and are integral to our long-term sustainability and success. We are committed to fostering a workplace culture where every individual feels valued, respected and empowered to contribute their unique perspectives and talents.

We believe that diversity drives innovation and creativity. As such, we are committed to building a diverse workforce that reflects the communities we serve and the global nature of the maritime industry. We actively recruit talent from a wide range of backgrounds, including different genders, ethnicities, cultures, abilities and experiences.

We are dedicated to promoting equity and fairness in all aspects of our operations. We strive to create a level playing field where every employee has access to opportunities for advancement, regardless of

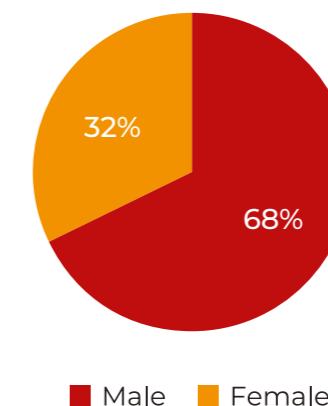
their background or identity. We are committed to identifying and addressing systemic barriers and biases that may exist within our company.

We are committed to providing equal employment opportunities for all employees, regardless of race, color, religion, gender, sexual orientation, gender identity or expression, national origin, age, disability, marital status, or any other protected status. Our hiring and promotion decisions are based on merit, qualifications and performance.

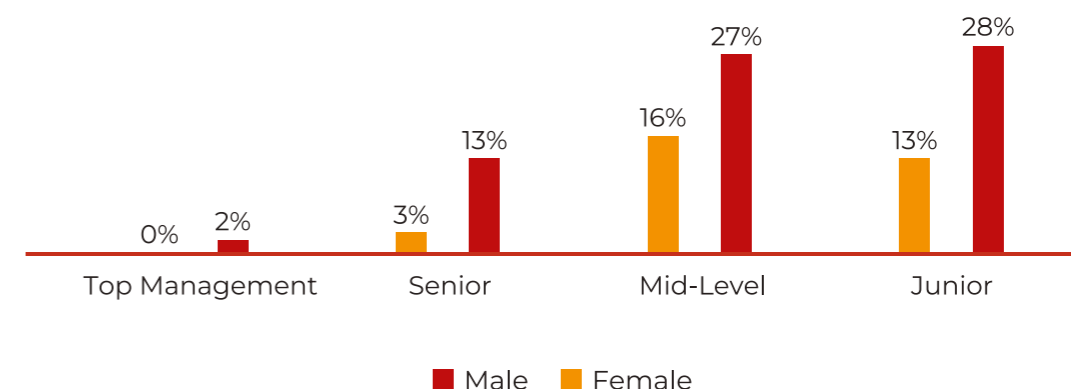
We have developed policies and set specific goals and targets for advancing diversity, equity and inclusion within our company. These plans include initiatives to increase representation at all levels of the company, enhance diversity training and education programs and strengthen our commitment to equity and fairness.

We track the representation of diverse groups within our workforce as follows:

The percentage of male to female is:



Gender distribution across different management levels within the company:



There is no salary differential between men and women based on similar age, education, marital status and experience.

7.6 LABOR PRACTICES

Contships is committed to upholding the principles of freedom of association and collective bargaining for all employees, including seafarers.

We are committed to compliance with relevant local, national and international laws and regulations related to labor rights, human rights and anti-corruption measures. We enforce strict policies and procedures to ensure compliance with international labor standards.

In the interest of health, safety and protection of minors, we have established a policy that prohibits the employment of individuals below the age of 18 on ships managed by our company. This policy

applies to all seafarers directly employed by us or recruited through service agents.

We conduct rigorous risk assessments for all employees recruited directly by our company. For seafarers recruited through service agents, we only engage licensed or certificated agents who comply with MLC 2006 provisions. In cases where agents are based in countries not covered by the MLC 2006, we require evidence of compliance through third-party audits or certification from competent authorities.

We are planning to apply similar principles to our suppliers, third parties and contractors.

Before engaging with any external partners, we will conduct internal risk assessments to evaluate their suitability and ensure alignment with our values and standards. We want to prioritize suppliers and contractors who demonstrate positive impacts on the environment, society and the economy.

We adhere strictly to the guidelines outlined in the Maritime Labour Convention (MLC) 2006 to ensure the well-being and rights of our crew members. Our Crew department is tasked with ensuring that all employment conditions on board align with the standards set forth in the MLC 2006. This includes provisions related to working hours, accommodation, food and catering, medical care and other essential aspects of seafarers' welfare.

For seafarers employed through recruitment and placement service agents, it is the responsibility of these agents to ensure compliance with MLC 2006 standards and its amendments. We work closely with our agents to verify that all employment agreements and conditions meet the requirements outlined in the convention.

Our Seafarers' Employment Agreements (SEAs) are comprehensive documents that incorporate relevant laws and regulations from the flag administration, national authorities and any applicable collective bargaining agreements. These agreements are designed to protect the rights and interests of seafarers while ensuring compliance with international standards.

7.7 HARASSMENT AND BULLYING POLICY

We value the importance of fostering a culture of dignity, respect and professionalism among all employees and we are committed to providing a respectful and inclusive work environment free from harassment and bullying of any kind.

Our policy strictly prohibits all forms of harassment or bullying, including verbal, physical, or written conduct, based on protected characteristics such as sex, race, color, creed, religion, age, sexual orientation, national origin, disability, marital status, alienage or citizenship status, genetic predisposition or carrier status, veteran status, or any other classification protected by law.

All officers and managers are responsible for ensuring that no staff member is subjected to harassment or bullying in any form. This policy extends to conduct that affects employment decisions or creates an intimidating, hostile, or offensive work environment.

Zero Tolerance Policy

We maintain a zero-tolerance policy towards harassment or bullying. Any violation of this policy will result in disciplinary action, including dismissal. This applies to all employees, including officers, managers, supervisors and fellow colleagues.

This policy also extends to protect employees of customers, vendors and other business partners from harassment or bullying. Our employees are prohibited from treating individuals from these entities in a manner inconsistent with our guidelines.

Employees who experience or witness harassment or bullying are encouraged to report it promptly to their manager or the Chief Operating Officer (COO). We take all reports seriously and will conduct thorough investigations into any allegations.

We are committed to protecting the confidentiality of individuals who report harassment or bullying. Employees who come forward with complaints will be provided with appropriate support and assistance throughout the investigation process.

7.8 COMMUNITY CONTRIBUTION

We are committed to making a positive impact by contributing to social development, supporting local initiatives and fostering meaningful relationships with community stakeholders.

Key Areas of Community Contribution:

Philanthropy and Donations: We allocate resources to support charitable organizations, community projects and initiatives that address critical social issues such as education, healthcare, poverty alleviation and environmental conservation. Through financial contributions and in-kind donations, we strive to make a meaningful difference in the lives of those in need.

Community Contributions and Private Philanthropy Since 2018:

2020:

Hellenic Coast Guard Support:

Dr. George Pateras, President of the Hellenic Chamber of Shipping, delivered 25,000 masks to Admiral Theodoros Kliaris of the Hellenic Coast Guard. Additionally, 200 single-use safety uniforms were provided over the following month.

Island Community Support:

10,000 masks were delivered to the Harbour Master of Chios Island and the Mayor of Oinoussais Island.

Support to the Office of the President of the Hellenic Republic:

5,000 masks were donated to the office of the President.

2018 to Present:

Evangelismos Hospital:

Continuous donations for the renovation of the building, acquisition of new medical equipment and provision of medical devices and supplies.

These contributions reflect Contships commitment to supporting healthcare, religious institutions and public health initiatives in Greece.

Volunteerism: Our employees are encouraged to participate in volunteer activities and community service projects. We provide opportunities for staff members to donate their time, skills and expertise to local organizations and causes, fostering a culture of giving back and social responsibility. In light of this, key members of our staff and management team are strongly committed to this endeavor by voluntarily participating in various teaching and lecturing programs at dedicated universities with Maritime courses, with the aim to make a significant contribution to the teaching of the attributes of shipping to the younger generations.

2021 to Present:

Eginitio Hospital:

Ongoing donations for the total renovation of patient rooms and intensive care units, including the full provision of new medical equipment, devices and supplies.

2018 to Present:

Hellenic Church:

Continuous contributions for the restoration of temples and accommodation areas and delivery of church equipment and supplies to various churches in Greece. Notable projects include:

Renovation of St. George's Church at Rizari Park in Athens (2018).

Renovation of St. Nikolas Church of the Poorhouse (2018).

CORPORATE GOVERNANCE



8. CORPORATE GOVERNANCE

We uphold the highest standards of governance to ensure transparency, accountability and ethical conduct in all aspects of our operations.

8.1 BUSINESS ETHICS

Our Anti-Bribery and Corruption Policy outlines our zero-tolerance approach towards bribery and corruption and it applies to all employees and third parties performing duties for or on behalf of Contships, regardless of their employment status or location. Employees encompass officers, directors, representatives, crew and all other individuals working on behalf of the company. Third parties include agents, brokers, partners, consultants, contractors, joint venture partners and other representatives acting on behalf of the company. We are committed to upholding the highest standards of ethical conduct and complying with all relevant anti-bribery legislation, including the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act 2010 (BA). This policy serves to communicate our dedication to ethical business practices and to ensure that all employees and third parties associated with our company understand their responsibilities in preventing bribery and corruption.

Principles:

Fair Business Practices: All business transactions must be conducted based on fair and transparent principles, including price, quality, service and suitability to the Company's needs.

Compliance: Employees are always required to read and understand the Anti-Bribery and Corruption Policy and to adhere to their provisions.

Prohibition of Bribes: Any form of bribery or corruption, whether paid or received directly or indirectly, is strictly prohibited. There is no monetary threshold for defining a bribe and the mere offering of a bribe constitutes a criminal offense.

Global Application: These principles apply universally, without exception, in any country or jurisdiction where Contships operates or conducts business.

Guidelines:

Entertainment and Gifts: Employees must only give or receive entertainment, gifts, loans, or other benefits in accordance with the Company's Anti-Bribery and Corruption Policy. Any exchange of gifts or hospitality must be reasonable, proportionate and compliant with applicable laws and regulations.

Reporting Procedures: Any employee or third party who becomes aware of potential violations of this policy or anti-bribery legislation is required to report it immediately to the appropriate authorities within Contships. Reports will be treated confidentially and whistleblowers will be protected from retaliation.

Training and Awareness: We provide regular training and awareness programs to educate employees and business partners about the risks and consequences of bribery and corruption. Employees are encouraged to seek guidance from the Legal Department if they have any questions or concerns regarding compliance with the Anti-Bribery and Corruption Policy.

8.2 SUPPLIERS PERFORMANCE

We have implemented a supplier performance evaluation system to assess the performance of our suppliers. This evaluation considers various factors such as quality, delivery time, reliability and customer service.

Before engaging with suppliers, we conduct an internal risk assessment to evaluate the suitability of the supplier's business practices. This assessment ensures that our suppliers align with positive impacts on the environment, society and the economy.

While we currently evaluate suppliers based on performance and risk assessment, we acknowledge the need to formalize our process for assessing suppliers based on environmental criteria. In the future, we will develop a dedicated procedure to incorporate environmental considerations into our supplier selection process.

8.3 MEMBERSHIP ASSOCIATIONS

We are proud to be a member of several prestigious associations, reflecting our company's commitment to excellence, industry standards and sustainable practices in the maritime sector.

Our memberships include:



Member of the technical committee



Member of the technical committee



9. UN SUSTAINABLE DEVELOPMENT GOALS



Environment



Social



Governance

10. SASB INDEX

Below are the metrics of the SASB Standard for the Marine Transportation Sector.

Metric	Unit	Data	External Assurance
Number of shipboard employees	Number	2,004	
Total distance traveled by vessels	Nautical miles (nm)	2,476,813	
Operating days	Days	14,808.67	
Deadweight tonnage	Thousand DWT	639,718	
Number of vessels in total shipping fleet	number	46	
Number of vessel port calls	number	4,349	
Twenty-foot equivalent unit (TEU) capacity	TEU	50,514	
Gross global Scope 1 emissions	Metric tons (t) CO ₂ -e	733,520	✓
Description 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.			
Chapter 6.1.1			
(1) Total energy consumed, (2) percentage heavy fuel oil,	Gigajoules (GJ), Percentage (%)	9,901,900 GJ, 53.67%	
(3) percentage renewable	Gigajoules (GJ), Percentage (%)	0.010%	
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ per ton-nautical mile (qCO ₂ /t-nm)	19.43	
NO _x (excluding N ₂ O)	Mt (Metric Ton)	15,306	
SO _x	Mt (Metric Ton)	2,043.26	
Particulate Matter (PM ₁₀)	Mt (Metric Ton)	846	
Shipping duration in marine protected areas and areas of protected conservation status.	Time (Minutes, Hours, Days)	40 days (Auckland Trench Whale) 2,236 (ECA zone)	
Percentage of fleet implementing (1) ballast water exchange and (2) ballast water treatment	%	(1): 30.34% (2): 69.57%	✓
Number and aggregate volume of spills and releases to the environment	number	Nil	✓
Lost time injury rate (LTIR)	number	1.61	
Number of very serious marine incidents	number	zero	
Number of Conditions of Class or Recommendations	number	193	
Number of port state control (1) deficiencies and (2) detentions	number	(1) 184 (2) 3	
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	monetary value	Nil	
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	number	121	

11. GRI INDEX

GRI standard	Disclosure	Section
GRI 2	2-1: Organizational details	4
	2-2: Entities included in the organization's sustainability reporting	2
	2-5: External assurance	13
	2-6: Activities, value chain and other business relationships	4
	2-7: Employees	4.7
	2-9: Governance structure and composition	4
	2-15: Conflicts of interest	8
	2-22: Statement on sustainable development strategy	1
	2-23: Policy commitments	8
	2-24: Embedding policy commitments	5.8
	2-27: Compliance with laws and regulations	8
	2-28: Membership associations	8.3
	2-29: Approach to stakeholder engagement	5.1
	GRI 3	3-1: Process to determine material topics
3-2: List of material topics		5.2
3-3: Management of material topics		5
GRI 200	204: Procurement Practices 2016	8.1
	204: Procurement Practices 2016	8.2
	205: Anti-corruption 2016	8.1
	206: Anti-competitive Behavior 2016	8.1
GRI 300	302: Energy 2016	6.2
	303: Water and Effluents 2018	6.4
	304: Biodiversity 2016	6.4
	305: Emissions 2016	6.1
	306: Effluents and Waste 2016	6.3
GRI 400	306: Waste 2020	6.3
	401: Employment 2016	7.1
	403: Occupational Health and Safety 2018	7.3, 7.4
	404: Training and Education 2016	7.2
	405: Diversity and Equal Opportunity 2016	7.5
	406: Non-discrimination 2016	7.5
	408: Child Labor 2016	7.6
409: Forced or Compulsory Labor 2016	7.6, 7.7	
	413: Local Communities 2016	7.8

12. ESG INDEX

KPI	2022
Environment	
Average fleet Annual Efficiency Ratio (AER)	20.62
Scope 1 GHG emissions	733,520
Scope 2 GHG emissions	106.23
Fuel consumption	230,232
SOx emissions	2,043.26
NOx emissions	15,306
Total fleet and office Energy Consumption	9,901,900
Number and volume of spills and releases to the environment	0
Percentage of fleet equipped with EGCSs	0
Percentage of fleet equipped with BWTS	69.57%
Social	
Number of seafarers	2,004
Seafarers' retention rate	72% (as per MR 2022)
Employees ashore	128
Ratio of women to men	47.13
New employee hires	40 people (31%)
Percentage of employees with seagoing experience	25%
Number of very serious marine incidents	0
Lost Time Injury Frequency Rate (LTIFR)	LTIFR : 1.61
Number of hours of training (total)	836 hours
Governance	
Amount of legal and regulatory fines associated with bribery or corruption	0
Incidents of non-compliance with laws and regulations	0
Code of ethics	Yes
Human Rights Policy	Yes

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT



Chartered Accountants
Moore Stephens S.A.

93 Akti Miaouli
185 38 Piraeus, Greece
PO Box 80 132

T +30 213 0186 100

F +30 213 0186 101

E inno@moore.gr

www.moore.gr

Scope

We have been engaged by Contships Logistics Corp. (hereinafter “Contships”) to perform a “limited assurance engagement”, as defined by International Standards on Assurance Engagements (hereafter referred to as the “engagement”), to report on the Subject Matter listed below, contained in Contships’ English version of the 2022 ESG Report (hereinafter the “Report”) as of 26.07.2024 for the year ended 31.12.2022, for the period from 01.01.2022 to 31.12.2022:

1. Completeness of the disclosures contained in the Report against the Sustainability Disclosure Topics & Accounting Metrics from the SASB Marine Transportation Industry Standard.
2. Three (3) Sustainability Disclosure Topics & Accounting Metrics from the SASB Marine Transportation Industry Standard (indicated in the “External Assurance” column of the SASB Content Index, p.43).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report and accordingly, we do not express a conclusion on this information.

Criteria applied by Contships

In preparing the Subject Matter, Contships applied the SASB Marine Transportation standard (2018).

Contships’ responsibilities

Contships management is responsible for selecting the Criteria and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Moore Greece’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (“ISAE 3000” (revised)) and the terms of reference for this engagement as agreed with Contships on 29 November 2022. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria and to issue a report. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement. Moore Greece also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for, 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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

1. Reviewing information to substantiate data and statements regarding Contships' sustainable development performance, under the scope of our assurance engagement, as these are presented in the Report.
2. Conducting interviews with Contships' management and personnel responsible for managing, collating, reviewing and processing sustainability data reported for internal and reporting purposes, linked to the SASB Marine Transportation Industry Standard metrics (2018), under the scope of our assurance engagement (as indicated in the column "External Assurance" of the SASB Content Index found in p.43 of the Report).
3. Reviewing the Report for the appropriate transposition and presentation of the sustainability data linked to the SASB Marine Transportation Industry Standard metrics (2018), under the scope of our assurance engagement (as indicated in the column "External Assurance" of the SASB Content Index found in p.43 of the Report), including limitations and assumptions relating to how these data are presented within the Report.
4. Obtaining and considering information or explanations to substantiate key data, statements and assertions regarding the sustainability disclosures under the scope of our assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

Limitation of our Review

- Our review was limited to the English version of the Report for the year 2022. In the event on any inconsistency in translation between the English and other (if any) versions, as far as our conclusions are concerned, the English version of the Report prevails.
- Our work did not cover activities performed by third parties or the performance of any third parties, not our involvement in stakeholder engagement activities. In addition, it did not include any review of the accuracy of survey results assigned to third parties, nor Information Technology systems used by third parties, but was instead limited to the proper transposition of the final results -within the scope of our engagement- to the Report.
- Our review did not include financial data and the corresponding narrative text in the Report, nor the Information Technology systems used or upon which the collection and aggregation of data was based by the Company.
- We do not provide any assurance relating to future information such as estimates, expectations or targets, or their achievability.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 26.07.2024 for the year ended 31.12.2022, for the period from 01.01.2022 to 31.12.2022 in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Contships in accordance with the terms of reference agreed between us and is not intended to be and should not be used by anyone other than Contships.

Piraeus, 26 July 2024

Chartered Accountants Moore Stephens S.A.



contships-management.com

45, Vasilissis Sofias Avenue, Athens 106 76, Greece
+30 210 7267800
contact@contships-management.com